

BURMAH VESSEL OPERATIONS LIMITED

(Registered No 1333187)



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COMPANIES HOUSE

ANNUAL REPORT AND ACCOUNTS 2007Board of Directors: F W M Starkie
R C Fearnley**REPORT OF THE DIRECTORS**

The directors present their report and accounts for the year ended 31 December 2007

Principal activity

The Company's principal activity was the operation of Burmah Endeavour and Burmah Enterprise, crude oil carriers, which were disposed of on 1 October 1990

It is the intention of the directors that this company will remain inactive for the foreseeable future

Review of activities and future developments

The company did not trade during the year

This situation is not expected to change in the foreseeable future

Results

There are no recognised gains or losses for the financial year and the retained loss brought forward at 1 January 2007 of £102,611,328 is carried forward unchanged. The directors do not propose the payment of a final dividend

8% Unsecured Loan Stock 2009

By a Deed Poll dated 28 January 2008, the redemption date of the 8% Unsecured Loan Stock was changed from 31 December 2008 to 31 December 2009

The company has made no further issues of the 8% Unsecured Loan Stock 2009 (previously 2008), the amount in issue at 31 December 2007 being £76,216,641

Variable Interest Unsecured Loan Stock 2009

By a Deed Poll dated 28 January 2008, the redemption date of the Variable Interest Unsecured Loan Stock was changed from 31 December 2008 to 31 December 2009.

The company has made no further issues of the Variable Interest Unsecured Loan Stock 2009 (previously 2008), the amount in issue at 31 December 2007 being £20,742,359

Directors

The present directors are listed above

F W M Starkie served as a director throughout the financial year. Changes since 1 January 2007 are as follows

A C Little
R C Fearnley

32

Appointed

1 June 2007

Resigned
1 June 2007

BURMAH VESSEL OPERATIONS LIMITED

REPORT OF THE DIRECTORS

Directors' indemnity

The company indemnifies the directors in its Articles of Association to the extent allowed under section 309 of the Companies Act, 1985 (effective for the period up to 30 September 2007) and section 232 of the Companies Act, 2006 (effective for the period from 01 October 2007)

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.

As in previous years these accounts have been prepared on a break up basis due to the company having insufficient assets to enable it to discharge fully all its liabilities.

These liabilities are wholly within the Burmah Castrol Group of companies.

Key performance indicators

The Companies Act 1985 requires directors to disclose the company's Key Performance Indicators (KPIs). BP manages its KPIs at a segment and geographical level. As a result the directors have taken the decision not to disclose KPIs in individual subsidiary accounts. The BP Group KPIs are included within the accounts of the ultimate parent undertaking BP plc.

Auditors

Ernst & Young LLP will continue in office as the company's auditor in accordance with the elective resolution passed by the company under Section 386 of the Companies Act 1985.

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 confirm 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

Assistant
Secretary
22 May 2008
Registered Office

Chertsey Road
Sunbury on Thames
Middlesex
TW16 7BP

BURMAH VESSEL OPERATIONS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the accounts in accordance with applicable United Kingdom law and United Kingdom generally accepted accounting practice

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company. In preparing these accounts, the directors are required

- To select suitable accounting policies and then apply them consistently,
- To make judgements and estimates that are reasonable and prudent,
- To state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts,
- To prepare the accounts 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 disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. 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 company is non-trading and continues to have insufficient assets to enable it to discharge fully its liabilities

The directors consider that it is not appropriate to prepare the accounts on a going concern basis and these accounts have been prepared on a break-up basis

The directors confirm that they have complied with these requirements

BURMAH VESSEL OPERATIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF **BURMAH VESSEL OPERATIONS LIMITED**

We have audited the company's accounts for the year ended 31 December 2007 which comprise the accounting policies, the Balance Sheet and the related notes 1 to 12. These accounts 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 Annual Report and the accounts 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 accounts 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 accounts 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 accounts.

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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion:

- the accounts 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 2007
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the accounts

Ernst & Young LLP

Ernst & Young LLP

Registered auditor

Luton

27 May

2008

BURMAH VESSEL OPERATIONS LIMITED

ACCOUNTING POLICIES

Accounting Standards

These accounts are prepared in accordance with applicable UK accounting standards

Basis of Preparation

At 31 December 2007 the company has insufficient assets to enable it to discharge fully all its liabilities. Since the company is non-trading, no change in this position is foreseen. For this reason, the directors consider that the presumption that the company is carrying on business as a going concern is inappropriate. The accounts have therefore been prepared on a break-up basis.

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.

Going concern

The company is non-trading and continues to have insufficient assets to enable it to discharge fully its liabilities.

The directors consider that it is not appropriate to prepare the accounts on a going concern basis and these accounts have been prepared on a break up basis.

BURMAH VESSEL OPERATIONS LIMITED

BALANCE SHEET AT 31 DECEMBER 2007

		<u>2007</u>	<u>2006</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
Current assets			
Debtors	5	384,095	384,095
Creditors: amounts falling due within one year	6	(6,035,423)	(6,035,423)
Net current liabilities		(5,651,328)	(5,651,328)
TOTAL ASSETS LESS CURRENT LIABILITIES		(5,651,328)	(5,651,328)
Creditors: amounts falling due after more than one year	6	(96,959,000)	(96,959,000)
NET LIABILITIES		(102,610,328)	(102,610,328)
 Represented by			
Capital and reserves			
Called up share capital	7	1,000	1,000
Profit and loss account	8	(102,611,328)	(102,611,328)
SHAREHOLDERS' FUNDS - EQUITY INTERESTS		(102,610,328)	(102,610,328)

On behalf of the Board



Director

22 May 2008

EX-111

BURMAH VESSEL OPERATIONS LIMITED

NOTES TO THE ACCOUNTS

1. The company has not traded during the year and has made neither a profit nor a loss No profit and loss account has therefore been produced

2. **Auditor's remuneration**

	<u>2007</u>	<u>2006</u>
	<u>£</u>	<u>£</u>
Fees for the audit of the company	<u>1,200</u>	<u>1,200</u>

These costs are borne by Burmah Castrol plc

3. **Interest Payable**

Under Deeds of Release and Waiver dated 28 January 2008, Menehall Investments Limited has waived the company's obligations to pay interest on the 8% Unsecured Loan Stock and on the Variable Interest Unsecured Loan Stock for the period from 1 January 2007 to 31 December 2007 inclusive

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 (2006 £Nil)

b) Employee costs

The company had no employees during the year (2006 Nil)

BURMAH VESSEL OPERATIONS LIMITED

NOTES TO THE ACCOUNTS

5. Debtors

	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>
	Within 1 year £	After 1 year £	Within 1 year £	After 1 year £
Parent and fellow subsidiary undertakings	<u>384,095</u>	-	<u>384,095</u>	-

6. Creditors

	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>
	Within 1 year £	After 1 year £	Within 1 year £	After 1 year £
Amount owed to fellow subsidiary undertaking	3,836,128	-	3,836,128	-
Amount owed to immediate parent undertaking (see below)	<u>2,199,295</u>	<u>96,959,000</u>	<u>2,199,295</u>	<u>96,959,000</u>
	<u>6,035,423</u>	<u>96,959,000</u>	<u>6,035,423</u>	<u>96,959,000</u>

Amount owed to immediate parent undertaking after 1 year

8% Unsecured Loan Stock 2009	76,216,641	76,216,641
Variable Interest Unsecured Loan Stock 2009	<u>20,742,359</u>	<u>20,742,359</u>
	<u>96,959,000</u>	<u>96,959,000</u>

By Deed Polls dated 28 January 2008, the redemption date of each of the above stocks was changed from 31 December 2008 to 31 December 2009. Repayment of these stocks cannot now be demanded until after 31 December 2009.

Included in amounts owed to fellow subsidiary undertaking is £3,590,091 (2006 £3,590,091) relating to the charter of the two ultra-large crude carriers from two fellow subsidiary undertakings. These charters were terminated in 1988. Under a deed of subordination dated 13 December 1977, the loan stocks discussed above cannot be repaid until the amounts due on outstanding charter obligations are discharged.

7. Called up share capital

	<u>2007</u>	<u>2006</u>
	£	£
Authorised share capital		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

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BURMAH VESSEL OPERATIONS LIMITED

NOTES TO THE ACCOUNTS

8. Capital and reserves

	<u>Equity share capital</u>	<u>Profit and Loss account</u>	<u>Total</u>
	£	£	£
At 1 January 2007 and 31 December 2007	<u>1,000</u>	<u>(102,611,328)</u>	<u>(102,610,328)</u>

9. Reconciliation of movements in shareholders' funds

	<u>2007</u>	<u>2006</u>
	£	£
Shareholders' interest at 1 January and 31 December	<u>(102,610,328)</u>	<u>(102,610,328)</u>

10. 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 with group companies. There were no other related party transactions in the year

11. Pensions

The company does not directly employ any staff and therefore does not directly bear any pension charge

12. Immediate and ultimate parent undertaking

The immediate parent undertaking of this company is Menhall Investments 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