

UNITED KINGDOM OIL PIPELINES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2009

Registered No. 746708

TUESDAY



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UNITED KINGDOM OIL PIPELINES LIMITED

DIRECTORS' REPORT

Registered No. 746708

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 Since 1 October 2007, the Companies Act 2006 superseded and made the elective regime the default position for all private companies irrespective of whether its shareholders had approved the relevant Elective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.

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

The directors are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.



D Bland, Director
8 York Road
London SE1 7NA

9 June 2010

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

We have audited the financial statements of United Kingdom Oil Pipelines Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its results for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

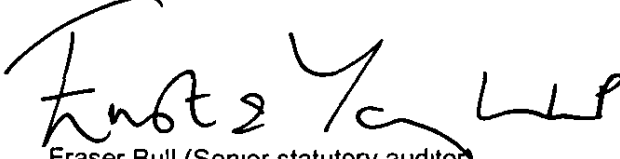
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Fraser Bull (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Luton

9 June 2010

UNITED KINGDOM OIL PIPELINES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

Registered No 746708

	<u>Note</u>	<u>2009</u>	<u>2008</u>
		£	£
Turnover	3,10	9,442,896	11,236,090
Cost of Sales		(9,442,896)	(11,236,090)
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

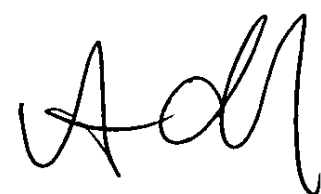
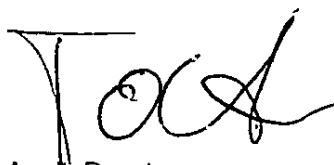
The company had no gains or losses other than those included above. Therefore no separate statement of total recognised gains and losses has been presented.

UNITED KINGDOM OIL PIPELINES LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2009

Registered No. 746708

	<u>Note</u>	<u>2009</u> £	<u>2008</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 3rd June 2010, and signed on its behalf by -



J Arndt, Director

UNITED KINGDOM OIL PIPELINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Registered No. 746708

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 2009 (2008 £3,500)

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

Registered No 746708

7. CALLED UP SHARE CAPITAL

Authorised, allotted, called up and fully paid Ordinary Shares of £1 each	<u>31 December</u> <u>2009</u>	<u>31 December</u> <u>2008</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

The company takes advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 2006.

10. RELATED PARTY DISCLOSURES

Turnover attributable to Related Parties during 2009 is £9,442,896 (2008 £11,236,090), comprising of BP Oil UK Limited £4,386,795 (2008 £4,935,666), Total Downstream UK plc £374,650 (2008 £389,121), Shell U K Limited £3,356,714 (2008 £4,306,503) and Chevron Limited £1,324,737 (2008 £1,604,800).

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.