

**NEM PETROLEUM COMPANY LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

**NEM PETROLEUM COMPANY LIMITED**  
**REGISTERED NUMBER: 01991715**

**BALANCE SHEET**  
**AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	4	1,260,069	1,281,095
		<u>1,260,069</u>	<u>1,281,095</u>
<b>Current assets</b>			
Stocks		107,764	85,796
Debtors: amounts falling due within one year	5	32,540	136,396
Cash at bank and in hand	6	204,499	176,599
		<u>344,803</u>	<u>398,791</u>
Creditors: amounts falling due within one year	7	(453,834)	(422,586)
<b>Net current liabilities</b>		<u>(109,031)</u>	<u>(23,795)</u>
<b>Total assets less current liabilities</b>		<u>1,151,038</u>	<u>1,257,300</u>
Creditors: amounts falling due after more than one year	8	(6,873)	(168,257)
		<u>1,144,165</u>	<u>1,089,043</u>
<b>Provisions for liabilities</b>			
Deferred taxation	10	(8,210)	(8,210)
		<u>(8,210)</u>	<u>(8,210)</u>
<b>Net assets excluding pension asset</b>		<u>1,135,955</u>	<u>1,080,833</u>
<b>Net assets</b>		<u><u>1,135,955</u></u>	<u><u>1,080,833</u></u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Revaluation reserve		798,605	807,765
Profit and loss account		337,250	272,968
		<u>1,135,955</u>	<u>1,080,833</u>

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**NEM PETROLEUM COMPANY LIMITED**  
**REGISTERED NUMBER: 01991715**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2023**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....  
**Mr M Neminathan**  
Director  
Date: 22 December 2023

The notes on page 4 form part of these financial statements.

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## NEM PETROLEUM COMPANY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 1. General information

NEM Petroleum Limited is a private company, registered in the UK in England and Wales, registration number 01991715. The registered office is 1 Vincent Square, London, SW1P 2PN.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 2.3 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.5 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.6 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.7 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis:

Depreciation is provided on the following basis:

Freehold buildings	-	2%	straight line
Plant & machinery	-	15%	reducing balance
Fixtures & fittings	-	15%	reducing balance
Office equipment	-	15%	reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.8 Revaluation of tangible fixed assets**

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

**2.9 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.10 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.11 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.12 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.13 Provisions for liabilities**

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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2. Accounting policies (continued)

2.14 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

**Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

**Financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.14 Financial instruments (continued)**

payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

**Other financial instruments**

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

**Derecognition of financial instruments**

**Derecognition of financial assets**

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

**2.15 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**3. Employees**

The average monthly number of employees, including directors, during the year was 11 (2022 - 11).



NEM PETROLEUM COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

4. Tangible fixed assets

	Land and buildings £	Plant & machinery £	Number plates £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>					
At 1 April 2022	1,394,052	167,392	39,111	51,986	1,652,541
At 31 March 2023	1,394,052	167,392	39,111	51,986	1,652,541
<b>Depreciation</b>					
At 1 April 2022	195,564	132,596	-	43,286	371,446
Charge for the year on owned assets	14,502	5,219	-	1,305	21,026
At 31 March 2023	210,066	137,815	-	44,591	392,472
<b>Net book value</b>					
At 31 March 2023	1,183,986	29,577	39,111	7,395	1,260,069
<b>At 31 March 2022</b>	<u>1,198,488</u>	<u>34,796</u>	<u>39,111</u>	<u>8,700</u>	<u>1,281,095</u>

The net book value of land and buildings may be further analysed as follows:

	2023 £	2022 £
Freehold	1,183,986	1,198,488
	<u>1,183,986</u>	<u>1,198,488</u>

Cost or valuation at 31 March 2023 is as follows:

	Land and buildings £
<b>At cost</b>	1,394,052
<b>At valuation:</b>	
March 2021	-
	<u>1,394,052</u>

**NEM PETROLEUM COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**4. Tangible fixed assets (continued)**

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2023 £	2022 £
Cost	1,394,052	1,394,052
<b>Net book value</b>	<b>1,394,052</b>	<b>1,394,052</b>

**5. Debtors**

	2023 £	2022 £
Trade debtors	29,135	28,396
Other debtors	3,405	108,000
	<b>32,540</b>	<b>136,396</b>

**6. Cash and cash equivalents**

	2023 £	2022 £
Cash at bank and in hand	204,499	176,599
	<b>204,499</b>	<b>176,599</b>

**7. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Bank loans	16,024	70,041
Trade creditors	165,531	135,998
Corporation tax	188,542	162,976
Other taxation and social security	65,212	41,718
Other creditors	11,825	10,119
Accruals and deferred income	6,700	1,734
	<b>453,834</b>	<b>422,586</b>

**NEM PETROLEUM COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**8. Creditors: Amounts falling due after more than one year**

	<b>2023</b>	2022
	<b>£</b>	£
Bank loans	<b>6,873</b>	168,257
	<u><b>6,873</b></u>	<u>168,257</u>

**9. Loans**

Analysis of the maturity of loans is given below:

	<b>2023</b>	2022
	<b>£</b>	£
<b>Amounts falling due within one year</b>		
Bank loans	<b>16,024</b>	70,041
	<u><b>16,024</b></u>	<u>70,041</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	<b>6,873</b>	16,025
	<u><b>6,873</b></u>	<u>16,025</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	<b>-</b>	66,482
	<u><b>-</b></u>	<u>66,482</u>
<b>Amounts falling due after more than 5 years</b>		
Bank loans	<b>-</b>	85,747
	<u><b>-</b></u>	<u>85,747</u>
	<u><b>22,897</b></u>	<u>238,295</u>

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NEM PETROLEUM COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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10. Deferred taxation

	2023 £
At beginning of year	(8,210)
At end of year	<u>(8,210)</u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(8,210)	(8,210)
	<u>(8,210)</u>	<u>(8,210)</u>

11. Related party transactions

At the balance sheet date the company was owed £Nil (2022 was owed: £107,519) from Mr M Neminathan, a director of the company.

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