

BP Solar Holdings Limited

Registered No. 2515099

DIRECTORS

B R R Butler

D J Shah

SECRETARY

B Peevor

AUDITORS

Ernst & Young

Becket House

1 Lambeth Palace Road

London SE1 7EU

REGISTERED OFFICE

BP House

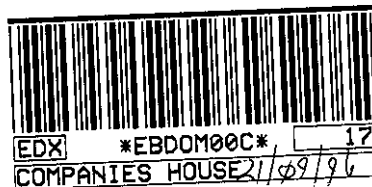
Breakspear Way

Hemel Hempstead

Hertfordshire

HP2 4UL

ERNST & YOUNG



DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 December 1995.

RESULTS AND DIVIDENDS

During the year the company has not traded and there has been no income or expenditure. Any expenses have been met by the parent undertaking.

PRINCIPAL ACTIVITY

The company acts as a holding company. During the year, BP Solar Limited transferred its investments in BP Solar Arabia Limited and BP Thai Solar Corporation Limited to BP Solar Holdings Limited at net book value.

Also during the year, BP (Solar) Indian Holdings Limited transferred its investment in Tata BP Solar India Limited to BP Solar Holdings Limited at net book value.

DIRECTORS AND THEIR INTEREST

The present directors are listed on page 1.

The directors who served during the year were as follows:

B R R Butler
D J Shah

The interest of the directors holding office at 31 December 1995, and their families, in the 25p ordinary shares of The British Petroleum Company p.l.c. were as set out below:

	<i>31 December 1995</i>	<i>1 January 1995</i>
B R R Butler	84,187	91,156
D J Shah	11,150	10,238

In addition rights to subscribe for 25p ordinary shares in The British Petroleum Company p.l.c. were granted to, or exercised by, those directors between 1 January and 31 December 1995 as follows:

	<i>Granted</i>	<i>Exercised</i>
B R R Butler	—	—
D J Shah	12,000	—

No director had any interest in shares or debentures of subsidiary undertakings of The British Petroleum Company p.l.c. at 31 December 1995.

INSURANCE

Pursuant to section 310 of the Companies Act 1985, for the year ended 31 December 1995, policies of insurance have been purchased and maintained by the ultimate parent undertaking for the directors and officers of the company against the financial consequences of actions brought against them by outside parties for their acts or omissions in the performance of their duties as directors and officers of the company.

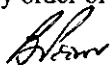
BP Solar Holdings Limited

DIRECTORS' REPORT

AUDITORS

In accordance with section 386 of the Companies Act 1985, the company has elected to dispense with the obligation to appoint auditors annually and Ernst & Young continue in office.

By order of the board


Secretary (B Pevor)

5 August 1996

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 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.

The directors confirm that they have complied with these requirements.

REPORT OF THE AUDITORS

to the members of BP Solar Holdings Limited

We have audited the accounts on pages 6 to 8, 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 4, 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.

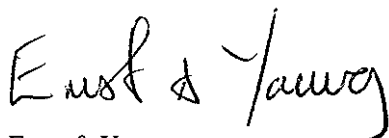
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes 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 the company's affairs as at 31 December 1995 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
London

5 August 1996

BP Solar Holdings Limited

BALANCE SHEET

at 31 December 1995

	Notes	1995 £	1994 £
FIXED ASSETS			
Investments	3	11,075,056	8,509,000
CURRENT ASSETS			
Amounts owed by fellow subsidiary undertaking		177,935	1,491,000
CURRENT LIABILITIES: amounts falling due within one year			
Amounts owed to fellow subsidiary undertaking		(1,252,991)	—
NET CURRENT (LIABILITIES)/ASSETS		(1,075,056)	1,491,000
TOTAL ASSETS LESS CURRENT LIABILITIES		10,000,000	10,000,000
Represented by:			
CAPITAL AND RESERVES			
Called up share capital	4	10,000,000	10,000,000

D. J. Shah

Director

5 August 1996

(D J SHAH)

BP Solar Holdings Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

1. ACCOUNTING POLICIES

Basis of preparation

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

Under the provisions of section 228(1) of the Companies Act 1985 the company is exempt from the requirement to prepare group accounts.

As the ultimate undertaking has published a group cash flow statement in compliance with Financial Reporting Standard No. 1, a cash flow statement is not presented in these accounts.

Pensions

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

2. DIRECTORS AND EMPLOYEES

None of the directors received any fees or remuneration from this company.

3. INVESTMENTS

Shares in subsidiary undertakings:

	£
Cost:	
At 1 January 1995	8,509,000
Additions	2,566,056
At 31 December 1995	<u>11,075,056</u>

	<i>Percentage held</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>Type of share</i>
Subsidiary undertakings:				
BP Solar Australia Pty Limited	100%	Australia	Manufacture and marketing of solar equipment	Ordinary
BP Solar Espana SA	100%	Spain	Manufacture and marketing of solar equipment	Ordinary
Tata BP Solar India Limited	51%	India	Manufacture and marketing of solar equipment	Ordinary

BP Solar Holdings Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

3. INVESTMENTS (continued)

	<i>Percentage held</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>Type of share</i>
Associated undertakings:				
BP Solar Arabia Limited	40%	Saudi Arabia	Manufacture and marketing of solar equipment	4,644 Ordinary shares of Rials 500 each
BP Thai Solar Corporation Limited	49%	Thailand	Manufacture and marketing of solar equipment	18,398 Ordinary shares of Baht 1,000 each

In the opinion of the directors, the value of shares in the company's subsidiary and associated undertakings, which are unlisted, are not less than the amounts at which these are shown in the balance sheet.

4. SHARE CAPITAL

	<i>1995 No.</i>	<i>Authorised 1994 No.</i>	<i>Allotted, called up and fully paid 1995 £</i>	<i>1994 £</i>
Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>

5. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 January 1994	7,500	—	7,500
Loss for the year	—	—	—
Issue of shares	2,500	—	2,500
At 31 December 1994	<u>10,000</u>	<u>—</u>	<u>10,000</u>
Loss for the year	—	—	—
At 31 December 1995	<u>10,000</u>	<u>—</u>	<u>10,000</u>

6. 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 The British Petroleum Company p.l.c., a company registered in England and Wales. Copies of The British Petroleum p.l.c.'s accounts may be obtained from Britannic House, 1 Finsbury Circus, London EC2M 7BA.