

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2022

KUWAIT PETROLEUM
INTERNATIONAL LUBRICANTS
(UK) LIMITED

MENZIES

KUWAIT PETROLEUM INTERNATIONAL
LUBRICANTS (UK) LIMITED
REGISTERED NUMBER:02073564

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Current assets			
Debtors: amounts falling due within one year	4	399,034	2,382,179
Cash at bank and in hand		222,396	1,064,590
		<u>621,430</u>	<u>3,446,769</u>
Creditors: amounts falling due within one year	5	(4,152,744)	(6,885,686)
Net current liabilities		<u>(3,531,314)</u>	<u>(3,438,917)</u>
Total assets less current liabilities		<u>(3,531,314)</u>	<u>(3,438,917)</u>
Creditors: amounts falling due after more than one year	6	(2,275,000)	(2,275,000)
Net liabilities		<u>(5,806,314)</u>	<u>(5,713,917)</u>
Capital and reserves			
Allotted, called up and fully paid share capital		4,400,000	4,400,000
Profit and loss account		(10,206,314)	(10,113,917)
		<u>(5,806,314)</u>	<u>(5,713,917)</u>

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 Company has opted not to file the statement of income and retained earnings 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:

F Rouwens
Director

Date: 30 May 2023

The notes on pages 2 to 5 form part of these financial statements.

KUWAIT PETROLEUM INTERNATIONAL LUBRICANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

Kuwait Petroleum International Lubricants (UK) Limited is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales. The address of its registered office is shown on the company information page.

The principal activities of the company prior to 1 March 2021 were the filling and distribution of lubricating oils and greases for automotive and industrial purposes in the UK and Ireland, in addition to exporting to other countries. From 1 March 2021 the company provides services to wider Kuwait Corporations entities.

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 financial statements are presented in pounds sterling which is the functional currency of the company and rounded to the nearest pound sterling.

The following principal accounting policies have been applied:

2.2 Going concern

At year end, the liabilities of the company exceed assets. The company has the full support of its overseas parent and for this reason, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

2.3 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

KUWAIT PETROLEUM INTERNATIONAL LUBRICANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 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.

Revenue comprises the mark up earned on costs recharged to group entities. Due to the change in trade during 2021 this has been applied from 2022 prospectively.

2.5 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.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

3. Employees

The average monthly number of employees, including directors, during the year was 7 (2021 -20).

During the year, all employee costs were recharged to other companies within the group.

KUWAIT PETROLEUM INTERNATIONAL LUBRICANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

4. Trade and other receivables

	2022 £	2021 £
Trade debtors	-	2,340,755
Amounts owed by group undertakings	395,158	29,147
Other debtors	3,876	1,268
Prepayments and accrued income	-	11,009
	<u>399,034</u>	<u>2,382,179</u>

5. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	5,931	405,983
Amounts owed to group undertakings	4,057,187	6,285,581
Other taxation and social security	-	9,894
Accruals and deferred income	89,626	184,228
	<u>4,152,744</u>	<u>6,885,686</u>

Amounts owed to group undertakings are unsecured, repayable on demand and bear interest at floating rates linked to LIBOR.

6. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Amounts owed to the immediate parent company	2,275,000	2,275,000
	<u>2,275,000</u>	<u>2,275,000</u>

The loan to the immediate parent is due on 31 March 2024. The interest rate is 12 month LIBOR plus 0.75%. The loan may be prepaid earlier at the borrower's option and is unsecured.

KUWAIT PETROLEUM INTERNATIONAL LUBRICANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

7. Pension commitments

The company participates in a funded, defined benefit pension plan called the KPC UK Group Retirement Plan. The plan is closed to new members. The assets and liabilities of the plan are recognised in full in the financial statements of Kuwait Petroleum International Limited (KPI Ltd.), a fellow subsidiary. KPI Ltd. bears the majority of the risks and rewards of the plan and as such, it is appropriate to recognise the full defined benefit plan deficit in the entity. Full disclosures regarding the plan are included in the financial statements of KPI Ltd, which are publicly available from Companies House.

The group also operates a defined contribution pension scheme in the UK, the assets of which are held in separate trustee administered funds.

The total pension cost for the company for the financial year was £96,240 (2021: £206,000). Of this £62,555 (2021: £140,000) relates to a recharge from KPI Ltd. in respect of the defined benefit scheme. The cost relating to the UK defined contribution scheme was £33,685 (£66,000). During the year, all employee costs were recharged to other companies within the group.

8. Controlling party

The parent company of the largest group of undertakings for which group financial statements are drawn up, and of which the company is a member, is Kuwait Petroleum Corporation (the company's ultimate parent), a company incorporated in Kuwait. Kuwait Petroleum Corporation is owned by the government of Kuwait, who represent the ultimate controlling party. Kuwait Petroleum Corporation financial statements can be obtained from the registered address P.O. Box 26565, 13126 Safat, Kuwait.

The immediate parent company of the smallest such group is KPC Holdings (Aruba) A.E.C. (the registered address Lloyd G. Smith Blvd. 62, Suite 301, Oranjestad, Aruba) incorporated in Aruba. Copies of the consolidated financial statements of KPC Holdings (Aruba) A.E.C can be obtained from Dukes Court, Duke Street, Woking, Surrey, GU21 5BH.

9. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

10. Auditors' information

The auditors' report on the financial statements for the year ended 31 March 2022 was unqualified.

The audit report was signed on 31 May 2023 by Charlotte Langdon ACA (Senior statutory auditor) on behalf of Menzies LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.