

MENEHALL INVESTMENTS LIMITED

(Registered No 1316087)

ANNUAL REPORT AND ACCOUNTS 2007

Board of Directors: F W M Starkie
R C Fearnley

REPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 31 December 2007

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 and future developments

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

This situation is not expected to change in the foreseeable future

Results

There are no recognised gains or losses for the financial year and the retained loss brought forward at 1 January 2007 of £152,650,616 is carried forward unchanged. The directors do not propose the payment of a final dividend

8% Unsecured Loan Stock 2009

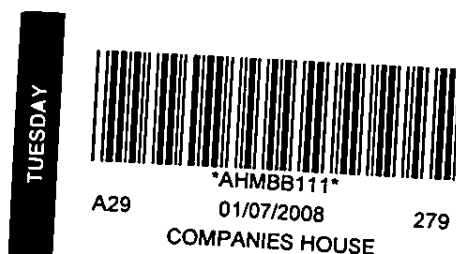
By a Deed Poll dated 28 January 2008, the redemption date of the 8% Unsecured Loan Stock was changed from 31 December 2008 to 31 December 2009

The company has made no further issues of the 8% Unsecured Loan Stock 2009 (previously 2008), the amount in issue at 31 December 2007 being £128,685,841

Variable Interest Unsecured Loan Stock 2009

By a Deed Poll dated 28 January 2008, the redemption date of the Variable Interest Unsecured Loan Stock was changed from 31 December 2008 to 31 December 2009

The company has made no further issues of the Variable Interest Unsecured Loan Stock 2009 (previously 2008), the amount in issue at 31 December 2007 being £20,742,359



MENEHALL INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

Directors

The present directors are listed on page 1

F W M Starkie served as a director throughout the financial year Changes since 1 January 2007 are as follows

	<u>Appointed</u>	<u>Resigned</u>
A C Little		1 August 2007
R C Fearnley	1 August 2007	

Directors' indemnity

The company indemnifies the directors in its Articles of Association to the extent allowed under section 309 of the Companies Act, 1985 (effective for the period up to 30 September 2007) and section 232 of the Companies Act, 2006 (effective for the period from 01 October 2007)

Risks

Risk management is integrated into the process of planning and performance management at a Group level Monitoring and accountability for the management of these risks occur through quarterly performance reviews at a group level

As in previous years these accounts have been prepared on a break up basis due to the company having insufficient assets to enable it to discharge fully all its liabilities

These liabilities are wholly within the Burmah Castrol Group of companies

Key performance indicators

The Companies Act 1985 requires directors to disclose the company's Key Performance Indicators (KPIs) BP manages its KPIs at a segment and geographical level As a result the directors have taken the decision not to disclose KPIs in individual subsidiary accounts The BP Group KPIs are included within the accounts of the ultimate parent undertaking BP p l c

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

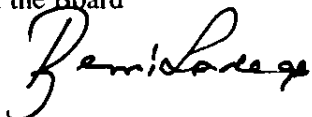
Directors' statement as to disclosure of information to the auditor

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditor, each of these directors confirm that

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditor is unaware, and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information

By order of the Board

Assistant Secretary



22 May 2008

Registered Office

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP

MENEHALL INVESTMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the accounts in accordance with applicable United Kingdom law and United Kingdom generally accepted accounting practice

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. In preparing these accounts, the directors are required

- To select suitable accounting policies and then apply them consistently,
- To make judgements and estimates that are reasonable and prudent,
- To state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts,
- To prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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 company is non-trading and continues to have insufficient assets to enable it to discharge fully its 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 break-up basis

The directors confirm that they have complied with these requirements.

MENEHALL INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MENEHALL INVESTMENTS LIMITED

We have audited the company's accounts for the year ended 31 December 2007 which comprise the accounting policies, the Group Balance Sheet, Balance Sheet and the related notes 1 to 13. These accounts have been prepared under the accounting policies set out therein.

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

The directors' responsibilities for preparing the Annual Report and the accounts in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the accounts.

In addition we report to you if, in our opinion, 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 other transactions 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

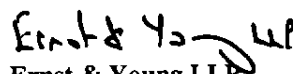
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments 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.

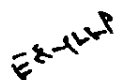
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the accounts.


Ernst & Young LLP
Registered auditor
Luton 26 June 2008



MENEHALL INVESTMENTS LIMITED

ACCOUNTING POLICIES

Accounting Standards

These accounts are prepared in accordance with applicable UK accounting standards

Basis of Preparation

At 31 December 2007 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 is inappropriate. The accounts have therefore been prepared on a break-up basis.

Statement of cash flows

The Group accounts of the ultimate parent undertaking contain a consolidated cash flow statement. The Company has taken advantage of the exemption granted by the Financial Reporting Standard No. 1 (Revised), whereby it is not required to publish its own cash flow statement.

Going concern

The company is non-trading and continues to have insufficient assets to enable it to discharge fully its 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 break up basis.

Group accounts

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

Fixed asset investments

Fixed asset investments in subsidiaries, joint ventures and associates held at cost. The company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the company makes an estimate of its recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

Edyup

MENEHALL INVESTMENTS LIMITED

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2007

		<u>2007</u>	<u>2006</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
Current assets			
Debtors	6	30,218,673	30,218,673
Creditors: amounts falling due within one year	7	(2,446,037)	(2,446,037)
Net current assets		<u>27,772,636</u>	<u>27,772,636</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		27,772,636	27,772,636
Creditors: amounts falling due after more than one year	7	(180,422,252)	(180,422,252)
NET LIABILITIES		<u>(152,649,616)</u>	<u>(152,649,616)</u>
 Represented by			
Capital and reserves			
Called up share capital	8	1,000	1,000
Profit and loss account	9	(152,650,616)	(152,650,616)
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		<u>(152,649,616)</u>	<u>(152,649,616)</u>

On behalf of the Board



Director

22 May 2008

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MENEHALL INVESTMENTS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2007

		<u>2007</u>	<u>2006</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
Fixed assets			
Investments	5	-	-
Current assets			
Debtors	6	2,199,295	2,199,295
Creditors: amounts falling due within one year	7	<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	7	<u>(149,428,200)</u>	<u>(149,428,200)</u>
NET LIABILITIES		<u>(149,428,905)</u>	<u>(149,428,905)</u>
 Represented by			
Capital and reserves			
Called up share capital	8	1,000	1,000
Profit and loss account	9	<u>(149,429,905)</u>	<u>(149,429,905)</u>
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		<u>(149,428,905)</u>	<u>(149,428,905)</u>

On behalf of the Board



Director

22 May 2008

MENEHALL INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

1. The company has not traded during the year and has made neither a profit nor a loss. No profit and loss account has therefore been produced.

2. **Auditor's remuneration**

	<u>2007</u>	<u>2006</u>
	<u>£000</u>	<u>£000</u>
Fees for the audit of the company	<u>1,200</u>	<u>1,200</u>

These costs are borne by Burmah Castrol plc

3. **Interest Payable/Receivable**

Under Deeds of Release and Waiver dated 28 January 2008, 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 2007 to 31 December 2007 inclusive.

Under Deeds of Release and Waiver dated 28 January 2008, 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 2007 to 31 December 2007 inclusive.

Under further Deeds of Release and Waiver dated 28 January 2008, 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 2007 to 31 December 2007 inclusive.

MENEHALL INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

4. Directors and employees

(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 (2006 £Nil).

b) Employee costs

The company had no employees during the year (2006 Nil)

5. Fixed assets – investments

	<u>Subsidiary Shares</u> £	<u>Subsidiary Loan stock</u> £	<u>TOTAL</u> £
Cost			
At 1 January and 31 December 2007			
Burmah Endeavour Limited	1,000	-	1,000
8% Unsecured Loan Stock 2009	-	22,400,800	22,400,800
Burmah Enterprise Limited	1,000	-	1,000
8% Unsecured Loan Stock 2009	-	29,618,400	29,618,400
Burmah Vessel Operations Limited	1,000	-	1,000
8% Unsecured Loan Stock 2009	-	76,216,641	76,216,641
Variable Interest Unsecured Loan Stock 2009	-	20,742,359	20,742,359
	<u>3,000</u>	<u>148,978,200</u>	<u>148,981,200</u>
Provision			
At 1 January and 31 December 2007	<u>3,000</u>	<u>148,978,200</u>	<u>148,981,200</u>
Net Book Amount			
At 31 December 2007	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2006	<u>-</u>	<u>-</u>	<u>-</u>

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

By Deed Polls each dated 28 January 2008, 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 2008 to 31 December 2009

The directly owned subsidiary undertakings of the company at 31 December 2007 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

6. Debtors

	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>
	Within 1 year £000	After 1 year £000	Within 1 year £000	After 1 year £000
Parent and fellow subsidiary undertakings				
<u>Company</u>	<u>2,199,295</u>	:	<u>2,199,295</u>	:
<u>Group</u>	<u>30,218,673</u>	:	<u>30,218,673</u>	:

7. Creditors

	<u>2007</u>		<u>2006</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 2009	-	128,685,841	-	128,685,841
Variable Interest Unsecured Loan Stock 2009	-	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>				
8% and Variable Interest Unsecured Loan Stock 2009		149,428,200		149,428,200
Unsecured funding	2,446,037		2,446,037	
Unsecured funding loans (1)	-	30,994,052	-	30,994,052
	<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 28 January 2008, the redemption date of the company's 8% Unsecured Loan Stock and Variable Interest Unsecured Loan Stock was changed from 31 December 2008 to 31 December 2009. Repayment of these stocks cannot now be demanded until after 31 December 2009.

(1) Under Loan Agreements each dated 14 April 1986, the repayment of the unsecured funding loans which are interest free, cannot be demanded earlier than the repayment to Menehall Investments Limited of the respective 8% Unsecured Loan Stocks 2009.

8. Called up share capital

	<u>2007</u>	<u>2006</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>

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MENEHALL INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

9. Capital and 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 2007 and 31 December 2007	<u>1,000</u>	<u>(152,650,616)</u>	<u>(152,649,616)</u>
Company			
At 1 January 2007 and 31 December 2007	<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

10. Reconciliation of movements in shareholders' funds

	<u>2007</u> £	<u>2006</u> £
Group		
Shareholders' interest at 1 January and 31 December	<u>(152,649,616)</u>	<u>(152,649,616)</u>
Company		
Shareholders' interest at 1 January and 31 December	<u>(149,428,905)</u>	<u>(149,428,905)</u>

11. 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.

12. Pensions

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

13. Immediate and ultimate parent undertaking

The immediate parent undertaking of this company is Burmah Castrol plc, a company registered in England and Wales. 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 plc, a company registered in England and Wales. Copies of BP plc's accounts can be obtained from 1 St James's Square, London, SW1Y 4PD.

15-11-05