

BP AFRICA LIMITED
(Registered No. 1030652)

ANNUAL REPORT AND ACCOUNTS - 1996

Board of Directors:

Mr P.T. Davis

Mr F.T. Phaswana

REPORT OF THE DIRECTORS

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

Activities

The company continued to procure and supply such crude oil and products as the markets of its Central and East African oil marketing and refining undertakings required.

Financial Review

The profit for the year ended 31 December 1996 was £5,471,105, a decrease of £4,165,179 over the previous year due to lower trading volumes and dividends received from associated undertakings. No dividend is recommended for the current year, leaving a retained profit balance of £34,148,188 which is being carried forward.

Directors

Mr JMT Greensmith and Mr DHW Payne served as directors of the company throughout the financial year. Mr DS Mace and Mr JMT Greensmith resigned as directors on 30 November and 31 December 1996 respectively. Mr PT Davis and Mr FT Phaswana were appointed on 1 December 1996 and 1 January 1997 respectively. On 1 December 1997 Mr D. H. W. Payne resigned as director of the Company.

The interests of the directors holding office at 31 December 1996, and their families in the 25p ordinary shares of The British Petroleum Company p.l.c. were as set out below:

	<u>31 December</u> <u>1996</u>	<u>1 January</u> <u>1996 or date of</u> <u>appointment</u>
Mr PT Davis	12,951	12,951
Mr JMT Greensmith	3,262	6,638
Mr DHW Payne	12,575	19,250

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 1996 or date of appointment and 31 December 1996.

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



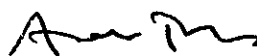
Policy with respect to payment of suppliers

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 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



Secretary

8 December 1997

Breakspear Park
Breakspear Way
Hemel Hempstead
Herts HP2 4UL

BP AFRICA LIMITEDAccounting PoliciesPresentation of Accounts

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

Group Accounts

Group accounts are not submitted as the company is a wholly-owned subsidiary undertaking of its ultimate holding undertaking, The British Petroleum Company p.l.c.

The income of associated undertakings is dealt with in the group accounts of the ultimate parent undertaking and only dividend income is reflected in the company's accounts.

As the ultimate parent undertaking has published a cash flow statement in compliance with Financial Reporting Standard No. 1, a cash flow statement is not presented in these accounts.

Depreciation

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives.

Dividends Receivable

Dividends receivable are brought to account in the year of declaration and, as a result of the uncertainty over the remittability of unpaid dividends, full provisions are made at year end against such unpaid amounts.

Stock Valuation

Stocks of oil are valued at cost using the first-in first-out method or at net realisable value, whichever is the lower.

Deferred Taxation

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

Foreign Currencies

All 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.



BP AFRICA LIMITED

Profit and Loss account for the year ended 31 December 1996

	<u>Note</u>	<u>1996</u> £	<u>1995</u> £
TURNOVER	1	38,856,679	39,143,557
Cost of sales		29,859,185	31,619,478
Gross profit		8,997,494	7,524,079
Distribution & administration expenses	2	6,789,903	4,725,910
		2,207,591	2,798,169
Other income	5	4,805,600	8,764,049
Amounts (provided)/released against debts due by subsidiary and associated undertakings	6	(1,136,590)	(1,334,575)
<u>PROFIT BEFORE TAXATION</u>		5,876,601	10,227,643
Taxation	7	405,496	591,359
<u>PROFIT FOR THE YEAR</u>		5,471,105	9,636,284
Retained profit at beginning of year		28,677,083	19,040,799
<u>RETAINED PROFIT AT 31 DECEMBER</u>		34,148,188	28,677,083

There are no recognised gains and losses other than the profit for the year.

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BP AFRICA LIMITED

Balance Sheet as at 31 December 1996

	<u>Note</u>	<u>1996</u> £	<u>1995</u> £
FIXED ASSETS			
Tangible assets	8	1	1
Investments	9	26,433,742	25,988,862
		<u>26,433,743</u>	<u>25,988,863</u>
CURRENT ASSETS			
Stocks of oil products	10	3,520,777	3,334,836
Debtors	11	40,146,002	33,863,621
Cash at bank		-	34,542
		<u>43,666,779</u>	<u>37,232,999</u>
CREDITORS			
Amounts falling due within one year	12	35,952,332	34,544,777
<u>NET CURRENT ASSETS</u>		<u>7,714,447</u>	<u>2,688,222</u>
<u>TOTAL ASSETS LESS CURRENT</u>			
<u>LIABILITIES</u>		<u>34,148,190</u>	<u>28,677,085</u>
CREDITORS			
Amounts falling due after more than one year	12	-	-
<u>SHAREHOLDERS' INTEREST</u>		<u>34,148,190</u>	<u>28,677,085</u>
Represented by:			
CAPITAL AND RESERVES			
Called up share capital	13	2	2
Profit and Loss account		34,148,188	28,677,083
		<u>34,148,190</u>	<u>28,677,085</u>



} Director

8 December

1997



BP AFRICA LIMITEDNotes to the Accounts1. **TURNOVER**

Comprises net sales proceeds, fees and commissions.

2. **DISTRIBUTION AND ADMINISTRATION EXPENSES**

	<u>1996</u>	<u>1995</u>
	£	£
Distribution expenses	3,470,995	2,275,801
Administration expenses	3,318,908	2,450,109
	<hr/>	<hr/>
	£6,789,903	£4,725,910
	<hr/>	<hr/>
Administration expenses include:		
Auditors' remuneration		
- audit fees	12,048	12,950

3. **DIRECTORS' EMOLUMENTS**

Directors received no fees from this company. Other emoluments not including pension contributions were £104,750 (1995 £117,106). Two of the directors (two in 1995) are senior executives of, and are remunerated by, The British Petroleum Company p.l.c. and received no remuneration for services provided to this company or its subsidiaries. The highest paid director received £104,750 (1995 £117,106).

	<u>1996</u>	<u>1995</u>
The emoluments of the directors were within the following bands:		
£100,001 £105,000	1	-
£115,001 £120,000	-	1

Pensions to past and present directors are paid from a funded BP Group Pension Scheme.

4. **EMPLOYEES AND PENSIONS**

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

5. OTHER INCOME

	<u>1996</u> £	<u>1995</u> £
Income from shares in subsidiary undertakings	-	33,967
Income from shares in associated undertakings	5,973,964	7,385,397
Income from other fixed asset investments -		
Interest on loans to subsidiary undertakings	1,796,678	1,149,872
Other income -		
Profit on sale of investment	-	142,098
Other miscellaneous income	2,488	4,226
Exchange (loss)/gain	(2,967,530)	48,489
	<u>£4,805,600</u>	<u>£8,764,049</u>

6. AMOUNTS (PROVIDED)/RELEASED AGAINST DEBTS DUE BY
SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

	<u>1996</u> £	<u>1995</u> £
Increase in provision in respect of subsidiary undertakings current accounts	(50,675)	(32,269)
(Increase)/decrease in provision in respect of associated undertakings current accounts	(1,085,915)	(1,302,306)
	<u>(£1,136,590)</u>	<u>(£1,334,575)</u>

7. TAXATION

	<u>1996</u> £	<u>1995</u> £
UK Corporation tax at 33%	2,683,523	2,998,424
Overseas taxation relief	(2,683,523)	(2,998,424)
	<u>Nil</u>	<u>Nil</u>
Overseas Tax	<u>405,496</u>	<u>591,359</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 deferred taxation is not required.

The benefit of underlying overseas taxation as computed under section 799 of the Income and Corporation Taxes Act 1988 has been included in the overseas taxation relief but not in the overseas taxation charge.

8. TANGIBLE ASSETS

	<u>Plant and Machinery</u>	<u>Freehold land and buildings</u>	<u>Total</u>
	£	£	£
<u>Cost</u>			
Brought forward 1 January	540,445	168,093	708,538
Additions	-	-	-
At 31 December 1996	540,445	168,093	708,538
<u>Depreciation</u>			
Brought forward 1 January	540,444	168,093	708,537
Charge for the year	-	-	-
At 31 December 1996	540,444	168,093	708,537
<u>Net book amount</u>			
At 31 December 1996	£1	-	£1
Depreciation rates	33%		

9. INVESTMENTS

	<u>Subsidiary Undertakings</u>		<u>Associated Undertakings</u>		<u>Total</u>
	<u>Shares</u>	<u>Loans</u>	<u>Shares</u>	<u>Loans</u>	
	£	£	£	£	£
<u>Cost</u>					
Beginning of year	8,153,339	-	18,045,051	-	26,198,390
Additions	-	-	607,602	-	607,602
Exch. Adjustments	(164,002)	-	(3,565)	-	(167,567)
At 31 December 1996	7,989,337	-	18,649,088	-	26,638,425
<u>Amounts provided</u>					
Beginning of year	3,953	-	205,574	-	209,527
Exch. Adjustments	(1,280)	-	(3,565)	-	(4,845)
At 31 December 1996	2,673	-	202,009	-	204,682
<u>Net book amount</u>					
At 31 December 1996	7,986,664	-	18,447,079	-	26,433,743

The additions are in respect of the cost of an additional 4.36% holding in KPRL (Kenya Petroleum Refineries Limited), an Associate undertaking. The acquisition was made on 30 December 1996.

The investments in subsidiary and associated undertakings are entirely unlisted.

Subsidiary Undertakings

In the opinion of the directors, the aggregate value of shares in and amounts receivable from the company's subsidiary undertakings is not less than the amounts at which these are shown in the balance sheet.

	<u>Percentage of Shares Held</u>	<u>Type of Shares</u>	<u>Country of Incorporation</u>	<u>Principal Activities</u>
BP Mocambique Ltd	100	Ordinary	England & Wales	Marketing
BP Zambia Ltd	75	Ordinary	Zambia	Marketing
Kabulonga Properties Ltd	100	Ordinary	Zambia	Property
Compagnie dos Petroleos				
BP Angola S.A.R.L.	100	Ordinary	Portugal	Dormant

The financial years of all of the subsidiary undertakings are coterminous with that of the company.

The Associated Undertakings are:

	<u>Percentage of Shares Held</u>	<u>Type of Shares</u>	<u>Country of Incorporation</u>	<u>Principal Activities</u>
BP Kenya Limited	50	Ordinary	Kenya	Marketing
BP Tanzania Limited	50	Ordinary	Tanzania	Marketing
BP Zimbabwe (Pvt) Ltd	50	Ordinary	Zimbabwe	Marketing
BP-Fina Rwanda S.A.	50	Ordinary	Rwanda	Marketing
Central African Petroleum Refineries (Pvt) Ltd	20.75	Ordinary	Zimbabwe	Refining
Fina-BP Burundi S.A.R.L.	22.05	Ordinary	Burundi	Marketing
Kenya Petroleum Refineries Ltd	17.11	Ordinary	Kenya	Refining
Kenya Shell Ltd	50	Ordinary	Kenya	Marketing
Oil Company of Malawi (1978) Limited	20	Ordinary	Malawi	Marketing
Shell Zimbabwe (Pvt) Ltd	50	Ordinary	Zimbabwe	Marketing
Societe d'Entreposage Petrolier au Burundi S.A.R.L.	11.6	Ordinary	Burundi	Storage and Handling
Zambia Cashew Company Ltd	14.6	Ordinary	Zambia	Cashew Nut Farming

10. STOCKS OF OIL PRODUCTS

The replacement cost of stocks held at 31 December 1996 is not materially different from the value shown on the balance sheet.

11. DEBTORS

	<u>1996</u>		<u>1995</u>	
	<u>Within</u> <u>1 Year</u> £	<u>After</u> <u>1 Year</u> £	<u>Within</u> <u>1 Year</u> £	<u>After</u> <u>1 Year</u> £
Trade	5,750,994	-	9,347,265	-
Subsidiary undertakings	3,197,599	-	259,160	-
Fellow subsidiary undertakings	29,243,823	-	22,148,255	-
Associated undertakings	1,850,813	-	1,996,102	-
Others	102,773	-	112,839	-
	<u>40,146,002</u>	<u>-</u>	<u>33,863,621</u>	<u>-</u>

12. CREDITORS

	<u>1996</u>		<u>1995</u>	
	<u>Within</u> <u>1 Year</u> £	<u>After</u> <u>1 Year</u> £	<u>Within</u> <u>1 Year</u> £	<u>After</u> <u>1 Year</u> £
Trade	254,579	-	353,109	-
Subsidiary undertakings	7,890,605	-	4,731,458	-
Parent and fellow subsidiary undertakings	25,735,444	-	25,104,071	-
Associated undertakings	693,401	-	934,199	-
Others	1,378,303	-	3,421,940	-
	<u>35,952,332</u>	<u>-</u>	<u>34,544,777</u>	<u>-</u>

The amount shown as payable within one year to parent and fellow subsidiary undertakings includes an interest free loan of £25,000,000 from The British Petroleum Company p.l.c. repayable on a date as may be agreed between the parties.

13. CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
Authorised - 100 shares of £1 each	£100	£100
Allotted and fully paid - 2 shares of £1 each	<u>£ 2</u>	<u>£ 2</u>

14. **THE ULTIMATE PARENT UNDERTAKING** is The British Petroleum Company p.l.c., a company registered in England and Wales.

The 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. Copies of The British Petroleum Company p.l.c.'s accounts can be obtained from Britannic House, 1 Finsbury Circus, London EC2M 7BA.

15. **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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;
- 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.

REPORT OF THE AUDITORS TO THE MEMBERS OF
BP AFRICA LIMITED

We have audited the accounts on pages 3 to 11, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 3.

Respective responsibilities of directors and auditors

As described on page 11 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.

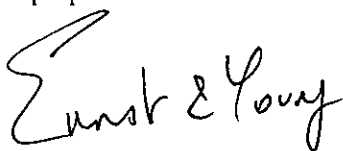
Basis of opinion

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 its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
Registered Auditor
London

8/12 1997

