

**COMPANY REGISTRATION NUMBER 01224704**

**DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2022**



**DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2022**

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**DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

**YEAR ENDED 31 DECEMBER 2022**

**Directors**

J S Denholm  
M J Beveridge  
M Clark

**Company secretary**

C J M Denholm

**Registered office**

8th Floor  
The Aspect  
12 Finsbury Square  
London  
EC2A 1AS

**Independent auditor**

Ernst & Young LLP  
Statutory Auditor  
Glasgow  
United Kingdom

# DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED

## THE STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2022

### Business Review

The principal activity of the company for the period under review was that of a holding company.

The company's key performance indicators are profit before taxation and net assets. Profit before taxation amounted to £14,714,504 (2021 - £4,167,353). The company's year end balance sheet reported net assets of £17,691,634 (2021 - £3,930,366).

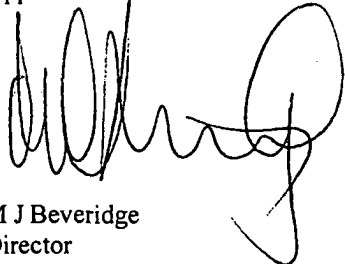
The increased profit before taxation for the year is driven by interest and dividends from subsidiaries. The improved result in subsidiary investments driving higher dividends is due to increased shutdown activity and plant hire in Kazakhstan.

Profits are expected to continue into 2023.

### Financial risk management

The company's principal financial assets are owed from group undertakings, in respect of which interest is applied at a fixed rate. The company has negotiated loan facilities to its subsidiary company and joint venture partners to fund ongoing operations and planned expansion. The company has no external credit risk as its debtors are group undertakings.

Approved on behalf of the Board on 20 June 2023



M J Beveridge  
Director

# **DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2022**

The directors submit their report and the audited financial statements of the company, registration number 01224704, for the year ended 31 December 2022.

### **Results and dividends**

The profit for the year after taxation was £13,761,268 (2021 - £4,001,502).

No dividends were paid in respect of year ended 31 December 2022 (2021 - £3,562,500).

Details of financial risk management and future developments are provided in the Strategic Report on page 2.

### **Directors**

The directors who served the company during the year and to the date of this report are listed on page 1.

### **Re-appointment of auditor**

In accordance with Section 485 of the Companies Act 2006, a resolution is to be proposed at the Group Annual General Meeting for re-appointment of Ernst & Young LLP as auditor of the company.

### **Directors' responsibilities statement**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As at the date of this report, as far as each director is aware, there is no relevant audit information of which the company's auditor is unaware. Each of the directors have taken such steps as they should have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED**

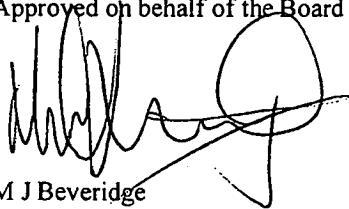
**THE DIRECTORS' REPORT *(continued)***

**YEAR ENDED 31 DECEMBER 2022**

**Going concern**

Please refer to note 1 for the Directors' statement on going concern.

Approved on behalf of the Board on 20 June 2023

A handwritten signature in black ink, appearing to be 'M J Beveridge', written over a horizontal line.

M J Beveridge  
Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED**

**YEAR ENDED 31 DECEMBER 2022**

**Opinion**

We have audited the financial statements of Denholm Oilfield Services (Kazakhstan) Limited for the year ended 31 December 2022 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 30 June 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED**

**YEAR ENDED 31 DECEMBER 2022**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED** *(continued)*

**YEAR ENDED 31 DECEMBER 2022**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", Companies Act 2006 and the relevant tax compliance regulations in the UK and Ireland;
- We understood how Denholm Oilfield Services (Kazakhstan) Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquires through our review of the board minutes and papers provided to the Audit Committee at a Group level, as well as consideration of the results of our audit procedures to either corroborate or provide contrary evidence which was then followed up;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We considered any performance targets in place for the entity and their potential influence on efforts made by management to manage earnings. Where this risk was considered higher, we performed audit procedures to address the risk of fraud and management override. These procedures included testing journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error;
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management, those charged with governance and those responsible for legal and compliance procedures; journal entry testing with a focus on journals indicating significant or unusual transactions based on our understanding of the business and a review of Board meeting minutes to identify any non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED** *(continued)*  
**YEAR ENDED 31 DECEMBER 2022**

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Ernst & Young LLP.*

Nicola McIntyre (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Glasgow

22 June 2023

**DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Administrative expenses		23,084	(5,365)
OPERATING PROFIT / (LOSS)	2	23,084	(5,365)
Income from shares	4	14,389,420	4,008,646
Interest receivable and similar income	5	303,255	164,072
Interest payable	6	(1,255)	-
PROFIT BEFORE TAXATION		14,714,504	4,167,353
Tax on profit	7	(953,236)	(165,851)
PROFIT FOR THE FINANCIAL YEAR		13,761,268	4,001,502

All of the activities of the company are classed as continuing.

There are no items of comprehensive income other than the profit of £13,761,268 attributable to the shareholders for the year ended 31 December 2022 (2021 - £4,001,502). Accordingly, a separate statement of other comprehensive income is not presented.

The notes on pages 12 to 19 form part of these financial statements.

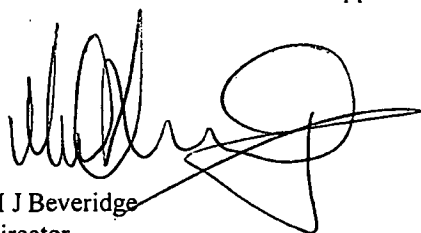
**DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Investments	8	<u>63,996</u>	<u>570,382</u>
<b>CURRENT ASSETS</b>			
Debtors due within one year	9	<u>18,062,874</u>	<u>3,391,801</u>
Cash at bank and in hand		<u>5,954</u>	<u>11,288</u>
		<b>18,068,828</b>	<b>3,403,089</b>
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>(76,190)</u>	<u>(43,105)</u>
<b>NET CURRENT ASSETS</b>		<b>17,992,638</b>	<b>3,359,984</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>18,056,634</b>	<b>3,930,366</b>
<b>CREDITORS: Amounts falling due greater than one year</b>		<b>(365,000)</b>	<b>-</b>
<b>NET ASSETS</b>		<b>17,691,634</b>	<b>3,930,366</b>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	11	<u>2,000,000</u>	<u>2,000,000</u>
Profit and loss account		<u>15,691,634</u>	<u>1,930,366</u>
<b>SHAREHOLDERS' FUNDS</b>		<b>17,691,634</b>	<b>3,930,366</b>

These financial statements were approved by the Board on 20 June 2023



M J Beveridge  
Director

The notes on pages 12 to 19 form part of these financial statements.

**DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**YEAR ENDED 31 DECEMBER 2022**

	Note	Called up Share capital £	Profit and loss account £	Total £
<b>Balance at 31 December 2020</b>		2,000,000	1,491,364	3,491,364
Total comprehensive profit		-	4,001,502	4,001,502
Dividend on equity shares	8	-	(3,562,500)	(3,562,500)
<b>Balance at 31 December 2021</b>		2,000,000	1,930,366	3,930,366
Total comprehensive profit		-	13,761,268	13,761,268
<b>Balance at 31 December 2022</b>		2,000,000	15,691,634	17,691,634

# **DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2022**

### **1 ACCOUNTING POLICIES**

#### **Basis of accounting**

Denholm Oilfield Services (Kazakhstan) Limited is a private company Limited by shares incorporated and registered in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the company's principal activities are set out in the Strategic Report on page 2.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis. They have been prepared on the going concern basis as explained in the Directors' Report on page 3.

Denholm Oilfield Services (Kazakhstan) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Denholm Oilfield Services (Kazakhstan) Limited is consolidated in the financial statements of its parent, as disclosed in note 13. Exemptions have been taken in these separate company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

#### **Consolidation**

The company is exempt from the obligation to prepare and deliver group financial statements under S400 of the Companies Act 2006. Accordingly, these financial statements present only the financial position of the company. The undertaking whose consolidated financial statements its results are included in is Denholm Energy Services Limited.

#### **Functional and presentational currency**

The directors have adopted the pound sterling as the company's functional and presentational currency, being the currency of the primary economic environment in which the company operates.

#### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

#### **Derivative financial instruments**

The activities of the company expose it directly to the financial risks of changes in foreign currency exchange rates. The company uses forward foreign exchange contracts to hedge these exposures. The company does not use derivative financial instruments for speculative purposes.

Derivatives are initially recorded on the balance sheet and subsequently measured at fair value, which is calculated using standard industry valuation techniques in conjunction with observable market data. The changes in fair value are reported through the profit and loss account.

# DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

### 1. ACCOUNTING POLICIES *(continued)*

#### Investments

Investments in subsidiary and joint venture undertakings are stated at cost. Any impairment is provided against the cost of the investment.

#### Foreign currencies

In preparing the financial statements, transactions in currencies other than the functional currency are recognised at the spot rate at the dates of the transaction, or at an average rate where this rate approximates the actual rate at the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising are included as an exchange gain or loss in the profit and loss account.

#### Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument. 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 deducting all of its liabilities.

#### (a) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs). Debt instruments that are classified as payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment. Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled.

#### Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for expenses during the year. However, the nature of the estimation means that actual outcomes could differ from those estimates. There were no critical judgements or key sources of estimation uncertainty made by the directors in applying the company's accounting policies.

#### Going concern

The Directors have prepared projections for the going concern period through to 30 June 2024 to assess the financial performance of the Company. The Directors, having considered these projections and cash resources, are satisfied that the company has a reasonable expectation that it has adequate resources to continue in business for the period to 30 June 2024. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

**DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2022**

**2 OPERATING PROFIT**

Operating profit is stated after (crediting) / charging:

	2022	2021
	£	£
Gain on foreign exchange	(40,313)	(8,290)
Auditor's remuneration - audit fees	<u>17,143</u>	<u>13,596</u>

**3 PARTICULARS OF EMPLOYEES**

There were no employees in the current or preceding year. Directors did not receive any remuneration in respect of their services to Denholm Oilfield Services (Kazakhstan) Limited. Directors who are also directors of the ultimate parent undertaking did not receive any remuneration in respect of their services to the company in either the current or preceding financial year.

**4 INCOME FROM SHARES**

	2022	2021
	£	£
Dividends received (note 14)	<u>14,389,420</u>	<u>4,008,646</u>

**5 INTEREST RECEIVABLE AND SIMILAR INCOME**

	2022	2021
	£	£
Interest receivable on amounts due from parent undertaking	285,332	144,394
Interest receivable from joint venture undertaking (note 14)	<u>17,923</u>	<u>19,678</u>
	<u>303,255</u>	<u>164,072</u>

**6 INTEREST PAYABLE**

	2022	2021
	£	£
Interest paid	<u>1,255</u>	<u>-</u>



# DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**YEAR ENDED 31 DECEMBER 2022**

### 7 TAXATION ON PROFIT

#### (a) Analysis of tax charge in the year

Current tax:		
UK Taxation	2022	2021
In respect of the year:	£	£
UK Corporation tax based on the results for the year	65,706	29,509
Adjustments in respect of prior periods	-	(22)
Double tax relief	(3,940)	-
Total UK tax	<u>61,766</u>	<u>29,487</u>
Foreign Tax		
Current tax on income for the year	<u>526,470</u>	<u>136,364</u>
Total foreign tax	526,470	136,364
Deferred tax		
In respect of timing differences arising in the period	<u>365,000</u>	-
Total tax on profit	<u><u>953,236</u></u>	<u><u>165,851</u></u>

#### (b) Factors affecting current tax charge for the year

Tax on profit for the year when expressed as a percentage of profit before taxation is lower at 6.5% (2021 - lower at 4.0%) than the standard rate of corporation tax in the UK of 19% (2021 - 19%).

#### (c) Factors that may affect future tax charges:

Increases in the UK Corporation tax rate from 19% to 25% (19% effective from 1 April 2017, and 25% from 1 April 2023) have been substantially enacted. This will increase the company's future charge. The value of deferred tax liabilities at the balance sheet date have been calculated using the applicable rate when the liability is expected to be realised.

	2022	2021
	£	£
Profit before tax	14,714,504	4,167,353
Profit multiplied by standard rate of corporation tax	2,795,756	791,797
Sundry tax adjustments	-	(645)
Dividends received not taxable	(2,733,990)	(761,643)
Withholding tax not recoverable	526,470	136,364
Deferred tax in respect of timing differences	365,000	-
Adjustments in respect of prior periods	-	(22)
Total tax on profit	<u><u>953,236</u></u>	<u><u>165,851</u></u>

**DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2022**

**8 DIVIDENDS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Dividends paid of £0 per share (2021 - £1.781)	<u>-</u>	<u>3,562,500</u>

**9 INVESTMENTS**

	<b>Joint Ventures</b>	<b>Subsidiary Undertakings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cost			
At 1 January 2022	556,386	13,996	570,382
Loan additions	17,923	-	17,923
Loan repayment	(609,097)	-	(609,097)
Exchange movements	84,788	-	84,788
	<u>50,000</u>	<u>13,996</u>	<u>63,996</u>
At 31 December 2022	<u>50,000</u>	<u>13,996</u>	<u>63,996</u>
Net Book Value			
At 31 December 2022	<u>50,000</u>	<u>13,996</u>	<u>63,996</u>
At 31 December 2021	<u>556,386</u>	<u>13,996</u>	<u>570,382</u>

As at 31 December 2022, the investment in the Joint Venture comprises £50,000 (2021 - £50,000) in equity and £nil (2021 - £506,386) by way of a loan. The loan was fully repaid during the year.

During the year, the company disposed of 41% of the share capital of Denholm Zholdas for £2,000. While holding 49% of the ordinary share capital of Denholm Zholdas, the directors consider their holding as a subsidiary investment.

# DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

### 9 INVESTMENTS (continued)

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Subsidiary undertakings	Country of registration	Principal activity	%	Registered address
Denholm Zholdas LLP	Kazakhstan	Multi discipline services for the petro-chemical industry	49%	45 Abylkhair Khan Avenue, Atyrau
Turner & Hickman Ltd	Scotland	Joint venture holding company and plant hire	50%	19 Woodside Crescent, Glasgow
Speedy Zholdas (*)	Kazakhstan	Plant hire	90%	Industrial Zone No. 14, Karabatan Station

Upon acquisition of Turner & Hickman Ltd, the company provided a loan which has been included in the cost of investment. During the year, Turner & Hickman Ltd made a loan addition of £17,923 (2021 - £19,678) and a repayment of £609,097 (2021 - £19,740). The loan was revalued during the year resulting in an exchange gain of £84,788 (2021 - £10,454). As at the balance sheet date the loan was fully repaid (2021 - £506,386).

All holdings are of ordinary shares.

(\*) indicates shares are held by Turner & Hickman Ltd.

### 10 DEBTORS

	2022 £	2021 £
Amounts falling within one year		
Amounts receivable from parent undertakings	13,068,737	3,391,154
Amounts receivable from group undertakings	4,994,137	-
Other debtors	-	647
	<u>18,062,874</u>	<u>3,391,801</u>

The amounts owed by parent undertakings in less than one year includes an unsecured loan to the immediate parent undertaking which bears interest at a fixed rate of 4% and is repayable on demand.

### 11 CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Corporation tax	61,766	29,509
Accruals and deferred income	14,424	13,596
	<u>76,190</u>	<u>43,105</u>

# DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**YEAR ENDED 31 DECEMBER 2022**

### 2 SHARE CAPITAL

Called up, allotted and fully paid:

	2022		2021	
	Number	£	Number	£
Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>

There is one class of ordinary share in issue, with one voting right per share and no right to fixed income.

### 13 ULTIMATE PARENT COMPANY

The immediate and ultimate parent undertaking is Denholm Energy Services Limited, a company registered in England. The registered address of the ultimate parent company is The Aspect, 12 Finsbury Square, London, EC2A 1AS. Copies of the financial statements of Denholm Energy Services Limited may be obtained from the Registrar of Companies, Crown Way, Cardiff, CF14 3UZ.

The financial statements of Denholm Energy Services Limited are the smallest and largest group which consolidate the company.

### 14 RELATED PARTY TRANSACTIONS

During the year the company entered into the following transactions, in the ordinary course of business, with related parties:-

Related party	Interest received from related parties £	Dividends received from related parties £
2022		
Denholm Zholdas LLP (49% subsidiary)	39,398	11,270,288
Turner & Hickman Limited (50% joint venture)	17,923	3,119,132
	<u>57,321</u>	<u>14,389,420</u>

Related party	Interest received from related parties £	Dividends received from related parties £
2021		
Denholm Zholdas LLP (90% subsidiary)	-	2,727,273
Turner & Hickman Limited (50% joint venture)	19,678	1,281,373
	<u>19,678</u>	<u>4,008,64</u>

**DENHOLM OILFIELD SERVICES (KAZAKHSTAN) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2022**

**14 RELATED PARTY TRANSACTIONS (*continued*)**

During the year, the loan to the company from its joint venture was fully repaid, details of which are given in aggregate in note 9.

During the year, the company disposed of 41% of the share capital of Denholm Zholdas for £2,000. While holding 49% of the ordinary share capital of Denholm Zholdas, the directors consider their holding as a subsidiary investment.

Transactions with entities in which the Denholm Energy Services Limited group of companies has 100% of the voting rights are not disclosed as permitted by Financial Reporting Standard 102, Section 33 - "Related Party Disclosures".

**15 CONTINGENT LIABILITY**

The company has cross-guaranteed the bank borrowings of its ultimate parent company, Denholm Energy Services Limited. The company's maximum exposure as at 31 December 2022 is £39,424,000 (2021 - £35,455,000).