

BP AFRICA LIMITED
(Registered No. 1030652)

ANNUAL REPORT AND ACCOUNTS - 2000

Board of Directors: Mr S M Beesley
Mr M L Noetzel
Mr D Hulf

REPORT OF THE DIRECTORS

The directors submit their report and the accounts for the year ended 31 December 2000.

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 2000 was £7,284,620, a decrease of £2,637,391 over the previous year due to lower trading volumes and higher administration expenses, partly offset by increased dividend income from subsidiary and associated undertakings. No dividend was recommended for the year 2000, leaving a retained profit balance of £78,907,138 which was carried forward. During 2001, the company paid a dividend of £65,000,000.

The company acquired a 50% interest in Shell and BP (Malindi) Kenya Limited (formerly Agip Kenya) for £17,114,094 during the year.

Directors

Mr S M Beesley, Mr R J Pillari and Ms A C Catalano served as directors of the company throughout the financial year. Changes since 1 January 2000 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
Mr M L Noetzel	1 December 2001	
Ms A C Catalano		1 December 2001
Mr D Hulf	30 December 2001	
Mr R J Pillari		30 December 2001

Directors' interests

The interests of the directors holding office at 31 December 2000, and their families in the ordinary shares of BP p.l.c. (formerly BP Amoco p.l.c.), were as set out below:

	<u>31 December</u> <u>2000</u>	<u>1 January 2000</u> <u>or date of</u> <u>appointment</u>
Mr S M Beesley	45,502	32,128
Ms A C Catalano	Nil	Nil
Mr R J Pillari	62,040*	62,040*

* held in the form of American Depositary Receipts



BP AFRICA LIMITED
REPORT OF THE DIRECTORS

Directors' interests (continued)

In addition, rights to subscribe for Ordinary shares in BP p.l.c. (formerly BP Amoco p.l.c.), were granted to, or exercised by, those directors between 1 January 2000 or date of appointment and 31 December 2000 as follows:

	<u>Granted</u>	<u>Exercised</u>
Mr S M Beesley	Nil	5,594
Ms A C Catalano	Nil	Nil
Mr R J Pillari	Nil	Nil

No director had any interest in shares or debentures of subsidiary undertakings of BP p.l.c. (formerly BP Amoco p.l.c.) at 31 December 2000

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.

The number of days purchases represented by trade creditors at the year end was 130 (1999: 34).

Auditors

On 28 June 2001, Ernst & Young transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. Ernst & Young LLP will be re-appointed as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 Companies Act 1985.

By order of the Board



Secretary

Registered office:
Breakspear Park
Breakspear Way
Hemel Hempstead
Herts HP2 4UL

25 January 2002

BP AFRICA LIMITED

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; 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, 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 AFRICA LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF
BP AFRICA LIMITED

We have audited the accounts for the year ended 31 December 2000, which comprise Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes 1 to 17. These accounts have been prepared on the basis of the accounting policies set out on pages 5 to 6.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 2000 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Registered Auditor
London

25 January 2002

BP AFRICA LIMITED
ACCOUNTING POLICIES

Presentation of accounts

The accounts are prepared under the historical cost convention, unless otherwise stated, 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, BP Amoco 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 (Revised), 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 receipt and, and in the case of uncertainty over the remittability of unpaid dividends, such unpaid amounts are not accrued for.

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 only where timing differences are expected to reverse in the foreseeable future.

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 at the rate of exchange ruling at the date of acquisition). Income statements are translated at average rates of exchange.

Exchange differences resulting from the retranslation of net investments in foreign currency branches at closing rates, together with differences between income statements translated at average rates and at closing rates of exchange, are dealt with in reserves. Exchange gains and losses arising on long-term foreign currency borrowings used to finance the company's foreign currency investments are also dealt with in reserves.

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BP AFRICA LIMITED

ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

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/loss for the year.

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 closing rates of exchange. All exchange gains and losses on settlement or translation at closing rates of exchange of monetary assets and liabilities are included in the determination of profit/loss for the year.

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BP AFRICA LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>Note</u>	<u>2000</u> £	<u>1999</u> £
Turnover	1	1,554,733	8,783,040
Cost of sales		421,967	3,129,858
Gross profit		1,132,766	5,653,182
Distribution & administration expenses	2	4,234,136	1,685,961
		(3,101,370)	3,967,221
Other income	5	10,840,109	7,819,694
Profit before taxation		7,738,739	11,786,915
Taxation	6	454,119	1,864,904
Profit for the year	13	7,284,620	9,922,011

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>2000</u> £	<u>1999</u> £
Retained profit for the year	7,284,620	9,922,011
Currency translation differences	5,837,420	1,672,547
Total recognised gains for the year	13,122,040	11,594,558

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BP AFRICA LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2000

	<u>Note</u>	<u>2000</u> £	<u>1999</u> £
Fixed assets			
Tangible assets	7	501,992	1
Investments	8	53,402,500	33,076,579
		<u>53,904,492</u>	<u>33,076,580</u>
Current assets			
Stocks of oil products	9	398,879	-
Debtors - due in one year	10	72,008,444	80,467,390
Cash at bank		-	-
		<u>72,407,323</u>	<u>80,467,390</u>
Creditors			
Amounts falling due within one year	11	47,404,675	47,758,870
Net current assets		<u>25,002,648</u>	<u>32,708,520</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>78,907,140</u>	<u>65,785,100</u>
Creditors			
Amounts falling due after more than one year	11	-	-
SHAREHOLDERS' INTEREST		<u>78,907,140</u>	<u>65,785,100</u>
Represented by:			
Capital and reserves			
Called up share capital	12	2	2
Profit and Loss account	13	78,907,138	65,785,098
SHAREHOLDERS' FUNDS	13	<u>78,907,140</u>	<u>65,785,100</u>

Mark A. Porter
Director

25 January 2002

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BP AFRICA LIMITED

NOTES TO THE ACCOUNTS

1. Turnover

Turnover, which is stated net of value added tax and government levies and duties, comprises amounts invoiced to third parties, all of which falls within the Africa geographic area, plus fees and commissions.

2. Distribution and administration expenses

	<u>2000</u>	<u>1999</u>
	£	£
Distribution expenses	137,297	198,076
Administration expenses	4,096,839	3,339,737
Provision for Restructuring Expenses	-	(1,851,852)
	<u>4,234,136</u>	<u>1,685,961</u>
Administration expenses include:		
Auditors' remuneration		
- audit fees	6,545	7,790

3. Directors' emoluments

None of the directors received any fees or remuneration for services as a director of the company during the financial year (1999: £Nil).

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.

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BP AFRICA LIMITED

NOTES TO THE ACCOUNTS

5. Other income

	<u>2000</u> £	<u>1999</u> £
Income from shares in subsidiary undertakings	1,536,930	484,301
Income from shares in associated undertakings	2,936,979	3,521,359
Income from other fixed asset investments –		
Interest on loans to fellow-subsiary undertakings	4,330,996	3,300,041
Other miscellaneous income	757,890	186,781
Exchange gain	1,277,314	327,212
	<u>10,840,109</u>	<u>7,819,694</u>

6. Taxation

	<u>2000</u> £	<u>1999</u> £
UK Corporation tax at 30% (1999:30.25%)	1,857,834	1,838,260
Less: Overseas taxation relief	<u>(1,857,834)</u>	<u>(1,838,260)</u>
	-	-
Overseas Tax	454,119	1,864,904
	<u>454,119</u>	<u>1,864,904</u>

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.

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.

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

The gross potential liability of this company for deferred taxation at 31 December 2000 of £25,740 (1999 Nil) comprises tax at 30% on timing differences principally between the accounting and tax depreciation, and that of provisions. If provision for 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 £25,740 (1999 Nil).

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BP AFRICA LIMITED

NOTES TO THE ACCOUNTS

7. Tangible Assets

	<u>Plant and Machinery</u>	<u>Freehold land and buildings</u>	<u>Total</u>
	£	£	£
Cost			
At 1 January 2000	540,445	168,093	708,538
Additions/(Disposals)	501,992	(168,093)	333,899
Exchange adjustments	163,582	-	163,582
At 31 December 2000	<u>1,206,019</u>	<u>-</u>	<u>1,206,019</u>
	=====	=====	=====
Depreciation			
At 1 January 2000	540,444	168,093	708,537
Additions/(Disposals)	-	(168,093)	(168,093)
Exchange adjustments	163,583	-	163,583
At 31 December 2000	<u>704,027</u>	<u>-</u>	<u>704,027</u>
	=====	=====	=====
Net book amount			
At 1 January 2000	1	-	1
At 31 December 2000	<u>501,992</u>	<u>-</u>	<u>501,992</u>
	=====	=====	=====
Depreciation rates	33%		

8. Investments

	<u>Subsidiary Undertakings</u>	<u>Associated Undertakings</u>	<u>Total</u>
	<u>Shares</u>	<u>Shares</u>	£
	£	£	
Cost			
At 1 January 2000	13,888,286	19,191,082	33,079,368
Transfers	-	-	-
Additions/Disposals	-	17,440,044	17,440,044
Exchange Adjustments	1,211,730	1,674,390	2,886,120
At 31 December 2000	<u>15,100,016</u>	<u>38,305,516</u>	<u>53,405,532</u>
	=====	=====	=====
Amounts provided			
Beginning of year	2,789	-	2,789
Disposals	-	-	-
Exchange Adjustments	243	-	243
At 31 December 2000	<u>3,032</u>	<u>-</u>	<u>3,032</u>
	=====	=====	=====
Net book amount			
At 31 December 2000	<u>15,096,984</u>	<u>38,305,516</u>	<u>53,402,500</u>
	=====	=====	=====

BP AFRICA LIMITED

NOTES TO THE ACCOUNTS

8. Investments (continued)

The additions are in respect of the cost of a 50% holding in Shell and BP (Malindi) Kenya Limited (formerly Agip Kenya), an associate undertaking locally incorporated in Kenya. The acquisition in Shell and BP (Malindi) Kenya Limited was made on 6 October 2000

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 Moçambique Ltd	100	Ordinary	England & Wales	Marketing
BP Moçambique Limitada	100	Ordinary	Moçambique	Marketing
BP Zambia Plc	75	Ordinary	Zambia	Marketing
Kabulonga Properties Ltd	100	Ordinary	Zambia	Property
Oil Company of Malawi (1978) Limited (renamed BP Malawi Limited during 2001)	50	Ordinary	Malawi	Marketing

The financial years of all of the subsidiary undertakings are coterminous with that of the company with the exception of Oil Company of Malawi (1978) Limited which is 31 March.

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 Zimbabwe (Pvt) Ltd	50	Ordinary	Zimbabwe	Marketing
Central African Petroleum Refineries (Pvt) Ltd	20.75	Ordinary	Zimbabwe	Refining
BP Tanzania Limited	50	Ordinary	Tanzania	Marketing
Shell and BP (Malindi) Kenya Limited	50	Ordinary	Kenya	Marketing
Kenya Shell Ltd	50	Ordinary	Kenya	Marketing
Shell Zimbabwe (Pvt) Ltd	50	Ordinary	Zimbabwe	Marketing

9. Stock of oil products

The replacement cost of stocks held at 31 December 2000 is not materially different from the value shown on the balance sheet.

BP AFRICA LIMITED

NOTES TO THE ACCOUNTS

10. Debtors

	<u>2000</u>		<u>1999</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	11,279,163	-	3,130,427	-
Subsidiary undertakings	7,149,590	-	6,973,248	-
Fellow subsidiary undertakings	53,033,153	-	69,782,252	-
Associated undertakings	99,842	-	170,613	-
Others	446,696	-	410,850	-
	<hr/> 72,008,444 <hr/>	<hr/> - <hr/>	<hr/> 80,467,390 <hr/>	<hr/> - <hr/>

The amount receivable from subsidiary undertakings includes interest free and unsecured US Dollar-denominated debenture notes totalling £6,857,030 (1999: £6,306,774) issued to BP Moçambique Limitada and is repayable on a date as may be agreed between the parties.

11. Creditors

	<u>2000</u>		<u>1999</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	360,855	-	161,467	-
Subsidiary undertakings	20,031,238	-	18,261,680	-
Parent and fellow subsidiary undertakings	25,669,776	-	26,837,062	-
Associated undertakings	16,056	-	107,353	-
Others	1,326,750	-	2,391,308	-
	<hr/> 47,404,675 <hr/>	<hr/> - <hr/>	<hr/> 47,758,870 <hr/>	<hr/> - <hr/>

The amount shown as payable within one year to parent and fellow subsidiary undertakings includes an interest free loan of £25,000,000 from BP p.l.c.

The amount shown as payable within one year to subsidiary undertakings includes an interest free US Dollar-denominated loan of £6,857,030 (1999: £6,306,774) from BP Moçambique Limited.

Both loans are repayable on dates as may be agreed between the parties.

12. Called up share capital

	<u>2000</u>	<u>1999</u>
Authorised - 100 shares of £1 each	£100	£100
Allotted and fully paid		
- 2 shares of £1 each	<hr/> £ 2 <hr/>	<hr/> £ 2 <hr/>

BP AFRICA LIMITED

NOTES TO THE ACCOUNTS

13. Reconciliation of movements in shareholders' funds

	<u>Equity share capital</u>	<u>Profit & loss account</u>	<u>Total</u>
	£	£	£
At 1 January 1999	2	54,190,540	54,190,542
Profit for the year	-	9,922,011	9,922,011
Currency translation differences	-	1,672,547	1,672,547
At 1 January 2000	2	65,785,098	65,785,100
Profit for the year	-	7,284,620	7,284,620
Currency translation differences	-	5,837,420	5,837,420
At 31 December 2000	2	78,907,138	78,907,140

14. Capital commitments

In December 2000 the company purchased, subject to a resolute condition, an additional 25% shareholding in BP Tanzania Limited for £2,013,423 thereby increasing the company's holding to 75%. The company has an option to purchase the remaining 25%.

15. Contingent liabilities

The company has a contingent liability in respect of a claim by the Tanzania Revenue Authority for alleged non-payment of duty on product imports. The purchase of the additional shareholding (Note 14) is subject to the satisfactory resolution of this case.

16. Related party transactions

The company has taken advantage of the exemption contained within FRS 8, and has not disclosed transactions with group companies.

17. Ultimate parent undertaking

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member is BP p.l.c. (formerly BP Amoco p.l.c.), a company registered in England and Wales. Copies of BP p.l.c.'s accounts can be obtained from Britannic House, 1 Finsbury Circus, London EC2M 7BA.

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