

UNITED KINGDOM OIL PIPELINES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2007
Registered No 746708

WEDNESDAY



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UNITED KINGDOM OIL PIPELINES LIMITED

DIRECTORS' REPORT

The Directors present their annual report and audited financial statements for the year ended 31 December 2007

PRINCIPAL ACTIVITY

The principal activity of the company during the year, as agents for the members, was the management, operation, maintenance and development of the members' Thames-Mersey pipeline system. Refined petroleum products are pumped from Thames Haven, Essex and Stanlow, Cheshire through the pipeline to distribution terminals at Buncefield in Hertfordshire, Kingsbury in Warwickshire and at Northampton. As part of this operation, the Company also manages and operates limited tank facilities at each of the five sites as part of the processing equipment, these are not bulk storage tanks. The Company appointed British Pipeline Agency Limited to carry out its obligations as sub-agent (see note 2 to the Accounts).

The Directors expect no change in this activity for the foreseeable future.

BUNCEFIELD EXPLOSION

On 11 December 2005, an explosion at a tank farm owned and operated by another company, caused loss and damage to the Company's property and business. The Company's business remains seriously disrupted by this incident. The Company has commenced proceedings to recover its losses through the High Court in London. The Company also has an indemnity from its shareholders in relation to any unrecoverable losses that the Company may incur as a result of this.

RESULTS

The Company has not traded during the year on its own account and accordingly has made neither a profit nor a loss. No Profit and Loss Account has therefore been prepared. All expenses have been met by the Company's members (see note 2 of the Accounts).

DIRECTORS

The present Directors of the Company are -

Derek Bland	appointed 19 March 2007
Neil Emmett	appointed 21 February 2007
Keith A Hamilton	
Barry Jones	appointed 12 January 2007 alternate Alain De Mot from 12 January 2007 to 1 June 2007 alternate Jean-Yves Carriat appointed 1 June 2007
Craig P McGrath	
Timothy Smith	appointed 15 May 2007 alternate Neil Watkins appointed 15 May 2007

Unless otherwise indicated, all the above named Directors (and their alternates) held office for the whole year under review.

The following Directors also served during the year under review and up to the date of this report -

Valerie Ahrens	resigned 1 February 2008
Richard Wheatley	resigned 21 February 2007

Lynne Donaldson

resigned 12 January 2007
alternate Barry Jones resigned 12 January 2007

Trevor Mallinson

resigned 15 May 2007
alternate Timothy Smith resigned 15 May 2007

DIRECTORS' INTERESTS

According to the Register of Directors' Interests, none of the current Directors who were Directors at the year end, or their families, had any interests in the shares of the Company, or in any other company requiring disclosure, or in any contract between the Company and a third party, requiring disclosure

AUDITORS / ELECTIVE REGIME

The Company has taken advantage of the exemption from audit available to small companies, in accordance with section 249A(1) of the Companies Act 1985

Elective Resolutions, passed on 23 May 1996, are in place dispensing with the requirements to lay the Report and Accounts before the members in General Meetings and to hold an Annual General Meeting ("AGM") each year

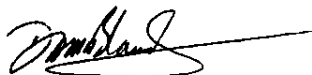
Following changes to UK Company Law under the Companies Act 2006, that came into effect on 1 October 2007, the statutory obligations for private companies to lay accounts and reports in general meeting and to hold an annual general meeting were repealed. This effectively makes the Elective Regime the default position for all private companies. Where there is a requirement in the Articles of Association to hold an annual general meeting, the Elective Resolution to dispense with the holding of an annual general meeting, mentioned above, will, in effect, continue to apply

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company Law requires the Directors to prepare financial statements 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 for that period. In preparing those financial statements, 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 financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities



Director

8 York Road
London SE1 7NA
2 October 2008

UNITED KINGDOM OIL PIPELINES LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2007

	<u>Note</u>	<u>2007</u> £	<u>2006</u> £
CURRENT ASSETS			
Cash at bank and in hand		<u>200</u>	<u>200</u>
CAPITAL AND RESERVES			
Called up share capital	4	<u>200</u>	<u>200</u>

For the year under review the Company was entitled to the exemption under section 249A(1) of the Companies Act 1985

No notice from members requiring an audit has been deposited under section 249B(2) of the Companies Act 1985

The Directors acknowledge their responsibility for

Ensuring the company keeps accounting records that comply with section 221

Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company

Preparing the accounts in accordance with the special provisions in Part VII of the Companies Act 1985 relating to small companies

These Accounts were approved by the Board of Directors on 2nd October 2008, and signed on its behalf by -



Director

UNITED KINGDOM OIL PIPELINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

The accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

2. PROFIT AND LOSS ACCOUNT

The Company entered into a Participants Agreement on 11 March 1971 with the members of the Company which governs the management, operation, maintenance and development of the members pipeline systems

The Company subsequently entered into an Agency Agreement with Shell-Mex and BP Limited also dated 11 March 1971, which was assigned on 19 January 1976 to transfer all rights and obligations under the Participants Agreement to British Pipeline Agency Limited ("BPA", a company registered in England no 1228157) The BPA is the Company's agent to manage, operate, maintain and carry out capital projects in relation to these pipelines In particular, the Agency Agreement specifically provides that BPA shall keep and maintain a full and proper system of accounts and records in relation to the pipeline system See also note 7 below

The Company is not dormant for the purposes of the Companies Act 1985 During the year under review the Company, which did not trade on its own account, made neither a profit nor a loss, all its net costs and expenditures were met by the members of the Company

3 EMOLUMENTS OF DIRECTORS

None of the Directors received any fees or other emoluments from the Company (previous financial year nil)

4 CALLED UP SHARE CAPITAL

Authorised, allotted, called up and fully paid Ordinary Shares of £1 each	<u>31 December</u> <u>2007</u>	<u>31 December</u> <u>2006</u>
BP Oil UK Limited	67	67
Total Downstream UK plc	7	7
Shell U K Limited	96	96
Chevron Limited (named Texaco Limited until 3 July 2006)	30	30
	200	200

UNITED KINGDOM OIL PIPELINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5 CONTINGENT LIABILITIES

There are at any one time a number of issues relating to land compensation claims that may result in additional expenditure in future years. These items are handled as routine operational matters through the Participants Co-ordinating Committee.

6 CASH FLOW STATEMENT

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on grounds of its size.

7. RELATED PARTY DISCLOSURES

The shareholders have the right to appoint Directors, but no one shareholder has the right to appoint a majority of Directors, therefore there is no controlling party. The Company has, by virtue of its Agency Agreement, transferred its operational responsibilities to British Pipeline Agency Limited (see note 2), which is directly related to two of the Company's shareholders, Shell U K Limited and BP Oil UK Limited.