

UNITED KINGDOM OIL PIPELINES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2008
Registered No. 746708

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DIRECTORS' REPORT

PRINCIPAL ACTIVITY

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

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.

The present Directors of the Company are :-

Keith A Hamilton

Barry Jones alternate Jean-Yves Carriat

Timothy Smith alternate Neil Watkins

Daniel Tyzack appointed 1 July 2008

Thomas Willi Fack appointed 4 July 2008

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

Neil Emmett resigned 1 July 2008

Craig P McGrath resigned 3 July 2008

AUDITORS / ELECTIVE REGIME

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. Since 1 October 2007, the Companies Act 2006 superseded and made the elective regime the default position for all private companies irrespective of whether its shareholders had approved the relevant Elective Resolutions. By virtue of the Fifth Commencement Order, this is the position even for those private companies whose Articles of Association specify that an AGM must be held each year, providing its shareholders had previously approved the Elective Resolution dispensing with the requirement to hold AGMs each year.

COMPANIES ACT 1985 PROVISIONS RELATING TO SMALL ENTITIES

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of the company's auditors, the directors confirm that:

- to the best of their knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- they have taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

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

28/7/09

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED KINGDOM OIL PIPELINES LIMITED

We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 11. These financial statements have been prepared under 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

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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

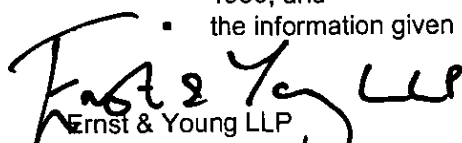
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its results for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.


Ernst & Young LLP
Registered auditor
Luton

28 July 2009

UNITED KINGDOM OIL PIPELINES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	<u>Note</u>	<u>2008</u>	<u>2007</u> <i>(restated)</i>
		£	£
Turnover	3,10	11,236,090	10,024,569
Cost of Sales		(11,236,090)	(10,024,569)
Other direct operating costs		-	-
Operating Profit	4	-	-
Profit on ordinary activities before taxation		-	-
Taxation on profit on ordinary activities	5	-	-
Total Profit for the year		-	-

The operating result for the year arises from the company's continuing operations.

The company had no gains or losses other than those included above. Therefore no separate statement of total recognised gains and losses has been presented.

UNITED KINGDOM OIL PIPELINES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

	<u>Note</u>	<u>2008</u> £	<u>2007</u> £
CURRENT ASSETS			
Cash at bank and in hand		<u>200</u>	<u>200</u>
CAPITAL AND RESERVES			
Called up share capital	7	<u>200</u>	<u>200</u>

These Accounts were approved by the Board of Directors on 28th July 2009, 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). 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 11 below.

The directors have identified that they should have been recognising revenue and cost of sales in respect of the pass through of costs in relation to the operating agency agreement with British Pipeline Agency Limited. This prior year adjustment has no impact on the profit for current or prior year or the balance sheet.

3. TURNOVER

Turnover, which is stated net of value added tax, is all generated within the United Kingdom.

4. OPERATING PROFIT

An audit fee of £3,500 was paid by the shareholders in 2008 (2007: £900).

5. TAXATION

The company does not make a profit or a loss and accordingly there is no current or deferred tax arising.

6. EMOLUMENTS OF DIRECTORS

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

UNITED KINGDOM OIL PIPELINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

7. CALLED UP SHARE CAPITAL

Authorised, allotted, called up and fully paid Ordinary Shares of £1 each.	<u>31 December 2008</u>	<u>31 December 2007</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

8. 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.

9. 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.

10. RELATED PARTY DISCLOSURES

Turnover attributable to Related Parties during 2008 is £11,236,090 (2007: £10,024,569), comprising of: BP Oil UK Limited £4,935,666 (2007: £4,440,776), Total Downstream UK plc £389,121 (2007: £320,577), Shell U.K. Limited £4,306,503 (2007: £3,661,081) and Chevron Limited £1,604,800 (2007: £1,602,135).

11. CONTROLLING PARTY

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.