

DIRECTORS' REPORT AND ACCOUNTS

MENEHALL INVESTMENTS LIMITED

31 DECEMBER 1995



Registered number: 1316087

MENEHALL INVESTMENTS LIMITED

DIRECTORS

P R S Howie
R S Paterson
J P Turner

REPORT OF THE DIRECTORS

The directors present their annual report and accounts for the year ended 31 December 1995. Under the provision of the Companies Act 1985 as amended by the Companies Act 1989 consolidated accounts are presented.

REVIEW OF THE BUSINESS

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

DIVIDENDS AND RESERVES

The group made a loss for the financial year of £643 (1994 profit £19,925). After taking into account the accumulated losses of previous years, this results in accumulated losses to be carried forward of £152,648,471 (1994 £152,647,828). The directors recommend that no dividend be paid in respect of the year ended 31 December 1995 (1994 nil).

DIRECTORS

The directors of the Company during 1995 were as follows:

P R S Howie
R S Paterson
J P Turner

DIRECTORS' INTERESTS

The disclosable interests of the directors in the share and loan capital of Burmah Castrol plc at 31 December 1995 and at 31 December 1994 are shown in the table below:

	Ordinary Shares		Options to subscribe for Ordinary Shares			
	31.12.95	31.12.94	1.1.95	Granted	Exercised/ Cancelled	31.12.95
P R S Howie	54	54	9,698	2,292	756	11,234
R S Paterson	1,164	1,138	3,412	2,674	-	6,086
J P Turner	6,511	5,294	48,789	28,523	1,200	76,112

SHARE CAPITAL

The issued share capital of the company is £1,000.

8% UNSECURED LOAN STOCK 1997

By a Deed Poll dated 7 March 1996, the redemption date of the 8% Unsecured Loan Stock was changed from 31 December 1996 to 31 December 1997.

The company has made no further issues of the 8% Unsecured Loan Stock 1997 (previously 1996), the amount in issue at 31 December 1995 being £128,685,841.

MENEHALL INVESTMENTS LIMITED**VARIABLE INTEREST UNSECURED LOAN STOCK 1997**

By a Deed Poll dated 7 March 1996, the redemption date of the Variable Interest Unsecured Loan Stock was changed from 31 December 1996 to 31 December 1997.

The company has made no further issues of the Variable Interest Unsecured Loan Stock 1997 (previously 1996), the amount in issue at 31 December 1995 being £20,742,359.

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 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 being 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 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.

AUDITORS

In accordance with section 386 of the Companies Act 1985, a resolution to dispense with the need to appoint auditors annually was passed on 18 November 1994. Accordingly, Ernst & Young shall be deemed to be re-appointed as auditors 28 days after the accounts are sent to the members.

By order of the Board



A P Busson
Secretary

17th June 1996

Registered Office:

Burmah Castrol House
Pipers Way
Swindon
Wiltshire
SN3 1RE

REPORT OF THE AUDITORS TO THE MEMBERS OF MENEHALL INVESTMENTS LIMITED

We have audited the accounts set out on pages 4 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2, 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.

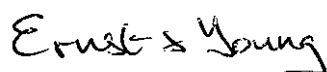
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes the 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, have been consistently applied and are 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 at 31 December 1995 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
Chartered Accountants

London

18 June

1996

MENEHALL INVESTMENTS LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1995**

	Note	1995 £	1994 £
TURNOVER		-	-
Administrative expenses		(959)	(1,500)
Realised exchange losses		-	(76)
OPERATING LOSS	3	(959)	(1,576)
Interest receivable		-	21,006
Interest payable	4	-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAX		(959)	19,430
Tax on profit/loss on ordinary activities	6	316	495
RETAINED PROFIT/(LOSS) AFTER TAX		(£643)	£19,925

**RECONCILIATION OF SHAREHOLDERS' FUNDS
AND MOVEMENT ON RESERVES**

	Share capital £	Profit and loss account £	Total £
Balance at 1 January	1,000	(£152,647,828)	(152,646,828)
Retained loss for the year		(643)	(643)
BALANCE AT 31 DECEMBER	£1,000	(£152,648,471)	(£152,647,471)

The company and its subsidiary undertakings have no recognised gains or losses other than the retained loss for the year.

MENEHALL INVESTMENTS LIMITED

CONSOLIDATED BALANCE SHEET - 31 DECEMBER 1995

	Note	1995 £	1994 £
CURRENT ASSETS			
Amount owed by ultimate parent undertaking		30,196,042	30,195,712
Amount owed by fellow subsidiary undertaking		14,528	3,028
Taxation		316	495
Other debtors		3,994	3,994
Cash at bank		9,243	23,302
		<u>30,224,123</u>	<u>30,226,531</u>
CREDITORS - Amounts falling due within one year			
Amount owed to ultimate parent undertaking		2,446,442	2,446,607
Amount owed to fellow subsidiary undertakings		2,000	3,000
Accruals		900	1,500
		<u>2,449,342</u>	<u>2,451,107</u>
NET CURRENT ASSETS		<u>27,774,781</u>	<u>27,775,424</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£27,774,781</u>	<u>£27,775,424</u>
CREDITORS - Amounts falling due after more than one year			
Amount owed to ultimate parent undertaking	8	<u>180,422,252</u>	<u>180,422,252</u>
CAPITAL AND RESERVES			
Called-up share capital	9	1,000	1,000
Profit and loss account		(152,648,471)	(152,647,828)
SHAREHOLDERS' FUNDS		<u>(152,647,471)</u>	<u>(152,646,828)</u>
		<u>£27,774,781</u>	<u>£27,775,424</u>

Approved by the board of directors on 17th June 1996
and signed on their behalf



Director

MENEHALL INVESTMENTS LIMITED

BALANCE SHEET - 31 DECEMBER 1995

	Note	1995 £	1994 £
FIXED ASSETS			
Investments	7	<u>-</u>	<u>-</u>
CURRENT ASSETS			
Amount owed by subsidiary undertaking		<u>2,199,295</u>	<u>2,199,295</u>
CREDITORS - Amounts falling due within one year			
Amount owed to ultimate parent undertaking		<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			
Amount owed to ultimate parent undertaking	8	<u>149,428,200</u>	<u>149,428,200</u>
CAPITAL AND RESERVES			
Called-up share capital	9	1,000	1,000
Profit and loss account		<u>(149,429,905)</u>	<u>(149,429,905)</u>
SHAREHOLDERS' FUNDS		<u>(149,428,905)</u>	<u>(149,428,905)</u>
		<u>(£705)</u>	<u>(£705)</u>

Approved by the board of directors on *17th June* 1996
and signed on their behalf



Director

MENEHALL INVESTMENTS LIMITED

NOTES ON THE ACCOUNTS - 31 DECEMBER 1996

1 FUNDAMENTAL ACCOUNTING CONCEPT

Neither the company nor any of its subsidiary undertakings have sufficient assets to enable them to discharge fully all their liabilities. Since the company and all its subsidiary undertakings are now dormant, no change in this position is foreseen. For these reasons the directors consider that the presumption that the company and its subsidiary undertakings are carrying on business as going concerns can no longer apply. The accounts are therefore prepared on a realisation basis. Accounts prepared on a going concern basis would be no different.

2 ACCOUNTING POLICIES

- (a) The consolidated accounts include the accounts of the parent undertaking and its subsidiary undertakings made up to 31 December.
- (b) The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.
- (c) All assets and liabilities in foreign currencies are stated in sterling at the approximate exchange rates ruling on 31 December.

3 OPERATING LOSS

Operating loss is stated after charging:

	1995	1994
	£	£
Auditors' remuneration	<u>900</u>	<u>1,500</u>

4 INTEREST

Under Deeds of Release and Waiver dated 7 March 1996, 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 1995 to 31 December 1995 inclusive.

Under Deeds of Release and Waiver dated 7 March 1996, 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 1995 to 31 December 1995 inclusive.

Under further Deeds of Release and Waiver dated 7 March 1996, 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 1995 to 31 December 1995 inclusive.

MENEHALL INVESTMENTS LIMITED**NOTES ON ACCOUNTS - 31 DECEMBER 1995****5 DIRECTORS' REMUNERATION**

The aggregate remuneration of the directors in respect of their services as directors of the company was nil (1994 nil). No other emoluments were paid.

6 TAXATION

The tax credit in the profit and loss account is made up as follows:

	1995 £	1994 £
Current tax		
UK Corporation Tax at 33.00% (1994 33.00%)	<u>£316</u>	<u>£495</u>

No provision for deferred tax is required (1994 nil).

7 FIXED ASSET INVESTMENT

COMPANY	31 December 1995 and 1994 £
Shares in subsidiary undertakings at cost:	
Burmah Endeavour Limited	1,000
Burmah Enterprise Limited	1,000
Burmah Vessel Operations Limited	1,000
Loan stocks at cost:	
Burmah Endeavour Limited	
8% Unsecured Loan Stock 1997	22,400,800
Burmah Enterprise Limited	
8% Unsecured Loan Stock 1997	29,618,400
Burmah Vessel Operations Limited	
7% Unsecured Loan Stock 1997	76,216,641
Variable Interest Unsecured Loan Stock 1997	<u>20,742,359</u>
	148,981,200
Less: provision for losses	<u>148,981,200</u>
	<u>-</u>

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

By Deeds Poll each dated 7 March 1996, 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 1996 to 31 December 1997.

MENEHALL INVESTMENTS LIMITED**NOTES ON THE ACCOUNTS - 31 DECEMBER 1995****8 AMOUNTS OWED TO ULTIMATE PARENT UNDERTAKING**

	1995 £	1994 £
COMPANY		
8% Unsecured Loan Stock 1997	128,685,841	128,685,841
Variable Interest Unsecured Loan Stock 1997	20,742,359	20,742,359
	<u>£149,428,200</u>	<u>£149,428,200</u>
GROUP		
Owed by		
Menehall Investments Limited	149,428,200	149,428,200
Burmah Endeavour Limited	15,497,026	15,497,026
Burmah Enterprise Limited	15,497,026	15,497,026
	<u>£180,422,252</u>	<u>£180,422,252</u>

By a Deed Poll dated 7 March 1996, the redemption date of the company's 8% Unsecured Loan Stock and Variable Interest Unsecured Loan Stock was changed from 31 December 1996 to 31 December 1997.

Under Loan Agreements each dated 14 April 1986, the repayment of the loans made by the ultimate holding company 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 1997 (see note 7).

9 SHARE CAPITAL

COMPANY AND GROUP	1995 £	1994 £
Authorised, allotted and fully paid		
900 ordinary shares of £1 each	900	900
100 special ordinary shares of £1 each	100	100
	<u>£1,000</u>	<u>£1,000</u>

10 PARENT COMPANY RESERVES

There were no movements in the balance of the 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.

MENEHALL INVESTMENTS LIMITED**NOTES ON THE ACCOUNTS - 31 DECEMBER 1995****11 PARTICULARS OF PRINCIPAL SUBSIDIARY UNDERTAKINGS****COMPANY**

Name of subsidiary undertaking	Country of Registration	Shares held directly
Burmah Endeavour Limited	England	100%
Burmah Enterprise Limited	England	100%
Burmah Vessel Operations Limited	England	100%

12 ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Burmah Castrol plc which is registered in Scotland and whose accounts are prepared in accordance with United Kingdom legislation and include a consolidated cash flow statement prepared in accordance with FRS 1.

Accordingly the company is exempt from the requirement to produce a cash flow statement of its own activities.

The report and account of Burmah Castrol plc may be obtained from the Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh EH1 2EB. This is the parent undertaking of the smallest and largest group of which the company is a member and for which group accounts are prepared.