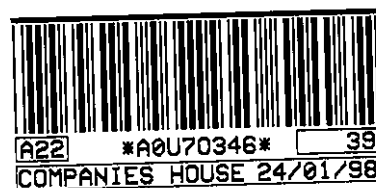


Company No. 1991715

NEM PETROLEUM COMPANY LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MARCH 1997



WELLERS
ACCOUNTANTS
53 GROSVENOR STREET
LONDON
W1X 9FH

NEM PETROLEUM COMPANY LIMITED

Auditors' Report to NEM Petroleum Company Limited
under section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages 2 to 5 together with the financial statements of the company for the year ended 31st March 1997 prepared under section 226 of Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of Opinion

We have carried out the procedures we considered necessary to confirm, by reference to financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



Wellers
Accountants and Registered Auditors
53 Grosvenor Street
London
W1X 9FH

22nd January 1998

NEM PETROLEUM COMPANY LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31ST MARCH 1997

	Notes	£	1997 £	£	1996 £
FIXED ASSETS					
Tangible assets	2		316,981		10,984
			<u>316,981</u>		<u>10,984</u>
CURRENT ASSETS					
Stocks		130,921		114,538	
Debtors		179,779		219,408	
Cash at bank and in hand		67,413		89,042	
		<u>378,113</u>		<u>422,988</u>	
CREDITORS - amounts falling due within one year		(582,713)		(341,682)	
NET CURRENT (LIABILITIES)/ASSETS			<u>(204,600)</u>		<u>81,306</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			112,381		92,290
CREDITORS - amounts falling due after more than one year	3		(10,054)		-
NET ASSETS			<u>£ 102,327</u>		<u>£ 92,290</u>

Financed by:

CAPITAL AND RESERVES

Called up share capital	5	100	100
Profit and loss account		102,227	92,190
		<u>£ 102,327</u>	<u>£ 92,290</u>

In preparing these abbreviated accounts we have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 of the Companies Act 1985 on the grounds that the company is entitled to the benefits of sections as a small company.

ON BEHALF OF THE BOARD

M Neminathan - Director

22nd January 1998

NEM PETROLEUM COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

1. ACCOUNTING POLICIES

1.1 Accounting Conventions

The accounts have been prepared under the historical cost accounting convention.

1.2 Cash Flow Statement

The company has taken advantage of the exemption available per FRS 1 for small companies not to prepare a cash flow statement.

1.3 Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	15%
Office equipment	15% per annum - reducing balance
Furniture, fixtures and fittings	15% per annum - reducing balance
Motor vehicles	25%

1.4 Stocks

Stock is valued at the lower of cost and net realisable value as follows:-

Cost incurred in bringing each product to its present location and condition.

Finished goods - cost of direct materials and labour plus attributable overheads based on the normal level of activity.

Net realisable value is based on estimated selling price less further costs expected to completion and disposal.

1.5 Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

1.6 Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases') the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding liability to the leasing company is included as an obligation under finance leases. Depreciation on leased assets is charged to the profit and loss account on the same basis as shown above.

NEM PETROLEUM COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Leasing payments are treated as consisting capital and interest elements, and interest is charged to the profit and loss account on an actuarial basis. All other leases are treated as 'operating leases' and the relevant annual rentals are charged to the profit and loss on a straight line basis over the lease term.

2. TANGIBLE FIXED ASSETS

	Freehold Property £	Motor Vehicles £	Plant & Fixtures & Equipment £	Fittings £	Total £
Cost					
At commencement	-	-	13,924	10,844	24,768
Additions	248,555	17,490	38,695	14,745	319,485
Cost at 31st March 1997	<u>248,555</u>	<u>17,490</u>	<u>52,619</u>	<u>25,589</u>	<u>344,253</u>
Depreciation					
At commencement	-	-	7,262	6,522	13,784
Charge for year	-	2,186	8,442	2,860	13,488
At 31st March 1997	<u>-</u>	<u>2,186</u>	<u>15,704</u>	<u>9,382</u>	<u>27,272</u>
Net book value					
At 31st March 1997	<u>248,555</u>	<u>15,304</u>	<u>36,915</u>	<u>16,207</u>	<u>316,981</u>
At 31st March 1996	<u>-</u>	<u>-</u>	<u>6,662</u>	<u>4,322</u>	<u>10,984</u>

The net book amount of fixed assets includes £15,304 in respect of assets held under finance leases and hire purchase contracts.

NEM PETROLEUM COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS

3. CREDITORS - Amounts falling due after more than one year

	1997 £	1996 £
Obligations under lease and hire purchase contracts	10,054	-
	<u>10,054</u>	<u>-</u>

3.1 The maturity of the bank loans, obligations under finance leases and hire purchase contracts are as follows:-

Falling due within one year:

Bank borrowings	33,034	91,446
Hire purchase contracts	3,863	-
	<u>36,897</u>	<u>91,446</u>

Over one year: second to fifth year inclusive

Hire purchase contracts	10,054	-
	<u>10,054</u>	<u>-</u>

4. CONTINGENT LIABILITY

The company's bankers hold a Mortgage Debenture of the company's assets. FINA Plc has a second legal charge over the property, St. Dunstons Hill Filling Station.

5. SHARE CAPITAL

	Authorised	Allotted, Issued and fully paid	
	£	1997 £	1996 £
Ordinary shares of £1 each	1,000	100	100
	<u>1,000</u>	<u>100</u>	<u>100</u>