

UNITED KINGDOM OIL PIPELINES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2004
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 2004.

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' pipeline systems in the United Kingdom (specifically the Thames-Mersey Pipeline System) 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 :-

Lynne Donaldson	alternate Barry Jones
Janet Skippins	alternate Trevor Mallinson
Richard Wheatley	appointed 1 October 2004
Keith A Hamilton	
Craig McGrath	appointed 26 January 2004
Valerie Ahrens	appointed 1 February 2005

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

The following Directors resigned during the year under review and up to the date of this report :-

Philippe M Rivoalen	resigned 1 February 2005
Robert P Buky	resigned 1 October 2004

DIRECTORS' INTERESTS

According to the Register of Directors' Interests, none of the current Directors who were Directors at the year end, or their families, had any interests in the shares of the Company, or in any other company requiring disclosure, 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.

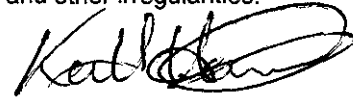
Elective Resolutions, passed on 23 May 1996, are in place dispensing with the requirements to lay the Report and Accounts before the members in General Meetings and to hold an Annual General Meeting each year.

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.



Director

Keith Hamilton

8 York Road
London SE1 7NA

23 June 2005

UNITED KINGDOM OIL PIPELINES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2004

	<u>Note</u>	<u>2004</u> £	<u>2003</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 under review 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.

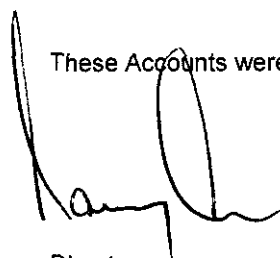
The Directors acknowledge their responsibility for :

Ensuring the company keeps accounting records that 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 23 June 2005, and signed on its behalf by :-



Director

Barry Jones

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, which was assigned 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). The BPA is 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 under review 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 (previous financial year : nil).

4. CALLED UP SHARE CAPITAL

Authorised, allotted, called up and fully paid Ordinary Shares of £1 each.

BP Oil UK Limited
Total Downstream UK plc
Shell U.K. Limited
Texaco Limited

<u>31 December</u>	<u>31 December</u>
<u>2004</u>	<u>2003</u>
67	67
7	7
96	96
30	30
200	200

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 that 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.