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BP OIL GRANGEMOUTH REFINERY LIMITED

NOTICE IS HEREBY GIVEN that the SIXTY-NINTH ANNUAL GENERAL MEETING of the Company will be held at Bo'ness Road, Grangemouth on ~~Friday~~ *30 September* 1988 at ~~12 noon~~ for the transaction of the following business:

- 1 To consider and adopt the Report of the Directors and the Accounts for the year ended 31 December 1987.
- 2 To re-elect a Director.
- 3 To re-appoint Ernst & Whinney as Auditors.
- 4 To authorise the Board to fix the remuneration of the Auditors.

By order of the Board

R G Elden

Secretary

Bo'ness Road
Grangemouth FK3 9XQ
29 September 1988

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company.

Secretary

R G Elden

Registered Office

Bo'ness Road
Grangemouth FK3 9XQ

Auditors

Ernst & Whinney

C.R.O. LONDON

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BP OIL GRANGEMOUTH REFINERY LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the accounts for the year ended 31 December 1987.

DIRECTORS
W Carlyle
R G Elden
T M Lazenby

Mr R G Elden was a director throughout the financial year.

Mr W Carlyle was appointed a director on 10 February 1987 in place of Mr N J Purvis who retired on 31 January 1987.

Mr T M Lazenby was appointed a director with effect from 2 November 1987 in place of Mr I Baker who resigned with effect from 2 October 1987. In accordance with the Articles of Association Mr Lazenby retires, and being eligible, offers himself for re-election.

DIRECTORS' INTERESTS

The interests, including family interests, in the shares of The British Petroleum Company p.l.c. of the persons who were directors at 31 December 1987 (adjusted to reflect the capitalisation issue approved on 30 April 1987 of two ordinary shares for each ordinary share then held) were as set out below:

	25p ordinary shares	
	1 January 1987*	31 December 1987
W Carlyle	5,790	7,617
R G Elden	7,674	10,155
T M Lazenby	9,888	9,888

* or date of appointment

None of the directors had any interest in shares or debentures of subsidiary companies of The British Petroleum Company p.l.c. at 1 January 1987, date of appointment or 31 December 1987.

ACCOUNTS

The Directors do not propose that a dividend be paid in respect of 1987. The profit for the year of £4,500 has been added to reserves.

PRINCIPAL ACTIVITY

The Company acts only as agent for BP Oil Limited in the operation of Grangemouth refinery. It is not anticipated that there will be any change in that activity in the foreseeable future.

EMPLOYMENT OF DISABLED PERSONS

The Company aims to provide a working environment and to offer terms and conditions of service which allow disabled people with the necessary skills and qualifications to obtain employment. If an employee becomes disabled while in the service of the Company, he or she is, wherever practicable, retained in employment. Disabled people are afforded equal opportunities in recruitment, promotion and training.

BP OIL GRANGEMOUTH REFINERY LIMITED

REPORT OF THE DIRECTORS (continued)

EMPLOYEE INVOLVEMENT

Discussion meetings between managers and employees at the work-unit level continued to provide the basic employee involvement activity throughout the year. These enabled employees to be provided with information on matters of interest to them, and to voice their views on work-related issues of concern to them. Formal meetings with elected representatives, both unionised and non-unionised, also continued on a regular basis.

Within the graded staff involvement programme communication coordinators produced communication briefs for their functions on business plans and progress. Functional staff council meetings were held to discuss relevant business and employment matters. Staff were involved in a consultation on smoking policy within the offices.


Extensive use was also made of other communication media during the year, such as videos, information briefs and bulletins, reports and Company newspapers, to give employees information about the Company's business performance and other items of importance to them.

Eligible employees were given a further opportunity to participate in the BP Group share schemes.

AUDITORS

Ernst & Whinney have expressed their willingness to continue in office as auditors and in accordance with Section 384 of the Companies Act 1985 a resolution proposing their re-appointment as auditors of the Company will be put to the members at the annual general meeting.

By order of the Board



Secretary

Bo'ness Road
Grangemouth FK3 9XQ
1988

27/1/88

REPORT OF THE AUDITORS TO THE MEMBERS OF BP OIL GRANGEMOUTH REFINERY
LIMITED

We have audited the accounts set out on pages 4 to 6 in accordance with approved auditing standards. The accounts have been prepared under the historical cost convention.

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 31 December 1987 and of the profit for the year then ended and comply with the Companies Act 1985.

Ernst & Whinney
Ernst & Whinney
Chartered Accountants
London
29 September 1988

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BP OIL GRANGEMOUTH REFINERY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31 DECEMBER 1987

	Note	1987	£ 1986
TURNOVER	2	5,000	5,000
Administration expenses	3	(500)	(500)
Profit before taxation		4,500	4,500
Taxation	4	-	-
RETAINED PROFIT FOR THE YEAR		4,500	4,500
RESERVES			
Reserves at 1 January		2,666,665	2,662,165
Retained profit for the year		4,500	4,500
RESERVES AT 31 DECEMBER		2,671,165	2,666,665

BALANCE SHEET AT 31 DECEMBER 1987

		1987	£ 1986
NET CURRENT ASSETS			
Amounts falling due within one year:			
Group companies		6,671,165	6,666,665
CAPITAL AND RESERVES			
Called up share capital	5	4,000,000	4,000,000
Reserves		2,671,165	2,666,665
		6,671,165	6,666,665

Michael, Director

John, Director

29.12.1987 1988

BP OIL GRANGEMOUTH REFINERY LIMITED

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

No changes in accounting policies have been made during 1987.

Accounting Convention

The accounts are prepared under the historical cost convention.

Commercial Obligations

The Company operates the refinery as agent for BP Oil Limited, which assumes the commercial obligations of the undertaking.

2 TURNOVER

Turnover represents managing agency fees after recoveries of all reimbursable expenditure.

3 ADMINISTRATION EXPENSES

Administration expenses are:

	1987	1986
Auditors' remuneration	500	500

4 TAXATION

United Kingdom Taxation

The Company is a member of a group for the purposes of relief under Section 258 of the Income and Corporation Taxes Act 1970. Owing to the availability of group relief no provision for corporation tax has been made in the accounts of this Company. The group's current corporation tax liability has been provided in the accounts of BP International Limited, a fellow subsidiary company.

Provision for deferred taxation is not required.

5 CALLED UP SHARE CAPITAL

No changes were made during the year to the share capital which at 31 December 1987 was:

4,000,000 shares of £1 each, authorised, allotted and fully paid.

BP OIL GRANGEMOUTH REFINERY LIMITED

NOTES TO THE ACCOUNTS (continued)

6 DIRECTORS AND EMPLOYEES

Directors

The directors, who received no fees or other emoluments from the Company, were either directors or senior executives of BP Oil Limited in whose accounts information required by the Companies Act 1985, as to emoluments, is shown.

Employees

	1987	£'000 1986
Wages and salaries	20,777	17,819
Social security costs	1,573	1,294
Other pension costs	3,901	3,679
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	26,251	22,792

The number of UK employees whose emoluments exceeded £30,000 were in the following prescribed ranges:

£	1987	1986
30,001 - 35,000	7	4
35,001 - 40,000	5	3
40,001 - 45,000	3	2
45,001 - 50,000	1	-
50,001 - 55,000	-	1

The average weekly number of employees during the year was as follows:

	1987	1986
Operations	526	517
Maintenance	403	442
Others	346	393
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	1,275	1,355

7 ULTIMATE HOLDING COMPANY

The ultimate holding company is The British Petroleum Company p.l.c., a company incorporated in England.