

UNITED KINGDOM OIL PIPELINES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31ST DECEMBER 1991
Registered No. 746708

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UNITED KINGDOM OIL PIPELINES LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31st December, 1991.

PRINCIPAL ACTIVITY

The principal activity of the company during the year, as agents for the members, was the operation of pipeline systems for the carriage of petroleum products in the United Kingdom and activities related thereto. The directors expect the company to continue to be engaged in the management and operation of pipeline systems for the foreseeable future.

RESULTS

The company has not traded during the year on its own account and accordingly has made neither a profit nor a loss. No profit and loss account has therefore been prepared. All expenses have been met by the members of the company (see note 2).

DIRECTORS

The present directors of the Company are:-

M R Caine (appointed 1 February 1991)
(alternate R J Farmer appointed 14 July 1992)
J M T Greensmith
C G Harvey
C R Hopkins (alternate J M Alhadef appointed 16 July 1991)
P H W Johnson (alternate J A W Bond)
S J Humphries (appointed 1 May 1992 -
alternate L P Magrill appointed 14 July 1992)
G J Purkis (appointed 1 December 1991)
D R Varney (appointed 16 December 1991)

Unless otherwise indicated, all the above named directors (and alternates) held office for the whole year.

The following directors resigned during 1991:

M J Carter (resigned 1 February 1991)
(alternate J Richardson resigned 1 February 1991)
F Garrino (resigned 1 December 1991)
(alternate B T Clark resigned 1 December 1991)
R G Reynolds (resigned 16 December 1991)

The following directors resigned during 1992:

L P Magrill (resigned 1 May 1992)
(alternate A Mack resigned 1 May 1992)
J Richardson (appointed as alternate to M R Caine 1 February 1991;
resigned as alternate to M R Caine 13 July 1992)

UNITED KINGDOM OIL PIPELINES LIMITED

DIRECTORS' REPORT

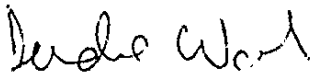
DIRECTORS' INTERESTS

The directors of the company and their families had no interests in the shares of the company at 1st January, at the date of appointment where later, or at 31st December 1991.

AUDITORS

On 1 October 1991 our auditors changed their name under which they practise to KPMG Peat Marwick, and accordingly have signed the report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution concerning their re-appointment and remuneration will be submitted to the Annual General Meeting.

By order of the board



D M A WATSON
Secretary

3 Savoy Place
London WC2R 0DX

14 July 1992

REPORT OF THE AUDITORS, KPMG PEAT MARWICK,
TO THE MEMBERS OF UNITED KINGDOM OIL PIPELINES LIMITED

We have audited the financial statements on pages 4 to 6 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 1991 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

Chartered Accountants
Registered Auditor
St Albans

14 July 1992

UNITED KINGDOM OIL PIPELINES LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1991

	<u>Note</u>	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
CURRENT ASSETS			
Cash at bank and in hand		<u>200</u>	<u>200</u>
 CAPITAL AND RESERVES			
Called up share capital	4	<u>200</u>	<u>200</u>

These accounts were approved by the board
of directors on 14 July 1992.

Director

John H. King

The notes on pages 5 and 6 form part of these financial statements.

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 has entered into a Participants Agreement dated 11 March 1971 with the members of the Company which governs the management and operation of the Company's pipeline systems. The Company subsequently entered into an Agency Agreement with Shell-Mex and BP Limited dated 11 March 1971, as amended on 19 January 1976 to transfer all rights and obligations thereto to British Pipeline Agency Limited ("BPA", a company registered in England No. 1228157) for BPA to be the Company's agent to manage, operate and carry out capital projects in relation thereto. 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.

The Company is not dormant for the purposes of the Companies Act 1985. During the year ended 31 December 1991 the Company, which did not trade on its own behalf, made neither a profit nor a loss; all its net costs and expenditures were met by the members of the Company.

3. EMOLUMENTS OF DIRECTORS

None of the directors received any fees or other emoluments from the company.

4. CALLED UP SHARE CAPITAL

Authorised allotted called up and fully paid Ordinary Shares of £1 each:	<u>31st December</u> <u>1991</u>	<u>31st December</u> <u>1990</u>
BP Oil UK Limited	35	35
Chevron International Oil Company Limited	5	5
Mobil Oil Company Limited	30	30
Fina Plc	7	7
Shell UK Limited	93	93
Texaco Limited	30	30
	<u>200</u>	<u>200</u>

UNITED KINGDOM OIL PIPELINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. CONTINGENT LIABILITIES

There is a claim against the Company by a contractor for £108,000 for which no provision has been made as the directors believe that the claim is not supportable. In the event that the Company becomes liable for this claim, or part of it, under the terms of the Participants Agreement dated 11 March 1971, the Participants are obliged to indemnify the Company for any loss, claim, demand or expense for which the Company may be held liable.