

UNITED KINGDOM OIL PIPELINES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2001

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 2001.

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' various pipeline systems in the United Kingdom for the carriage of petroleum products, and related activities. 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.

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 Company's members (see note 2 of the Accounts).

DIRECTORS

The present Directors of the Company are :-

M N Donohue	alternate T Mallinson
B A Chesterman	appointed 1 January 2002 alternate S Ekberg appointed 1 January 2002
K A Hamilton	appointed 7 May 2002
S W Ollerhead	alternate M D Linley resigned 5 April 2002 alternate B R Jones appointed 5 April 2002
O J D Peyrin	
P F Wickenden	

Unless otherwise indicated, all the above named Directors (and their alternates) held office for the whole year under review.

The following Directors resigned during 2001 and up to the date of this report :-

N R Fielder	resigned 9 May 2001 alternate J Woodcock resigned 9 May 2001
S J F Lang	resigned 31 December 2001 alternate R C Talboys resigned 26 March 2001 alternate S Ekberg served from 26 March 2001 to 31 December 2001

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DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the Register of Directors' Interests, none of the Directors or 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 2001, or in any contract between the Company and a third party requiring disclosure.

AUDITORS / ELECTIVE REGIME

The Company has taken advantage of the exemption from audit available to small companies, in accordance with section 249A(1) of the Companies Act 1985.

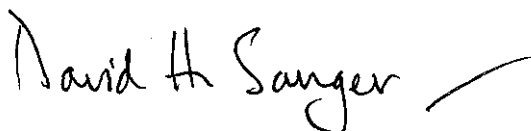
Elective Resolutions, passed on 23 May 1996, are in place dispensing with the requirements to lay the Report and Accounts before the members in General Meetings and to hold an Annual General Meeting each year.

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 judgements 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 H Sanger – Authorised Signatory
Shell Corporate Secretary Limited
Company Secretary

8 York Road
London SE1 7NA
17 May 2002

UNITED KINGDOM OIL PIPELINES LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2001

	<u>Note</u>	<u>2001</u> £	<u>2000</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>

For the year ended 31 December 2001 the Company was entitled to the exemption under section 249A(1) of the Companies Act 1985.

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

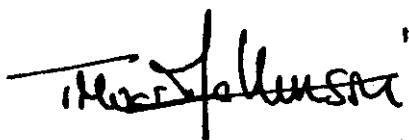
The Directors acknowledge their responsibility for :

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 17 May 2002, and signed on its behalf by :-



Alternate Director

T Mallinson

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 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, as amended 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) for BPA to be 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 7.)

The Company is not dormant for the purposes of the Companies Act 1985. During the year ended 31 December 2001 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 (2000 : nil).

4. CALLED UP SHARE CAPITAL

Authorised, allotted, called up and fully paid Ordinary Shares of £1 each.	<u>31 December</u> <u>2001</u>	<u>31 December</u> <u>2000</u>
BP Oil UK Limited	67	37
Mobil Oil Company Limited	0	30
Fina plc	7	7
Shell U.K. Limited	96	96
Texaco Limited	30	30
	200	200

Mobil Oil Company Limited's shareholding was transferred to BP Oil UK Limited on 9 May 2001.

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