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AMOCO CHEMICAL U.K. LIMITED

(Registered No. 863496)

ANNUAL REPORT AND ACCOUNTS 2001

Board of Directors: D K Peattie
C P Saunders

REPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 31 December 2001.

Principal activity

The principal activity of the company is the marketing of industrial chemicals and polymers.

Review of activities

Following the sale of the company's business in 2000, the company ceased to earn any agent commissions or employ any personnel in the year 2001.

Results and dividends

The loss for the year after taxation was £316,000, which when added to the retained deficit brought forward at 1 January 2001 of £6,973,000, gives a total retained deficit carried forward at 31 December 2001 of £7,289,000. The directors do not propose the payment of a dividend.



AMOCO CHEMICAL U.K. LIMITED

REPORT OF THE DIRECTORS

Directors

The present directors are listed on page 1. Mr C P Saunders served as a director throughout the financial year. Changes since January 2001 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
R L McNeel		30 December 2001
D K Peattie	30 December 2001	

Directors' interests

The interests of the directors holding office at 31 December 2001, and their families, in the US \$0.25 ordinary shares of BP p.l.c., (formerly BP Amoco p.l.c.), were as set out below:

	<u>31 December 2001</u>	<u>1 January 2001</u> (or date of appointment)
D K Peattie	77,679	77,679
C P Saunders	34,493	33,571

In addition, rights to subscribe for US \$0.25 ordinary shares in BP p.l.c. (formerly BP Amoco p.l.c.) were granted to, or exercised by, those directors between 1 January 2001 (or date of appointment) and 31 December 2001 as follows:

	<u>Granted</u>	<u>Exercised</u>
D K Peattie	-	-
C P Saunders	-	6,600

No director had any interest in the shares or debentures of subsidiary undertakings of BP p.l.c. (formerly BP Amoco p.l.c.) at 31 December 2001.

AMOCO CHEMICAL U.K. LIMITED

REPORT OF THE DIRECTORS

Policy and practice with respect to payment of suppliers

It is the company's policy to follow the CBI's prompt payment code of practice for all suppliers to the company. A copy of the code of practice may be obtained from the CBI.

The number of days' purchases represented by trade creditors at the year-end was nil.

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

4 October 2002

Registered Office:
Breakspear Park
Breakspear Way
Hemel Hempstead
Herts HP2 4UL

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, or has access within the BP Group to, 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 accounts for the year ended 31 December 2001 which comprise Profit and Loss Account, Balance Sheet, and the related notes 1 to 15. These accounts have been prepared on the basis of the accounting policies set out therein.

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 2001 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Ernst & Young LLP
Registered Auditor
London.

4 October 2002

AMOCO CHEMICAL U.K. LIMITED

ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Accounting Standards

The BP group has adopted Financial Reporting Standard No. 18 "Accounting Policies" (FRS 18) with effect from 1 January 2001 and has made the transitional disclosures required by Financial Reporting Standard No. 17 "Retirement Benefits" (FRS 17). Adoption of Financial Reporting Standard 18 has not had any effect on the results for the year or required any restatement of prior year comparatives.

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.

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.

Foreign currencies

Assets and liabilities of foreign currency branches are translated into sterling at closing rates of exchange (with the exception of fixed assets which are translated at the rate of exchange ruling at the date of acquisition). Income statements are translated at average rates of exchange.

All other exchange gains or losses on settlement or translation at closing rates of exchange of monetary assets and liabilities are included in the determination of loss for the year.

Depreciation

Tangible fixed assets, are depreciated on the straight line method over their estimated useful lives.

AMOCO CHEMICAL U.K. LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	<u>2001</u> £'000	<u>2000</u> £'000
Turnover	1	-	816
Cost of sales		-	-
Gross profit		<u>-</u>	<u>816</u>
Administration expenses		(127)	(1,401)
Other income	2	873	945
Operating profit	3	<u>746</u>	<u>360</u>
Profit on ordinary activities before interest and tax		<u>746</u>	<u>360</u>
Interest payable and similar charges	4	(1,267)	(1,260)
Loss before taxation		<u>(521)</u>	<u>(900)</u>
Taxation	5	205	369
Retained loss for the year		<u><u>(316)</u></u>	<u><u>(531)</u></u>

There are no recognised gains or losses attributable to the shareholders of the company other than the loss of £316,000 for the year ended 31 December 2001 (2000 loss of £531,000).

AMOCO CHEMICAL U.K. LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2001

	Note	<u>2001</u> £'000	<u>2000</u> £'000
Fixed assets			
Tangible assets	7	-	4
Investments	8	7	7
		<u>7</u>	<u>11</u>
Current assets			
Debtors – amounts falling due within one year	9	10,667	10,257
Creditors – amounts falling due within one year	10	(17,583)	(16,861)
Net current liabilities		<u>(6,916)</u>	<u>(6,604)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(6,909)</u>	<u>(6,593)</u>
SHAREHOLDERS' INTEREST		<u>(6,909)</u>	<u>(6,593)</u>
Represented by			
Capital and reserves			
Called up share capital	11	11	11
Capitalised loan reserve	12	369	369
Profit and loss account	12	(7,289)	(6,973)
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		<u>(6,909)</u>	<u>(6,593)</u>

D. P. [Signature]

Director

4 October 2002

AMOCO CHEMICAL U.K. LIMITED

NOTES TO THE ACCOUNTS

1. Turnover

Turnover, which is stated net of value added tax, customs duties and sales taxes comprises amounts invoiced to third parties.

	<u>2001</u>	<u>2000</u>
	£'000	£'000
By business:		
Chemicals	-	816
Total	<u>-</u>	<u>816</u>
By geographical area:		
UK	-	41
Rest of Europe	-	669
Rest of World	-	106
Total	<u>-</u>	<u>816</u>

2. Other income

	<u>2001</u>	<u>2000</u>
	£'000	£'000
Interest income from group undertakings	(831)	(945)
Bank interest income	(42)	-
Total	<u>(873)</u>	<u>(945)</u>

AMOCO CHEMICAL U.K. LIMITED

NOTES TO THE ACCOUNTS

3. Operating profit

This is stated after charging:

	<u>2001</u> £'000	<u>2000</u> £'000
Exchange loss on foreign currency borrowings less deposits	117	1,264
Depreciation of owned fixed assets	4	12
Auditor's remuneration	2	2
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4. Interest

	<u>2001</u> £'000	<u>2000</u> £'000
Interest payable on group loans	1,267	1,260
	<hr/>	<hr/>
	<u>1,267</u>	<u>1,260</u>

5. Taxation

	<u>2001</u> £'000	<u>2000</u> £'000
Release of the prior year tax accrual	205	(369)
	<hr/>	<hr/>
	<u>-</u>	<u>(369)</u>

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.

AMOCO CHEMICAL U.K. LIMITED

NOTES TO THE ACCOUNTS

6. 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 (2000 £Nil).

(b) Employee costs

	<u>2001</u> £'000	<u>2000</u> £'000
Wages and salaries	-	114
Social security costs	-	1
Pension costs	-	9
	<u>-</u>	<u>124</u>

The average number of employees during the year was nil (2000: 3 working in marketing and administration)

7. Tangible assets

	Fixtures and Fittings £'000	Plant and Machinery £'000	Total £'000
Cost			
At 1 January 2001	8	58	66
At 31 December 2001	<u>8</u>	<u>58</u>	<u>66</u>
Depreciation			
At 1 January 2001	8	54	62
Charge for the year	-	4	4
At 31 December 2001	<u>8</u>	<u>58</u>	<u>66</u>
Net book amount			
At 31 December 2001	-	-	-
At 31 December 2000	<u>-</u>	<u>4</u>	<u>4</u>

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NOTES TO THE ACCOUNTS

8. Fixed assets – investments

	Subsidiary undertakings shares £'000	Other £'000	Total £'000
Cost			
At 1 January 2001 and 31 December 2001	14,880	7	14,887
Amounts provided at 1 Jan 2001 and 31 Dec 2001	(14,880)	-	(14,880)
Net book amount			
At 1 January 2001 and 31 December 2001	-	7	7
	<u> </u>	<u> </u>	<u> </u>

The company holds equity in the following undertakings:

	%	Country of Incorporation	Principal activity
Amoco Fabrics (U.K.) Limited	100	England	Chemicals
BP Chembel N.V.	Less than 1%	Belgium	Chemicals

The investment in Amoco Fabrics (UK) Limited has been fully written off. In the opinion of the Directors, the value of the participating interest in BP Chembel N.V. is not less than the amount at which it is shown in the balance sheet.

9. Debtors

	<u>2001</u> Within 1 year £'000	<u>2000</u> Within 1 year £'000
Parent and fellow subsidiary undertakings	10,667	9,888
Taxation recoverable	-	369
	<u>10,667</u>	<u>10,257</u>

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NOTES TO THE ACCOUNTS

10. Creditors

	<u>2001</u>	<u>2000</u>
	Within	Within
	1 year	1 year
	£'000	£'000
Bank overdraft	9	55
Loan from group undertakings	11,650	11,650
Amounts owed to group undertakings	5,924	5,156
	<u>17,583</u>	<u>16,861</u>

11. Called up share capital

	<u>2001</u>	<u>2000</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
	<u>11</u>	<u>11</u>

12. Reconciliation of shareholders' funds and movements on reserves

	<u>Equity share</u>	<u>Capitalised</u>	<u>Profit and</u>	<u>Total</u>
	<u>capital</u>	<u>loan reserve</u>	<u>loss</u>	
	<u>£'000</u>	<u>£'000</u>	<u>account</u>	<u>£'000</u>
At 1 January 2000	11	369	(6,442)	(6,062)
Loss for the year			(531)	(531)
At 1 January 2001	<u>11</u>	<u>369</u>	<u>(6,973)</u>	<u>(6,593)</u>
Loss for the year	-	-	(316)	(316)
At 31 December 2001	<u>11</u>	<u>369</u>	<u>(7,289)</u>	<u>(6,909)</u>

AMOCO CHEMICAL U.K. LIMITED

NOTES TO THE ACCOUNTS

13. 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.

14. Pensions

The company is a participating employer in the BP Pension Fund. The BP Pension Fund is separately funded and provides benefits that are computed based on an employee's years of service and final pensionable salary.

The pension liabilities of the company will be met by another group undertaking as and when they fall due.

15. 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 (formerly BP Amoco p.l.c.), a company registered in England and Wales. Copies of BP p.l.c.'s accounts can be obtained from Britannic House, 1 Finsbury Circus, London EC2M 7BA.