

MENEHALL INVESTMENTS LIMITED

(Registered No.1316087)

ANNUAL REPORT AND ACCOUNTS 2002

Board of Directors:

F W M Starkie
J G Nemeth

REPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 31 December 2002.

Principal activity

The Company's principal activity is that of a holding company.

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

Review of activities

Neither the company nor any of its subsidiaries were engaged in any trading activities during the year.

Results and dividends

There was no movement on the group's profit and loss account during the year. The accumulated losses to be carried forward therefore remain unchanged at £152,650,616. The directors recommend that no dividend be paid in respect of the year ended 31 December 2002 (2001 nil).

8% Unsecured Loan Stock 2004

By a Deed Poll dated 3 February 2003, the redemption date of the 8% Unsecured Loan Stock was changed from 31 December 2003 to 31 December 2004.

The company has made no further issues of the 8% Unsecured Loan Stock 2004 (previously 2003), the amount in issue at 31 December 2002 being £128,685,841.

Variable Interest Unsecured Loan Stock 2004

By a Deed Poll dated 3 February 2003, the redemption date of the Variable Interest Unsecured Loan Stock was changed from 31 December 2003 to 31 December 2004.

The company has made no further issues of the Variable Interest Unsecured Loan Stock 2004 (previously 2003), the amount in issue at 31 December 2002 being £20,742,359.



MENEHALL INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

Directors

The present directors are listed on page 1.

Messrs F W M Starkie and D P Chapman served as directors throughout the financial year. Changes since 1 January 2002 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
D P Chapman		1 February 2003
J G Nemeth	1 February 2003	

Directors' interests

The interests of the directors holding office at 31 December 2002, and their families, in the US \$0.25 ordinary shares of BP p.l.c., were as set out below:

	<u>31 December 2002</u>	<u>1 January 2002</u>
F W M Starkie	125,029	101,848
D P Chapman	148,293	143,473

In addition, rights to subscribe for US \$0.25 ordinary shares in BP p.l.c. were granted to, or exercised by, those directors between 1 January 2002 and 31 December 2002 as follows:

	<u>Granted</u>	<u>Exercised</u>
F W M Starkie	62,661	5,968
D P Chapman	119,000	3,580

No director had any interest in the shares or debentures of subsidiary undertakings of BP p.l.c. at 31 December 2002.

MENEHALL INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

Auditors

Ernst & Young LLP will continue in office as the company's auditor in accordance with the elective resolution passed by the company under Section 386 of the Companies Act 1985.

By order of the Board

Nemua Weldon

Secretary

17 April 2003

Registered Office:

Breakspear Park
Breakspear Way
Hemel Hempstead
Herts HP2 4UL

MENEHALL INVESTMENTS 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 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 company and all its subsidiary undertakings are non-trading and continue to have insufficient assets to enable them to discharge fully their liabilities.

The directors consider that it is not appropriate to prepare the accounts on a going concern basis and these accounts have been prepared on a realisation basis. Accounts prepared on a going concern basis would be no different.

MENEHALL INVESTMENTS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF **MENEHALL INVESTMENTS LIMITED**

We have audited the accounts for the year ended 31 December 2002 which comprise Group Balance Sheet, Balance Sheet and the related notes 1 to 10. These accounts have been prepared on the basis of the accounting policies set out therein. The financial statements have been prepared on a realisation basis.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, 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 and of the group as at 31 December 2002, and of the result of the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London.

17 April 2003

MENEHALL INVESTMENTS LIMITED

ACCOUNTING POLICIES

Accounting Standards

The accounts are prepared in accordance with applicable UK accounting standards. In preparing the financial statements for the current year, the company has adopted Financial Reporting Standard No. 19 'Deferred Tax' (FRS 19). The adoption of FRS 19 has had no impact on these financial statements.

Accounting convention

The company has insufficient assets to enable it to discharge fully all its liabilities. Since the company is non-trading, no change in this position is foreseen. For this reason, the directors consider that the presumption that the company is carrying on business as a going concern can no longer apply. The accounts have therefore been prepared on a realisation basis. Accounts prepared on a going concern basis would be no different.

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

The group financial statements consolidate the financial statements of Menehall Investments Limited and all its subsidiary undertakings drawn up to 31 December each year.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less amounts written off.

MENEHALL INVESTMENTS LIMITED

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2002

		<u>2002</u>	<u>2001</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
Current assets			
Amount owed by fellow subsidiary undertakings		30,218,673	30,218,673
Creditors – amounts falling due within one year	5	(2,446,037)	(2,446,037)
Net current assets		<u>27,772,636</u>	<u>27,772,636</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>27,772,636</u>	<u>27,772,636</u>
Creditors – amounts falling due after more than one year	5	(180,422,252)	(180,422,252)
SHAREHOLDERS' INTEREST		<u>(152,649,616)</u>	<u>(152,649,616)</u>
 Represented by			
Capital and reserves			
Called up share capital	6	1,000	1,000
Profit and loss account	7	(152,650,616)	(152,650,616)
SHAREHOLDERS' FUNDS – EQUITY INTERESTS	7	<u>(152,649,616)</u>	<u>(152,649,616)</u>

Director

17 April 2003

MENEHALL INVESTMENTS LIMITED

BALANCE SHEET AT 31 DECEMBER 2002

		<u>2002</u>	<u>2001</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
Fixed assets			
Investments	4	-	-
Current assets			
Amount owed by fellow subsidiary undertakings		2,199,295	2,199,295
Creditors – amounts falling due within one year	5	<u>(2,200,000)</u>	<u>(2,200,000)</u>
Net current liabilities		<u>(705)</u>	<u>(705)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(705)</u>	<u>(705)</u>
Creditors – amounts falling due after more than one year	5	<u>(149,428,200)</u>	<u>(149,428,200)</u>
SHAREHOLDERS' INTEREST		<u>(149,428,905)</u>	<u>(149,428,905)</u>
 Represented by			
Capital and reserves			
Called up share capital	6	1,000	1,000
Profit and loss account	7	<u>(149,429,905)</u>	<u>(149,429,905)</u>
SHAREHOLDERS' FUNDS – EQUITY INTERESTS	7	<u>(149,428,905)</u>	<u>(149,428,905)</u>

Director



17 April 2003

MENEHALL INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

1. Taxation

The Company is a member of a group for the purposes of relief under Section 402 of the Income & Corporation Taxes Act 1988. No corporation tax has been provided because another group company, BP International Limited, has undertaken to procure the claim or surrender of free group relief to the extent it is required and to provide for any current or deferred UK tax that arises.

2. Directors, employees and auditors

(a) Remuneration of directors

None of the directors received any fees or remuneration for services as a director of the company during the financial year (2001 £Nil).

(b) Average number of employees during the year was NIL (2001 – Nil)

(c) Auditors' remuneration is dealt with in the accounts of a fellow subsidiary undertaking. No fees were paid to the auditors for other services.

3. Interest Payable

Under Deeds of Release and Waiver dated 3 February 2003, Burmah Castrol plc has waived the company's obligation to pay interest on its Variable Interest Unsecured Loan Stock and 8% Unsecured Loan Stock for the period from 1 January 2002 to 31 December 2002 inclusive.

Under Deeds of Release and Waiver dated 3 February 2003, the company has waived the obligations of Burmah Vessel Operations Limited to pay interest on its Variable Interest Unsecured Loan Stock and 8% Unsecured Loan Stock for the period from 1 January 2002 to 31 December 2002 inclusive.

Under further Deeds of Release and Waiver dated 3 February 2003, the company has waived the obligations of Burmah Endeavour Limited and Burmah Enterprise Limited to pay interest on their 8% Unsecured Loan Stocks for the period from 1 January 2002 to 31 December 2002 inclusive.

MENEHALL INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

4. Fixed assets – investments

	<u>Shares in subsidiary undertakings</u>	<u>Loan stock</u>	<u>TOTAL</u>
Cost	£	£	£
At 1 January and 31 December 2002			
Burmah Endeavour Limited	1,000	-	1,000
8% Unsecured Loan Stock 2004	-	22,400,800	22,400,800
Burmah Enterprise Limited	1,000	-	1,000
8% Unsecured Loan Stock 2004	-	29,618,400	29,618,400
Burmah Vessel Operations Limited	1,000	-	1,000
8% Unsecured Loan Stock 2004	-	76,216,641	76,216,641
Variable Interest Unsecured Loan Stock 2004	-	20,742,359	20,742,359
	3,000	148,978,200	148,981,200
Provision			
At 1 January and 31 December 2002	3,000	148,978,200	148,981,200
Net Book Amount			
At 31 December 2002	-	-	-
At 31 December 2001	-	-	-

There have been no movements in the above investments during the year.

By Deed Polls each dated 3 February 2003, the redemption dates of the above 8% Unsecured Loan Stocks issued respectively by Burmah Endeavour Limited, Burmah Enterprise Limited and Burmah Vessel Operations Limited and the Variable Interest Unsecured Loan Stock issued by Burmah Vessel Operations Limited were changed from 31 December 2003 to 31 December 2004.

The directly owned subsidiary undertakings of the company at 31 December 2002 and the percentage of equity capital held are set out below. The principal country of operation is generally indicated by the company's country of incorporation or by its name.

Subsidiary undertakings	%	Country of incorporation	Principal activity
Burmah Endeavour Limited	100	England & Wales	Dormant
Burmah Enterprise Limited	100	England & Wales	Dormant
Burmah Vessel Operations Limited	100	England & Wales	Dormant

MENEHALL INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

5. Creditors

	<u>2002</u>		<u>2001</u>	
	Within 1 year	After 1 year	Within 1 year	After 1 year
<u>Amount owed to fellow subsidiary undertaking</u>				
<u>Company</u>				
8% Unsecured Loan Stock 2004	-	128,685,841	-	128,685,841
Variable Interest Unsecured Loan Stock 2004	-	20,742,359	-	20,742,359
Unsecured funding	2,200,000	-	2,200,000	-
	<u>2,200,000</u>	<u>149,428,200</u>	<u>2,200,000</u>	<u>149,428,200</u>
<u>Group</u>				
Owed by				
Menehall Investments Limited	2,200,000	149,428,200	2,200,000	149,428,200
Burmah Endeavour Limited	-	15,497,026	-	15,497,026
Burmah Enterprise Limited	-	15,497,026	-	15,497,026
Burmah Vessel Operations Limited	246,037		246,037	
	<u>2,446,037</u>	<u>180,422,252</u>	<u>2,446,037</u>	<u>180,422,252</u>

By a Deed Poll dated 3 February 2003, the redemption date of the company's 8% Unsecured Loan Stock and Variable Interest Unsecured Loan Stock was changed from 31 December 2003 to 31 December 2004. Repayment of these stocks cannot now be demanded until after 31 December 2004.

Under Loan Agreements each dated 14 April 1986, the repayment of the loans made by Burmah Castrol Plc to Burmah Endeavour Limited and Burmah Enterprise Limited, which are interest free, cannot be demanded earlier than the repayment to Menehall Investments Limited of the respective 8% Unsecured Loan Stocks 2004 (see note 4).

MENEHALL INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

6. Called up share capital

	<u>2002</u>	<u>2001</u>
	£	£
Authorised share capital:		
900 Ordinary shares of £1 each	900	900
100 Special ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
900 Ordinary shares of £1 each	900	900
100 Special ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>1,000</u>	<u>1,000</u>

7. Reconciliation of shareholders' funds and movements on reserves

	<u>Equity share</u> <u>capital</u>	<u>Profit and</u> <u>Loss</u> <u>account</u>	<u>Total</u>
	£	£	£
Group			
At 1 January 2001	1,000	(152,650,616)	(152,649,616)
Loss for the year	-	-	-
At 1 January 2002	1,000	(152,650,616)	(152,649,616)
Loss for the year	-	-	-
At 31 December 2002	<u>1,000</u>	<u>(152,650,616)</u>	<u>(152,649,616)</u>
Company			
At 1 January 2001	1,000	(149,429,905)	(149,428,905)
Loss for the year	-	-	-
At 1 January 2002	1,000	(149,429,905)	(149,428,905)
Loss for the year	-	-	-
At 31 December 2002	<u>1,000</u>	<u>(149,429,905)</u>	<u>(149,428,905)</u>

There were no movements in the balance of the company profit and loss account which remained unchanged at a deficit of £149,429,905. The company is exempt from presenting a profit and loss account by virtue of Section 230(3) of the Companies Act 1985.

8. Related party transactions

The company has taken advantage of the exemption contained within Financial Reporting Standard No 8 "Related Party Disclosures", and has not disclosed transactions with group companies. There were no other related party transactions in the year.

MENEHALL INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

9. Pensions

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

10. 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 BP p.l.c , a company registered in England and Wales. Copies of BP p.l.c.'s accounts can be obtained from 1 St James's Square, London, SW1Y 4PD.