

AMOCO CHEMICAL U.K. LIMITED

(Registered No. 863496)

ANNUAL REPORT AND ACCOUNTS 2003

Board of Directors: C P Saunders
F W M Starkie

REPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 31 December 2003.

Principal activity

The company did not trade during the year and it is not anticipated that it will do so in the future.

Results and dividends

The profit for the year after taxation was £542,000, which when added to the retained deficit brought forward at 1 January 2003 of £7,040,000, gives a total retained deficit carried forward at 31 December 2003 of £6,498,000. The directors do not propose the payment of a dividend.

Directors

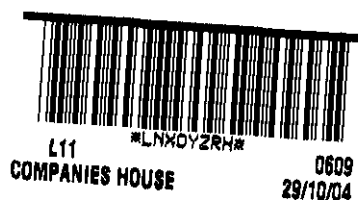
The present directors are listed above. C P Saunders served as a director throughout the financial year. Changes since 1 January 2003 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
S K Welch	1 May 2003	1 April 2004
D K Peattie		1 May 2003
F W M Starkie	1 April 2004	

Directors' interests

The interests of the directors holding office at 31 December 2003, and their families, in the US \$0.25 ordinary shares of BP p.l.c., were as set out below:

	<u>31 December 2003</u>	<u>1 January 2003</u> (or date of appointment)
C P Saunders	42,566	40,595
S K Welch	72,166*	72,166*



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REPORT OF THE DIRECTORS

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 2003 (or date of appointment) and 31 December 2003 as follows:

	<u>Granted</u>	<u>Exercised</u>
C P Saunders	4,400	-
S K Welch	-	-


*These holdings include shares held in the form of ADRs (American Depository Receipts)

No director had any interest in the shares or debentures of subsidiary undertakings of BP p.l.c. at 31 December 2003.

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


Secretary *W. J. [unclear]*
29 October 2004

Registered Office:
Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP

AMOCO CHEMICAL U.K. 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 directors confirm that they have complied with these requirements and having a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts.

AMOCO CHEMICAL U.K. LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF
AMOCO CHEMICAL U.K. LIMITED

We have audited the company's accounts for the year ended 31 December 2003 which comprise Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses, accounting policies and the related notes 1 to 14. These accounts have been prepared on the basis of 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

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 as at 31 December 2003 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
Ernst & Young LLP

Registered Auditor

London

29 October 2004

AMOCO CHEMICAL U.K. LIMITED

ACCOUNTING POLICIES

Accounting Standards

These accounts are prepared in accordance with applicable UK accounting standards.

Accounting convention

The accounts are prepared under the historical cost convention.

Statement of cash flows

The Group financial statements 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.

Group Accounts

Group accounts are not submitted as the company is exempt from the obligation to prepare group accounts under Section 228(1) of the Companies Act 1985. The results of subsidiary and associated undertakings are dealt with in the consolidated accounts of the ultimate parent undertaking, BP p.l.c., a company registered in England and Wales. The accounts present information about the company as an individual undertaking and not about the group.

Foreign currencies

Transactions in currencies other than sterling are recorded at the rate ruling at the date of the transaction. Monetary 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 for the year.

Interest

Interest is capitalised gross during the period of construction where it relates either to the financing of major projects with long periods of development or to dedicated financing of other projects. All other interest is charged against income.

Deferred tax

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less, tax with the following exceptions:

- Provision is made for tax on gains arising from the revaluation of fixed assets, and gains on disposals of fixed asset that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

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ACCOUNTING POLICIES

- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- Deferred tax assets are recognized only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates enacted or substantively enacted at the balance sheet date.

Basis of preparation

The directors consider it appropriate to prepare the accounts on a going concern basis, since the parent undertaking agreed to provide sufficient finance, whether directly or through one of its subsidiaries, to enable the company to meet its liabilities as they fall due for the foreseeable future.

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	<u>2003</u> £'000	<u>2002</u> £'000
Administration income		828	649
Other income	2	825	825
Operating profit	1	<u>1,653</u>	<u>1,474</u>
Loss on disposal of investment		-	(3)
Profit on ordinary activities before interest and tax		<u>1,653</u>	<u>1,471</u>
Interest payable and similar charges	3	(1,111)	(1,222)
Profit before taxation		<u>542</u>	<u>249</u>
Taxation	4	-	-
Retained profit for the year		<u><u>542</u></u>	<u><u>249</u></u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2003**

There are no recognised gains or losses attributable to the shareholders of the company other than the profit of £542,000 for the year ended 31 December 2003 (2002: profit of £249,000).

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BALANCE SHEET AS AT 31 DECEMBER 2003

	Note	<u>2003</u> £'000	<u>2002</u> £'000
Fixed assets			
Investments	6	-	-
		<hr/>	<hr/>
		-	-
Current assets			
Debtors – amounts falling due within one year	7	12,317	11,492
Creditors – amounts falling due within one year	8	(18,435)	(18,152)
		<hr/>	<hr/>
Net current liabilities		(6,118)	(6,660)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		(6,118)	(6,660)
		<hr/>	<hr/>
NET LIABILITIES		(6,118)	(6,660)
		<hr/>	<hr/>
Represented by			
Capital and reserves			
Called up share capital	9	11	11
Capitalised loan reserve	10	369	369
Profit and loss account	10	(6,498)	(7,040)
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		(6,118)	(6,660)
		<hr/>	<hr/>

Director

29 October

2004

AMOCO CHEMICAL U.K. LIMITED

NOTES TO THE ACCOUNTS

1. Operating profit

This is stated after charging/(crediting):

	<u>2003</u>	<u>2002</u>
	£'000	£'000
Exchange gain on foreign currency borrowings	(715)	(647)
Auditors' remuneration		
Audit fees – current year	3	2
	<hr/>	<hr/>

2. Other income

	<u>2003</u>	<u>2002</u>
	£'000	£'000
Interest income from fellow subsidiary undertaking	825	825
	<hr/>	<hr/>
	825	825
	<hr/>	<hr/>

3. Interest payable and similar charges

	<u>2003</u>	<u>2002</u>
	£'000	£'000
Interest expense on loans from parent	1,111	1,222
	<hr/>	<hr/>
	1,111	1,222
	<hr/>	<hr/>

AMOCO CHEMICAL U.K. LIMITED

NOTES TO THE ACCOUNTS

4. 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 group relief to the extent it is required and to provide for any current or deferred tax that arises without charge.

The following table provides a reconciliation of the UK statutory corporation tax rate to the effective current tax rate on profit before taxation.

	2003 £'000	2002 £'000
Profit before taxation	542	249
Current taxation	-	-
Effective current tax rate	0%	0%
	<u>2003</u> %	<u>2002</u> %
UK statutory corporation tax rate:	30	30
Increase/(decrease) resulting from:		
Timing differences	72	140
Group relief	(102)	(170)
Effective current tax rate	<u>-</u>	<u>-</u>

5. 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 (2002: £nil).

(b) Employee costs

The company did not employ any staff during the year (2002: nil).

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NOTES TO THE ACCOUNTS

6. Fixed assets – investments

	Subsidiary undertakings shares £'000	Total £'000
Cost		
At 1 January 2003	14,880	14,880
Deletions	-	-
31 December 2003	<u>14,880</u>	<u>14,880</u>
Amounts provided		
At 1 January 2003	(14,880)	(14,880)
Provided in the year	-	-
At 31 December 2003	<u>(14,880)</u>	<u>(14,880)</u>
Net book amount		
At 31 December 2003	-	-
At 31 December 2002	<u>-</u>	<u>-</u>

The investment in the subsidiary undertaking is unlisted.

The subsidiary undertaking of the company at 31 December 2003 and the percentage of equity capital held is set out below.

	%	Country of Incorporation	Principal Activity
Amoco Fabrics (U.K.) Limited	100	England	Not trading

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NOTES TO THE ACCOUNTS

7. Debtors

	<u>2003</u>	<u>2002</u>
	Within	Within
	1 year	1 year
	£'000	£'000
Parent and fellow subsidiary undertakings	12,317	11,492
	<u>12,317</u>	<u>11,492</u>

8. Creditors

	<u>2003</u>	<u>2002</u>
	Within	Within
	1 year	1 year
	£'000	£'000
Bank overdraft	-	1
Loan from parent	11,650	11,650
Amounts owed to parent and fellow subsidiary undertakings	6,785	6,501
	<u>18,435</u>	<u>18,152</u>

9. Called up share capital

	<u>2003</u>	<u>2002</u>
	£'000	£'000
Authorised share capital:		
5,000 Ordinary shares of £5 each	25	25
Allotted, called up and fully paid:		
2,106 ordinary shares of £5 each	11	11

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NOTES TO THE ACCOUNTS

10. Reconciliation of shareholders' funds and movements on reserves

	<u>Equity share capital</u> £'000	<u>Capitalised loan reserve</u> £'000	<u>Profit and Loss account</u> £'000	<u>Total</u> £'000
At 1 January 2003	11	369	(7,040)	(6,660)
Profit for the year	-	-	542	542
At 31 December 2003	<u>11</u>	<u>369</u>	<u>(6,498)</u>	<u>(6,118)</u>

11. Reconciliation of movements in shareholders' interest

	<u>2003</u> £'000	<u>2002</u> £'000
Profit for the year	542	249
Net increase in shareholders' interests	<u>542</u>	<u>249</u>
Shareholders' interest at 1 January	(6,660)	(6,909)
Shareholders' interest at 31 December	<u>(6,118)</u>	<u>(6,660)</u>

12. 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.

13. 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.