

Registration number 5533122

**Pan European Oil Terminals Limited (formerly  
known as Baltic Terminals Limited)**  
**Financial Statements**  
For the year ended 31 December 2011

THURSDAY



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## **Company information**

### **Directors**

Simon Escott

### **Auditors**

Grant Thornton

Grant Thornton House

Melton Street

Euston Square

London

NW1 2EP

### **Bankers**

Coutts & Co

440 Strand

London

WC2R 0QS

### **Solicitors**

Covington & Burling

265 Strand

London

WC2R 1BH

### **Registered Office**

1-6 Yarmouth Place

Mayfair

London

W1J 7BU

# **Pan European Oil Terminals Limited**

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# **Pan European Oil Terminals Limited**

## **Directors' report**

The directors present their report together with the audited financial statements for the year ended 31 December 2011

### **Statement of Directors' responsibilities**

The directors are responsible for preparing the Directors' Report and 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). The financial statements are required by law to 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 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 UK 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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.

### **Principal activities and review of business**

The company's principal activity during the year was that of the development and operation of an oil transshipment terminal in Russia. The activity is carried out through the Company's subsidiary undertakings.

It is the intention of the directors that the above business of the company will continue for the foreseeable future.

On 30<sup>th</sup> August 2012 the Company changed its name from Baltic Terminals Limited to Pan European Oil Terminals Limited.

### **Results and dividends**

The loss for the year, after taxation, amounted to \$284 (2010: loss of \$712,708).

The directors do not recommend the payment of a dividend for the year.

## **Pan European Oil Terminals Limited**

### **Director**

The director who served during the year and up to the date of this report is as follows

Simon Escott

The director did not have any interest in the share capital of the Company during the year

### **Statement of disclosure to auditors**

The directors who held office at the date of approval of this directors' report confirm that

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

### **Risks and key performance indicators**

A discussion of the significant risks and key performance indicators has been provided in the Pan European Terminals plc group accounts for the year ended 31 December 2011

### **Auditors**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006

This report was approved by the board on 31 January 2013 and signed on its behalf



**Simon Escott**  
**Director**

# **Pan European Oil Terminals Limited**

## **Independent auditors' report to the members of Pan European Oil Terminals Limited**

We have audited the financial statements of Pan European Oil Terminals Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where 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.



Philip Westerman (Senior Statutory Auditor)  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
31 January 2013

## **Pan European Oil Terminals Limited**

### **Profit and loss account**

**For the year ended 31 December 2011**

|  | notes | 2011<br>\$   | 2010<br>\$       |
|--|-------|--------------|------------------|
| Administrative expenses                            | 2     | (284)        | (426)            |
| <b>Operating loss</b>                              |       | <b>(284)</b> | <b>(426)</b>     |
| Interest payable                                   | 4     | -            | (712,282)        |
| <b>Loss on ordinary activities before taxation</b> |       | <b>(284)</b> | <b>(712,708)</b> |
| Tax on loss on ordinary activities                 | 5     | -            | -                |
| <b>Loss on ordinary activities after taxation</b>  | 10    | <b>(284)</b> | <b>(712,708)</b> |

All amounts relate to continuing operations

There were no recognised gains and losses other than those included in the profit and loss account

# Pan European Oil Terminals Limited

## Balance sheet As at 31 December 2011

|  | notes | 2011<br>\$          | 2010<br>\$          |
|--|-------|---------------------|---------------------|
| <b>Fixed assets</b>                                  |       |                     |                     |
| Fixed asset investments                              | 6     | 4,075,606           | 4,075,606           |
| Investments in joint ventures                        | 6     | -                   | -                   |
| Investments in associates                            | 6     | 12,175,127          | 12,175,127          |
|  |       | <b>16,250,733</b>   | <b>16,250,733</b>   |
| <b>Current assets</b>                                |       |                     |                     |
| Debtors  | 7     | 13                  | 13                  |
| Cash at bank and in hand                             |       | -                   | -                   |
|  |       | <b>13</b>           | <b>13</b>           |
| <b>Creditors amounts falling due within one year</b> | 7     | <b>(20,484,425)</b> | <b>(20,484,141)</b> |
| <b>Net current liabilities</b>                       |       | <b>(20,484,412)</b> | <b>(20,484,128)</b> |
| <b>Total assets less current liabilities</b>         |       | <b>(4,233,679)</b>  | <b>(4,233,395)</b>  |
| <b>Net liabilities</b>                               |       | <b>(4,233,679)</b>  | <b>(4,233,395)</b>  |
| <b>Capital and reserves</b>                          |       |                     |                     |
| Called up share capital                              | 9     | 180                 | 180                 |
| Profit and loss account                              | 10    | (4,233,859)         | (4,233,575)         |
|  | 10    | <b>(4,233,679)</b>  | <b>(4,233,395)</b>  |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 January 2013

  
Simon Escott  
Director

Pan European Oil Terminals Limited  
Company Registered Number: 5533122



# **Pan European Oil Terminals Limited**

## **Notes to the financial statements**

### **1. Accounting policies**

#### **Basis of preparation of financial statements**

The accounts have been prepared on a going concern basis as the parent company has agreed to provide funds to enable the Company to meet its liabilities as they fall due

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The financial statements contain information about Pan European Oil Terminals Limited as an individual company and do not contain consolidated financial information of its subsidiaries. The company is exempt under Sections 400 - 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Pan European Terminals plc. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Pan European Terminals plc group or investees of the Pan European Terminals plc group.

The company has adopted the US Dollar as its reporting currency. The Board believes that through this approach the accounts will give a clearer picture of the performance of the company's business, while minimising the impact of the US Dollar exchange rate fluctuations. The sterling exchange rate at 31 December 2011 is £1 \$1.546 (2010 £1 \$1.561).

#### **Investments**

Investments in subsidiaries are valued at cost less provision for impairment.

#### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into US dollars at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

### **2. Operating loss:**

The auditors' remuneration has been borne by Pan European Terminals plc, the ultimate parent company of the group, in the years ended 31 December 2011 and 2010.

### **3. Staff costs**

The Company has no employees other than the directors, who did not receive any remuneration during the year.

## Pan European Oil Terminals Limited

### 4. Interest payable

|  | 2011 | 2010    |
|--|------|---------|
|  | \$   | \$      |
| Interest payable to group undertakings | -    | 712,282 |

### 5. Taxation

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below

|  | 2011  | 2010      |
|--|-------|-----------|
|  | \$    | \$        |
| Loss on ordinary activities before tax   | (284) | (712,708) |
| Loss on ordinary activities before tax multiplied by the standard rate of corporation tax of 26% (2010: 28%) | (74)  | (199,558) |
| Effects of UK tax losses carried forward   | 74    | 199,558   |
| Current tax charge for the year  | -     | -         |

The Company has tax losses of \$1,420,876 (2010: \$1,420,950) that are available indefinitely for offset against future taxable profits. Deferred tax assets have not been recognised in respect of these losses due to uncertainty as to whether such amounts will be realised.

### 6. Fixed asset investments

|  | Investments in subsidiaries | Investments in joint venture undertakings | Investments in associated undertakings | Total      |
|--|-----------------------------|---|--|------------|
|  | \$                          | \$  | \$                                     | \$         |
| Cost                                   |                             |   |  |            |
| At 1 January 2011 and 31 December 2011 | 4,075,606                   | -   | 12,175,126                             | 16,250,732 |

## Pan European Oil Terminals Limited

### 6. Fixed asset investments (continued)

The following were investments of the Company

| Principal investments                           | Country of incorporation | Principal activity | % of ordinary shares held & voting rights |
|---|--------------------------|--------------------|---|
| OOO Polex Service (associate)                   | Russia                   | Oil services       | 50  |
| Tetoil Limited and its subsidiary               | UK                       | Oil services       | 100                                       |
| OJSC Tetoil Limited                             | Russia                   | Oil services       | 100                                       |
| Tetoil Baltic Limited and its subsidiary        | UK                       | Oil services       | 100                                       |
| OJSC Tetoil Baltic Limited                      | Russia                   | Oil services       | 100                                       |
| Pazega Limited and its subsidiaries             | Cyprus                   | Holding company    | 100                                       |
| OOO Baltic Top                                  | Russia                   | Oil services       | 100                                       |
| OOO Otelbiznesstroy                             | Russia                   | Oil services       | 100                                       |
| Yuri Trading Limited and its subsidiary         | Cyprus                   | Holding company    | 100                                       |
| OOO Torgovy Dom Kalningradneft                  | Russia                   | Oil services       | 65  |
| Baltica Hydrocarbons Limited and its subsidiary | Cyprus                   | Holding company    | 100                                       |
| Arblade Holdings Limited                        | Cyprus                   | Holding company    | 100                                       |
| Associates                                      |                          |                    |   |
| OOO Agroprom                                    | Russia                   | Oil services       | 50  |
| ZAO Rosbunker                                   | Russia                   | Oil services       | 50  |
| Edgeview Ventures Limited                       | British Virgin Islands   | Holding company    | 50  |
| North Oil Bunker                                | British Virgin Islands   | Oil Services       | 50  |
| North Oil Trading                               | Panama                   | Oil Trading        | 50  |

### 7. Debtors

|               | 2011<br>\$ | 2010<br>\$ |
|---------------|------------|------------|
| Other debtors | 13         | 13         |

### 8. Creditors – amounts falling due within one year

|                                    | 2011<br>\$ | 2010<br>\$ |
|------------------------------------|------------|------------|
| Bank overdraft                     | 71         | 71         |
| Amounts owed to group undertakings | 20,484,354 | 20,484,070 |
|                                    | 20,484,425 | 20,484,141 |

## Pan European Oil Terminals Limited

### 9. Share capital

|                                | 2011<br>\$ | 2010<br>\$ |
|--------------------------------|------------|------------|
| <b>Authorised</b>              |            |            |
| 100 ordinary shares of £1 each | 180        | 180        |
| <b>Allotted and fully paid</b> |            |            |
| 100 ordinary shares of £1 each | 180        | 180        |

### 10. Reconciliation of movements in shareholders' deficit

|                   | Share capital<br>\$ | Profit and<br>loss account<br>\$ | Total 2011<br>\$ | Total 2010<br>\$ |
|-------------------|---------------------|----------------------------------|------------------|------------------|
| At 1 January      | 180                 | (4,233,575)                      | (4,233,395)      | (3,520,687)      |
| Loss for the year | -                   | (284)                            | (284)            | (712,708)        |
| At 31 December    | 180                 | (4,233,859)                      | (4,233,679)      | (4,233,395)      |

### 11. Ultimate parent undertaking

The immediate parent undertaking is Baltic Petroleum Limited

The ultimate parent undertaking and controlling party is Pan European Terminals plc (formerly Baltic Oil Terminals plc), a public company incorporated in the UK. Copies of Pan European Terminals plc (formerly Baltic Oil Terminals plc) consolidated financial statements can be obtained from the Company's website [www.balticoilterminals.com](http://www.balticoilterminals.com)