

**BP LPG UK LIMITED**  
**(Registered No 4393967)**

**ANNUAL REPORT AND ACCOUNTS 2010**

Board of Directors      P J Mathe  
   M H Wells

**REPORT OF THE DIRECTORS**

THURSDAY



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COMPANIES HOUSE

The directors present their report and accounts for the year ended 31 December 2010

**Results and dividends**

There are no recognised gains or losses for the financial year and the retained profit brought forward at 1 January 2010 of £Nil is carried forward unchanged

The company has not declared any dividends during the year (2009. £Nil) The directors do not propose the payment of a dividend

**Principal activity, review of the business and future developments**

The company acts as agent for BP Oil UK Limited in the marketing and distribution of Liquefied Petroleum Gas (LPG)

It is the intention of the directors that the above business of the company will continue for the foreseeable future

No key financial and other performance indicators have been identified for this company

**Principal risks and uncertainties**

The company aims to deliver sustainable value by identifying and responding successfully to risks. Risk management is integrated into the process of planning and performance management at a group level. Monitoring and accountability for the management of these risks occur through quarterly performance reviews at a group level.

Consider carefully the risks described below, the potential impact of their occurrence on the business, financial condition and results of operations on the company.

As the company acts as an agent for BP Oil UK Limited there are no significant risks relating to this company.

Company level risks have been categorised against the following area: compliance and control. In addition, we have also set out a further category of risk for your attention – those resulting from the Gulf of Mexico oil spill (the Incident).

## **BP LPG UK LIMITED**

### **REPORT OF THE DIRECTORS**

#### **Gulf of Mexico oil spill**

The Gulf of Mexico oil spill has had and could continue to have a material adverse impact on BP as a group, and consequently may also have an adverse impact on BP LPG UK Limited

There is significant uncertainty in the extent and timing of costs and liabilities relating to the Incident, the impact of the Incident on the reputation of the BP group and the resulting possible impact on the company's ability to access new opportunities. There is also significant uncertainty regarding potential changes in applicable regulations and the operating environment that may result from the Incident. These increase the risks to which the group and therefore the company are exposed to. These uncertainties are likely to continue for a significant period. Thus, the Incident has had, and could continue to have, a material adverse impact on the group's business, competitive position, financial performance, cash flows, prospects, liquidity, shareholder returns and/or implementation of its strategic agenda, particularly in the US.

The BP group income statement for the year ended 31 December 2010 includes a pre-tax charge of \$40.9 billion in relation to the Gulf of Mexico oil spill. The total amounts that will ultimately be paid by the BP group in relation to all obligations relating to the Incident are subject to significant uncertainty and the ultimate exposure and cost to the BP group will be dependent on many factors. The risks associated with the Incident could also heighten the impact of the other risks to which the company is exposed as further described below. Further information on the Incident, is included within the BP group Annual Report and Form 20-F for the year ended 31 December 2010.

#### **Compliance and control risks**

##### ***Reporting***

External reporting of financial and non-financial data is reliant on the integrity of systems and people. Failure to report data accurately and in compliance with external standards could result in regulatory action, legal liability and damage to the company's reputation.

##### **Policy and practice on payment of creditors**

It is the company's policy to follow the CBI's prompt payment code of practice for all suppliers to the company with payments made in accordance with the relevant contractual payment terms. A copy of the code of practice may be obtained from the CBI.

The number of days' purchases represented by trade creditors at the year-end was nil.

#### **Directors**

The present directors are listed on page 1.

There have been no director appointments or resignations since 1 January 2010.

#### **Directors' indemnity**

The company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006.

**BP LPG UK LIMITED**

**REPORT OF THE DIRECTORS**

**Auditors**

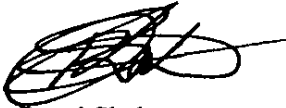
In the absence of a notice proposing that the appointment be terminated, Ernst & Young LLP will be deemed to be re-appointed as the company's auditor for the next year

**Directors' statement as to disclosure of information to the auditor**

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 fellow directors and of the company's auditor, each of these directors confirms that

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditor is unaware, and
- Each director has 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 auditor is aware of that information

By Order of the Board



Pritul Shah  
For and on behalf of  
Sunbury Secretaries Limited  
Company Secretary

18 MAY 2011

Registered Office

Chertsey Road  
Sunbury on Thames  
Middlesex  
TW16 7BP  
United Kingdom

## **BP LPG UK LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

The directors are responsible for preparing the Directors' 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 the profit or loss for that period. In preparing these 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 United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 proper 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.

The directors confirm that they have complied with these requirements and, having a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts.

**BP LPG UK LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BP LPG UK LIMITED**

We have audited the financial statements of BP LPG UK Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the accounting policies 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).

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 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**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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). These 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.

**Opinion on the 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 2010 and of its result 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 by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company 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.

*Ernst & Young LLP*

*WILLIAM TESTA* (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor

London

*24 May* 2011

**BP LPG UK LIMITED**  
**ACCOUNTING POLICIES**

**Accounting standards**

These accounts are prepared in accordance with applicable UK accounting standards

**Accounting convention**

These accounts are prepared under the historical cost convention

**Statement of cash flows**

The group accounts of the ultimate parent undertaking contain a consolidated cash flow statement  
The company has taken advantage of the exemption granted by the Financial Reporting Standard  
No 1 (Revised), whereby it is not required to publish its own cash flow statement

**BP LPG UK LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

		<u>2010</u>	<u>2009</u>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	1	-	-
Administration expenses		-	-
<b>Result before taxation</b>		-	-
Taxation	3	-	-
<b>Result for the year</b>		-	-

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

There are no recognised gains or losses attributable to the shareholders of the company for the year ended 31 December 2010 (2009 £Nil)

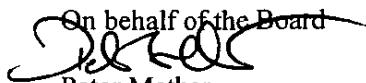
**BP LPG UK LIMITED**

(Registered No 4393967)

**BALANCE SHEET AS AT 31 DECEMBER 2010**

	Note	<u>2010</u> £	<u>2009</u> £
<b>Current Assets</b>			
Debtors – amounts falling due within one year		1,000	1,000
Parent undertaking			
<b>NET ASSETS</b>		<u>1,000</u>	<u>1,000</u>
 <b>Represented by</b>			
<b>Capital and reserves</b>			
Called up share capital	5	1,000	1,000
Profit and loss account	6	-	-
<b>SHAREHOLDERS' FUNDS – EQUITY</b>		<u>1,000</u>	<u>1,000</u>
<b>INTERESTS</b>			

On behalf of the Board



Peter Mather

Director

18 MAY 2011



**BP LPG UK LIMITED**

**NOTES TO THE ACCOUNTS**

**1. Turnover**

There was no turnover for the period ended 31 December 2010 (2009 – £Nil)

**2. Auditor's remuneration**

	<u>2010</u>	<u>2009</u>
	£	£
Fees for the audit of the company	<u>2,390</u>	<u>1,000</u>

Fees paid to the company's auditor, Ernst & Young LLP, and its associates for services other than the statutory audit of the company are not disclosed in these accounts since the consolidated accounts of BP LPG UK Limited's ultimate parent, BP plc, are required to disclose non-audit fees on a consolidated basis

The fees were borne by BP Oil UK Limited

**3. Taxation**

The Company is a member of a group for the purposes of relief within Part 5, Corporation Tax Act 2010. No corporation tax has been provided because another group company, BP International Limited, has undertaken to procure the claim or surrender of group relief to the extent it is required and to provide for any current or deferred tax that arises without charge.

The following table provides a reconciliation of the UK statutory corporation tax rate to the effective current tax rate on profit before taxation

	<u>2010</u>	<u>2009</u>
	£	£
Profit before taxation	-	-
Current taxation	-	-
Effective current tax rate	0%	0%
	<u>2010</u>	<u>2009</u>
	£	£
UK statutory corporation tax rate	28%	28%
Increase / (decrease) resulting from		
Transfer pricing adjustment	1,242	1,250
Free group relief	(1,242)	(1,250)
Effective current tax rate	<u>0%</u>	<u>0%</u>

**BP LPG UK LIMITED**

**NOTES TO THE ACCOUNTS**

**4. Directors and employees**

**(a) Remuneration of directors**

None of the directors received any fees or remuneration for services as a director of the company during the financial year (2009: \$Nil)

**(b) Employee costs**

	<u>2010</u>	<u>2009</u>
	£	£
Wages and salaries	3,551,872	3,673,579
Social security costs	265,516	280,332
Pension costs	561,993	425,820
Share based payment charge	31,895	58,641
	<u>4,411,276</u>	<u>4,438,372</u>

The employee details noted above relate to those employees with contracts of employment in the name of the company. These costs are borne by BP Oil UK Limited

The pension charge of £561,993 (2009 £425,820) was paid to BP plc as an arm's length charge for the cost of provision of pension benefits

Employees of the company participate in the Share Save scheme. Full disclosure of these share based payments is made in the parent company, BP Oil UK Limited, which bears the cost of the scheme

(c) The average monthly number of employees during the year was 120 (2009 139)

	<u>2010</u>	<u>2009</u>
	No	No
UK	<u>120</u>	<u>139</u>

**5. Called up share capital**

	<u>2010</u>	<u>2009</u>
	£	£
Allotted, called up and fully paid 1,000 Ordinary shares of £1 each for a total nominal value of £1,000	<u>1,000</u>	<u>1,000</u>

**BP LPG UK LIMITED**

**NOTES TO THE ACCOUNTS**

**6. Capital and reserves**

	<u>Called up share capital</u>	<u>Profit and loss account</u>	<u>Total</u>
	£	£	£
At 1 January 2010	1,000	-	1,000
Result for the year	-	-	-
At 31 December 2010	<u>1,000</u>	<u>-</u>	<u>1,000</u>

**7. Reconciliation of movements in shareholders' funds**

	<u>2010</u>	<u>2009</u>
	£	£
Shareholders' funds at 1 January and 31 December	<u>1,000</u>	<u>1,000</u>

**8. Related party transactions**

The company has taken advantage of the exemption contained within Financial Reporting Standard No 8 "Related Party Disclosures", and has not disclosed transactions entered into with group companies. There were no other related party transactions in the year.

**9. Pensions**

The company is a participating employer in the BP Pension Fund. The BP Pension Fund is separately funded and provides benefits that are computed based on an employee's years of service and final pensionable salary. The level of contributions made to the BP Pension Fund is the amount needed to provide adequate funds to meet pension obligations as they fall due, and are based on pension costs in respect of all members of the fund.

The obligation and the cost of providing pensions are assessed annually using the projected unit credit method. The date of the latest actuarial valuation for the BP Pension Fund was 31 December 2008 and the date of the most recent actuarial review was 31 December 2010. During 2010, employer contributions of £245m (2009: £Nil) and member contributions of £23m (2009: £22m) were made to the BP Pension Fund. Most of the contributions made by the plan participants after 1 January 2010 into the BP Pension Fund were made under salary sacrifice.

The BP Pension Fund is both operated in a way that does not allow the individual participating employing companies in the Pension Fund to identify their share of the underlying assets and liabilities of the fund. Therefore the company's payments in respect of pension current service cost have been accounted for as an expense as if they were contributions to a defined contribution scheme and no further FRS 17 disclosures are made in these accounts.

**BP LPG UK LIMITED**

**NOTES TO THE ACCOUNTS**

**9. Pensions (continued)**

The results of the most recent actuarial valuation of the BP Pension Fund as at 31 December 2008, have been reflected into the disclosures required by FRS 17 for the year ended 31 December 2010, and are included within the accounts of the ultimate parent undertaking BP plc

In the BP plc accounts, pension plan assets are measured at fair value and pension plan liabilities are measured on an actuarial basis using the projected unit credit method and discounted at an interest rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the plan liabilities. Actuarial gains and losses are recognised in full in this company's statement of total recognised gains and losses in the period in which they occur.

The BP pension fund also includes a number of defined contribution schemes and the company is a participating employer in one of these, the BP Retailing Pension and Life Assurance Scheme. The assets of these schemes are held separately from those of the Company in an independently administered fund.

**10. Immediate and ultimate parent undertaking**

The immediate parent undertaking of this company is BP Oil UK Limited, a company registered in England and Wales. 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 BP plc, a company registered in England and Wales. Copies of BP plc's accounts can be obtained from 1 St James's Square, London, SW1Y 4PD.