

UNITED KINGDOM OIL PIPELINES LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
31 DECEMBER 1997  
Registered No. 746708



## **UNITED KINGDOM OIL PIPELINES LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and audited financial statements for the year ended 31 December 1997.

### **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:

|                |                                                                         |
|----------------|-------------------------------------------------------------------------|
| P G Allen      | appointed 13 March 1998                                                 |
| G H Ellis      | appointed 1 January 1998                                                |
| J P Moulton    | appointed 13 March 1998                                                 |
| S Ollerhead    | appointed 16 June 1997<br>alternate M D Linley appointed 11 August 1997 |
| N P Williamson | alternate T Mallinson appointed 1 January 1998                          |
| D W Watling    | alternate O M Mace appointed 1 January 1998                             |

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

The following directors resigned during 1997 and up to the date of this report :-

|            |                                                                           |
|------------|---------------------------------------------------------------------------|
| A J Blows  | resigned 31 December 1997<br>alternate O M Mace resigned 31 December 1997 |
| P W Jordan | resigned 16 June 1997<br>alternate J H Garton resigned 11 August 1997     |
| F J Kelly  | resigned 13 January 1998<br>alternate R D Hunter resigned 13 January 1998 |
| J S Mills  | resigned 13 March 1998                                                    |
| A C Vesey  | resigned 13 March 1998                                                    |

## UNITED KINGDOM OIL PIPELINES LIMITED

### DIRECTORS' REPORT

#### DIRECTORS' INTERESTS

According to the register of directors' interests, none of the directors of the company and their families had any interests in the shares of the company at 1 January, at the date of appointment where later, or at 31 December 1997.

#### AUDITORS

The company has taken advantage of the exemption from audit available to small companies, in accordance with section 249 of the Companies Act 1985.

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 maintaining proper accounting records which 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 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



D M A Watson  
Secretary

3 Savoy Place  
London WC2R ODX

15 May 1998

**UNITED KINGDOM OIL PIPELINES LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 1997**

|                             | <u>Note</u> | <u>1997</u><br>£ | <u>1996</u><br>£ |
|-----------------------------|-------------|------------------|------------------|
| <b>CURRENT ASSETS</b>       |             |                  |                  |
| Cash at bank and in hand    |             | <u>200</u>       | <u>200</u>       |
| <b>CAPITAL AND RESERVES</b> |             |                  |                  |
| Called up share capital     | 4           | <u>200</u>       | <u>200</u>       |

For the year ended 31 December 1997 the company was entitled to the exemption under sub-section (1) of section 249A of the Companies Act 1985.

No notice from members requiring an audit has been deposited under section 249B(2) of the Companies Act 1985.

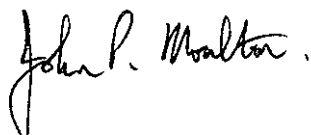
The directors acknowledge their responsibility for :

Ensuring the company keeps accounting records which comply with section 221.

Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Preparing the accounts in accordance with the special provisions in Part VII of the Companies Act 1985 relating to small companies.

These accounts were approved by the board of directors on 15 May 1998, and signed on its behalf by:



J P Moulton  
Director

## **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 1997 the Company, which did not trade on its own account, 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 Share of £1 each.

|                                           | <u>31 December</u><br><u>1997</u> | <u>31 December</u><br><u>1996</u> |
|-------------------------------------------|-----------------------------------|-----------------------------------|
| BP Oil UK Limited                         | 37                                | 35                                |
| Chevron International Oil Company Limited | 0                                 | 5                                 |
| Mobil Oil Company Limited                 | 30                                | 30                                |
| Fina Plc                                  | 7                                 | 7                                 |
| Shell UK Limited                          | 96                                | 93                                |
| Texaco Limited                            | 30                                | 30                                |
|                                           | <hr/>                             | <hr/>                             |
|                                           | 200                               | 200                               |
|                                           | <hr/>                             | <hr/>                             |

**UNITED KINGDOM OIL PIPELINES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**5. CONTINGENT LIABILITIES**

There are at any one time a number of issues relating to land compensation claims which may result in additional expenditure in future years. These items are handled as routine operational matters through the Participants Co-ordinating Committee.

**6. CASH FLOW STATEMENT**

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on grounds of its size.

**7. RELATED PARTY DISCLOSURES**

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 (see note 2), which is related to two of its shareholders, Shell UK Limited and BP Oil UK Limited.