

**UNITED KINGDOM OIL PIPELINES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2016**

**Registered No. 746708**



**UNITED KINGDOM OIL PIPELINES LIMITED**

**Registered No. 746708**

Secretary                      Pinsent Masons Secretarial Limited

Registered Office            5 – 7 Alexandra Road  
Hemel Hempstead  
HERTFORDSHIRE HP2 5BS

Auditors,                      Ernst & Young LLP,  
400 Capability Green,  
Luton LU1 3LU

## **UNITED KINGDOM OIL PIPELINES LIMITED**

### **DIRECTORS' REPORT**

**Registered No. 746708**

The Directors present their annual report and audited financial statements for the year ended 31 December 2016.

### **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.

### **DIRECTORS**

The present Directors of the Company are:-

Trevor Allinson

Alan Easton

Robert Ramos

Nicholas Roberts                      appointed 7 March 2016

Andrew Taylor                        appointed 19 December 2016

Ian Virrels                                appointed 4 January 2016

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:-

Barrie Beeson                        resigned 25 July 2016

Timothy Smith                        resigned 7 March 2016

Paul Westerman                      resigned 19 December 2016

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 Since 1 October 2007, the Companies Act 2006 superseded and made the elective regime the default position for all private companies irrespective of whether its shareholders had approved the relevant Elective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

**UNITED KINGDOM OIL PIPELINES LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**Registered No. 746708**

**COMPANIES ACT 2006 PROVISIONS RELATING TO SMALL ENTITIES**

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006.

**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 2. 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.

**GOING CONCERN**

The Company's business activities, together with the factors likely to affect its' future performance, and its financial position, are described above.

The Participant's agreement explains the responsibilities of the Company's shareholders. As a consequence, the directors believe that the Company is well placed to successfully manage its business risks and meet its liabilities as they fall due.

Accordingly they continue to adopt the going concern basis for preparing the annual report and accounts.

**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.

On behalf of the Board



A Taylor, Director  
5-7 Alexandra Road  
Hemel Hempstead, HP2 5BS

**12 JUN 2017**

## **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 2016 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Statement of Cash flows, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 10. 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), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland.'

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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 and express an opinion on 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 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. In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2016 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland;' and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Independent auditor's report to the members of United Kingdom Oil Pipelines Limited (continued)**

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in not preparing the Strategic Report and take advantage of the small companies exemptions in preparing the Directors' Report.

*Ernst & Young LLP*

Farzin Radfar (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Luton

*16 June 2017*

**UNITED KINGDOM OIL PIPELINES LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016**

**Registered No. 746708**

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		£	£
<b>Turnover</b>	3,9	20,278,145	17,613,300
Cost of Sales		(20,278,145)	(17,613,300)
Other direct operating costs		-	-
<b>Operating Profit</b>	4	-	-
<b>Profit on ordinary activities before taxation</b>		-	-
Taxation on profit on ordinary activities	5	-	-
<b>Total Profit for the year</b>		-	-

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

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016**

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		£	£
Profit for the financial year		-	-
Other comprehensive income		-	-
<b>Total recognised gain relating to the year</b>		-	-

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors have taken the decision not to prepare a cash flow statement as there are no cash movements as a result of cash transactions.

**UNITED KINGDOM OIL PIPELINES LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 2016**

**Registered No. 746708**

	<u>Note</u>	<u>2016</u> £	<u>2015</u> £
<b>Current Assets</b>			
Cash at bank and in hand		<u>200</u>	<u>200</u>
<b>Net Current Assets</b>		<u>200</u>	<u>200</u>
<b>Capital and Reserves</b>			
Called up share capital	7	<u>200</u>	<u>200</u>
<b>Shareholders' Funds</b>		<u>200</u>	<u>200</u>

The financial statements were approved by the Board of Directors on 12 June 2017, and signed on its behalf by:-



Ian Virrels, Director



**UNITED KINGDOM OIL PIPELINES LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016**

**Registered No. 746708**

	<u>Called up share capital</u>	<u>Profit and loss account</u>	<u>Total Equity</u>
	£	£	£
As at 1 January 2015	200	-	200
Profit for the year	-	-	-
As at 1 January 2016	200	-	200
Profit for the year	-	-	-
As at 31 December 2016	200	-	200

## **UNITED KINGDOM OIL PIPELINES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Registered No. 746708**

#### **1. ACCOUNTING CONVENTION**

United Kingdom Oil Pipelines Limited is a limited liability company incorporated in England. The Registered Office is 5-7 Alexandra Road, Hemel Hempstead, Herts HP2 5BS.

#### **STATEMENT OF COMPLIANCE**

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 31 December 2016.

#### **SUMMARY OF SIGNIFICANT 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 10 below.

#### **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 £2,000 was paid by the shareholders in 2016 (2015: £2,000).

#### **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>2016</u> £	<u>31 December</u> <u>2015</u> £
BP Oil UK Limited	67	67
Total UK Limited	7	7
Shell U.K. Limited	96	96
Valero Energy Ltd	30	30
	<hr/>	<hr/>
	200	200
	<hr/>	<hr/>

**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. No such contingencies exist at the year end.

**9. RELATED PARTY TRANSACTIONS**

During the year the company entered into transactions with related parties, in the ordinary course of business and at arms length. Transactions entered into for the year ended 31 December are as follows.

	<u>Sales</u>	<u>Purchases</u>
British Pipeline Agency Limited		
2016	£20,278,145	£20,278,145
2015	£17,613,300	£17,613,300

**10. 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 1), which is directly related to two of the Company's shareholders; Shell U.K. Limited and BP Oil UK Limited.