

**REGISTERED NUMBER: OC414946 (England and Wales)**

**Report of the Members and  
Audited Financial Statements  
for the Period 1 January 2022 to 30 June 2022  
for  
QHG Trading LLP**

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**DESIGNATED MEMBERS:**

Inversos Ltd  
Nestan Ltd

**REGISTERED OFFICE:**

Unit 3 Second Floor  
68 Old Brompton Road  
London  
SW7 3LQ

**REGISTERED NUMBER:**

OC414946 (England and Wales)

**AUDITORS:**

Butt Miller  
Chartered Accountants and Statutory Auditor  
92 Park Street  
Camberley  
Surrey  
GU15 3NY

**Report of the Members  
for the Period 1 January 2022 to 30 June 2022**

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The members present their report with the financial statements of the LLP for the period 1 January 2022 to 30 June 2022.

**CESSATION OF TRADING**

The LLP ceased trading on 23 February 2022.

**PRINCIPAL ACTIVITY**

The principal activity of the LLP in the period under review was that of the purchase and sale of physical oil commodities.

**DESIGNATED MEMBERS**

The designated members during the period under review were:

Inversos Ltd  
Nestan Ltd

**RESULTS FOR THE PERIOD AND ALLOCATION TO MEMBERS**

The loss for the period before members' remuneration and profit shares was \$433,804,281 (2021 - \$339,406,191 profit).

**MEMBERS' INTERESTS**

Under the partnership agreement, the designated members may at any time decide that each member may draw from its current account amounts as determined by the members.

Drawings may not exceed each member's profit share for an accounting year.

Profits and losses of the LLP are allocated between the members in the proportions as may be determined by the Designated Members, but typically in the same proportion as capital contributions.

Profits or losses are included within an equity reserve until allocated to members, whereby they are then included within loans and other debts due to members.

Any undrawn amounts in a member's current account is payable to members on leaving the partnership.

See the Reconciliation of Members' Interest for total amounts allocated to members.

Capital contributions are as determined by the Designated Members.

No interest is payable on capital contributions. Upon leaving the partnership, capital contributions are repaid to members.

See the Reconciliation of Members' Interest for total amounts of capital contributions by members.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The LLP is exposed to a number of financial risks, which are described in more detail below.

**Liquidity risk**

Liquidity risk is the risk that the LLP is unable to meet its payment obligations when due. The LLP is funded through its working capital which is expected to be sufficient to meet foreseeable needs.

**Credit risk**

Credit risk arises from the possibility that counterparties may not be able to settle obligations due to the LLP within their agreed payment terms.

The LLP's principle financial assets are cash and debtors.

The credit risk associated with the cash is limited as the counterparties are commercial banks.

The LLP's credit management process includes the assessment and monitoring of counterparty exposure. All exposures are considered creditworthy and impairments have been assessed where appropriate.

**Market risk**

The primary market risk faced by the LLP is the financial risk of market price variations in the oil market price and industry demand. This is mitigated by the terms of the contracts the LLP has with customer and supplier.

**Foreign exchange risk**

This risk is considered immaterial as the majority of transactions are in US dollars (\$), the functional currency of the LLP.

**STREAMLINED ENERGY AND CARBON REPORTING**

The LLP has not disclosed its energy and carbon information as it qualifies as a low energy user.

**Report of the Members  
for the Period 1 January 2022 to 30 June 2022**

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**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

**ON BEHALF OF THE MEMBERS:**

Nestan Ltd - Designated member

1 July 2022

**Members' Responsibilities Statement  
for the Period 1 January 2022 to 30 June 2022**

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The members are responsible for preparing the Report of the Members and the financial statements in accordance with applicable law and regulations.

Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under legislation applicable to limited liability partnerships the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members 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 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 LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Opinion**

We have audited the financial statements of QHG Trading LLP (the 'LLP') for the period ended 30 June 2022 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Reconciliation of Members' Interests, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, 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 Financial Reporting Standard 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 state of the LLP's affairs as at 30 June 2022 and of its loss for the period 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 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

### **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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP 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.

### **Emphasis of matter - basis of preparation**

We draw attention to the basis of preparation note to the financial statements on page 15 which explains that the LLP ceased to trade on 23 February 2022 and the members intend to dissolve the LLP in the near future. As a result, they do not consider it appropriate to adopt the going concern basis of accounting. Accordingly the financial statements have been prepared on a basis other than the going concern basis as described in the basis of preparation note, on page 15. Our opinion is not modified in respect of this matter.

### **Other information**

The members are responsible for the other information. The other information comprises the information in the Report of the Members and the Members' Responsibilities Statement, but does not include the financial statements and our Report of the Auditors thereon.

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to 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 this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 as applied to LLPs 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
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of members**

As explained more fully in the Members' Responsibilities Statement set out on page four, the members 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 members determine 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 members are responsible for assessing the LLP'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 members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

**Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector the LLP is in. Its control environment and business performance including the design of the LLPs policies and staff remuneration;
- Results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the LLPs documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Our procedures to respond to risks identified included the following:

- Enquiries of management including concerning actual and potential litigation and claims and any instances of non-compliance with laws.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Obtained an understanding of provisions and held discussions with management to understand the basis of recognition or non-recognition of provisions; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; checking internal controls are being followed as per its policies and assessing suitability; assessing the judgements made in making accounting estimates; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

## **Report of the Independent Auditors to the Members of QHG Trading LLP**

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### **Use of our report**

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

Susan Ambrose FCCA FCA (Senior Statutory Auditor)  
for and on behalf of Butt Miller  
Chartered Accountants and Statutory Auditor  
92 Park Street  
Camberley  
Surrey  
GU15 3NY

1 July 2022

**Income Statement**  
**for the Period 1 January 2022 to 30 June 2022**

|   | Notes | Period<br>1.1.22<br>to<br>30.6.22<br>\$ | Year Ended<br>31.12.21<br>\$ |
|---|-------|---|------------------------------|
| <b>TURNOVER</b>   |       | 434,166,483                             | 3,670,650,282                |
| Cost of sales   |       | <u>(424,416,078)</u>                    | <u>(3,331,821,602)</u>       |
| <b>GROSS PROFIT</b>   |       | 9,750,405                               | 338,828,680                  |
| Administrative expenses   |       | <u>(443,876,545)</u>                    | <u>(358,433)</u>             |
| <b>OPERATING (LOSS)/PROFIT</b>  | 5     | <u>(434,126,140)</u>                    | <u>338,470,247</u>           |
| Interest receivable and similar income  |       | <u>321,859</u>                          | <u>935,944</u>               |
| <b>(LOSS)/PROFIT FOR THE FINANCIAL<br/>PERIOD BEFORE MEMBERS'<br/>REMUNERATION AND PROFIT SHARES<br/>AVAILABLE FOR DISCRETIONARY<br/>DIVISION AMONG MEMBERS</b> |       | <u>(433,804,281)</u>                    | <u>339,406,191</u>           |

**Other Comprehensive Income  
for the Period 1 January 2022 to 30 June 2022**

|   | Notes | Period<br>1.1.22<br>to<br>30.6.22<br>\$ | Year Ended<br>31.12.21<br>\$ |
|---|-------|---|------------------------------|
| <b>(LOSS)/PROFIT FOR THE FINANCIAL<br/>PERIOD BEFORE MEMBERS'<br/>REMUNERATION AND PROFIT SHARES<br/>AVAILABLE FOR DISCRETIONARY<br/>DIVISION AMONG MEMBERS</b> |       | (433,804,281)                           | 339,406,191                  |
| <b>OTHER COMPREHENSIVE INCOME</b>   |       | -                                       | -                            |
| <b>TOTAL COMPREHENSIVE INCOME FOR<br/>THE PERIOD</b>  |       | <u>(433,804,281)</u>                    | <u>339,406,191</u>           |

**Statement of Financial Position**  
**30 June 2022**

|  | Notes | 2022<br>\$      | 2021<br>\$          |
|--|-------|-----------------|---------------------|
| <b>CURRENT ASSETS</b>                        |       |                 |                     |
| Debtors                                      | 8     | 24,244          | 446,300,892         |
| Cash at bank and in hand                     |       | -               | 4,320,834           |
|  |       | <u>24,244</u>   | <u>450,621,726</u>  |
| <b>CREDITORS</b>                             |       |                 |                     |
| Amounts falling due within one year          | 9     | <u>(24,244)</u> | <u>(16,841,685)</u> |
| <b>NET CURRENT ASSETS</b>                    |       | <u>-</u>        | <u>433,780,041</u>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                 |                     |
| <b>and</b>                                   |       |                 |                     |
| <b>NET ASSETS ATTRIBUTABLE TO</b>            |       |                 |                     |
| <b>MEMBERS</b>                               |       | <u>-</u>        | <u>433,780,041</u>  |
| <b>LOANS AND OTHER DEBTS DUE TO</b>          |       |                 |                     |
| <b>MEMBERS</b>                               | 10    | <u>-</u>        | <u>433,780,041</u>  |
| <b>TOTAL MEMBERS' INTERESTS</b>              |       |                 |                     |
| Loans and other debts due to members         | 10    | -               | 433,780,041         |
| Amounts due from members                     | 8     | <u>(24,244)</u> | <u>-</u>            |
|  |       | <u>(24,244)</u> | <u>433,780,041</u>  |

The financial statements were approved by the members of the LLP and authorised for issue on 1 July 2022 and were signed by:

Nestan Ltd - Designated member

**Reconciliation of Members' Interests  
for the Period 1 January 2022 to 30 June 2022**

|  | EQUITY<br>Members'<br>other<br>interests | DEBT<br>Loans and other debts due to<br>members less any amounts due<br>from members in debtors |                        |               | TOTAL<br>MEMBERS'<br>INTERESTS |
|--|--|---|------------------------|---------------|--------------------------------|
|  | Other<br>reserves<br>\$                  | Members'<br>capital<br>(classified<br>as debt)<br>\$  | Other<br>amounts<br>\$ | Total<br>\$   | Total<br>\$                    |
| Amount due to members  |  | 4   | 433,780,037            | 433,780,041   |                                |
| Amount due from members  |  | -   | -                      | -             |                                |
| Balance at 1 January 2022  | -  | 4   | 433,780,037            | 433,780,041   | 433,780,041                    |
| Loss for the financial period<br>available for discretionary division<br>among members | (433,804,281)                            | -   | -                      | -             | (433,804,281)                  |
| Members' interests after loss for the<br>period  | (433,804,281)                            | 4   | 433,780,037            | 433,780,041   | (24,240)                       |
| Other divisions of loss  | 433,804,281                              | -   | (433,804,281)          | (433,804,281) | -                              |
| Repayments of debt (including<br>members' capital classified as a<br>liability)        | -  | (4)   | -                      | (4)           | (4)                            |
| Amount due to members  |  | -   | -                      | -             |                                |
| Amount due from members  |  | -   | (24,244)               | (24,244)      |                                |
| Balance at 30 June 2022  | -  | -   | (24,244)               | (24,244)      | (24,244)                       |

**Reconciliation of Members' Interests  
for the Period 1 January 2022 to 30 June 2022**

|  | EQUITY<br>Members'<br>other<br>interests | DEBT<br>Loans and other debts due to<br>members less any amounts due<br>from members in debtors |                        |              | TOTAL<br>MEMBERS'<br>INTERESTS |
|--|--|---|------------------------|--------------|--------------------------------|
|  | Other<br>reserves<br>\$                  | Members'<br>capital<br>(classified<br>as debt)<br>\$  | Other<br>amounts<br>\$ | Total<br>\$  | Total<br>\$                    |
| Amount due to members  |  | 4   | 148,873,846            | 148,873,850  |                                |
| Amount due from members  |  | -   | -                      | -            |                                |
| Balance at 1 January 2021  | -  | 4   | 148,873,846            | 148,873,850  | 148,873,850                    |
| Profit for the financial period<br>available for discretionary division<br>among members | 339,406,191                              | -   | -                      | -            | 339,406,191                    |
| Members' interests after profit for<br>the period  | 339,406,191                              | 4   | 148,873,846            | 148,873,850  | 488,280,041                    |
| Other divisions of profit  | (339,406,191)                            | -   | 339,406,191            | 339,406,191  | -                              |
| Drawings on account and<br>distributions of profit                                       | -  | -   | (54,500,000)           | (54,500,000) | (54,500,000)                   |
| Amount due to members  |  | 4   | 433,780,037            | 433,780,041  |                                |
| Amount due from members  |  | -   | -                      | -            |                                |
| Balance at 31 December 2021  | -  | 4   | 433,780,037            | 433,780,041  | 433,780,041                    |

Other reserves relates to cumulative retained earnings less amounts allocated to members.

The LLP ceased trading on 23 February 2022 and plan to dissolve. It was agreed between the members to repay the capital in anticipation of this.

**Statement of Cash Flows**  
**for the Period 1 January 2022 to 30 June 2022**

|   |       | Period<br>1.1.22<br>to<br>30.6.22<br>\$ | Year Ended<br>31.12.21<br>\$ |
|---|-------|---|------------------------------|
| <b>Cash flows from operating activities</b>             | Notes |   |                              |
| Cash generated from operations                          | 2     | (6,698,965)                             | 354,856,059                  |
| Net cash from operating activities                      |       | <u>(6,698,965)</u>                      | <u>354,856,059</u>           |
| <b>Cash flows from investing activities</b>             |       |   |                              |
| Loans made to members                                   |       | (1,121,865)                             | (445,000,000)                |
| Loan repayments   |       | 3,500,000                               | -                            |
| Interest received                                       |       | -                                       | 91,054                       |
| Net cash from investing activities                      |       | <u>2,378,135</u>                        | <u>(444,908,946)</u>         |
| <b>Cash flows from financing activities</b>             |       |   |                              |
| <b>Transactions with members and former members</b>     |       |   |                              |
| Payments to members                                     |       | (4)                                     | (54,500,000)                 |
| Net cash from financing activities                      |       | <u>(4)</u>                              | <u>(54,500,000)</u>          |
| <b>Decrease in cash and cash equivalents</b>            |       | <u>(4,320,834)</u>                      | <u>(144,552,887)</u>         |
| <b>Cash and cash equivalents at beginning of period</b> | 3     | 4,320,834                               | 148,873,721                  |
| <b>Cash and cash equivalents at end of period</b>       | 3     | <u>-</u>                                | <u>4,320,834</u>             |

The notes form part of these financial statements

**Notes to the Statement of Cash Flows  
for the Period 1 January 2022 to 30 June 2022**

1. **CLASSIFICATION OF SHARE OF PROFITS IN THE CASH FLOW STATEMENT**

Drawings by members representing a distribution of profits are classified as financing cash flows and shown as payment to members in the cash flow statement.

2. **RECONCILIATION OF (LOSS)/PROFIT FOR THE FINANCIAL PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS TO CASH GENERATED FROM OPERATIONS**

|  | Period<br>1.1.22<br>to<br>30.6.22<br>\$ | Year Ended<br>31.12.21<br>\$ |
|--|---|------------------------------|
| (Loss)/profit for the financial period before members' remuneration and profit shares available for discretionary division among members | (433,804,281)                           | 339,406,191                  |
| Impairment of loans receivable   | 443,788,614                             | -                            |
| Finance income   | (321,859)                               | (935,944)                    |
|  | <u>9,662,474</u>                        | <u>338,470,247</u>           |
| Decrease in trade and other debtors  | 456,002                                 | -                            |
| (Decrease)/increase in trade and other creditors   | <u>(16,817,441)</u>                     | <u>16,385,812</u>            |
| <b>Cash generated from operations</b>  | <u><b>(6,698,965)</b></u>               | <u><b>354,856,059</b></u>    |

3. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Period ended 30 June 2022**

|                           | 30.6.22<br>\$ | 1.1.22<br>\$ |
|---------------------------|---------------|--------------|
| Cash and cash equivalents | -             | 4,320,834    |

**Year ended 31 December 2021**

|                           | 31.12.21<br>\$ | 1.1.21<br>\$ |
|---------------------------|----------------|--------------|
| Cash and cash equivalents | 4,320,834      | 148,873,721  |

Notes to the Statement of Cash Flows  
for the Period 1 January 2022 to 30 June 2022

4. ANALYSIS OF CHANGES IN NET DEBT

|   | At 1.1.22<br>\$      | Cash flow<br>\$    | Other<br>non-cash<br>changes<br>\$ | At 30.6.22<br>\$ |
|---|----------------------|--------------------|------------------------------------|------------------|
| <b>Net cash</b>                                 |                      |                    |                                    |                  |
| Cash at bank<br>and in hand                     | 4,320,834            | (4,320,834)        |                                    | -                |
|   | <u>4,320,834</u>     | <u>(4,320,834)</u> |                                    | <u>-</u>         |
| <b>Net funds (before<br/>members' debt)</b>     | 4,320,834            | (4,320,834)        | -                                  | -                |
| <b>Loans and other debts<br/>due to members</b> |                      |                    |                                    |                  |
| Members' capital                                | (4)                  | 4                  | -                                  | -                |
| Other amounts<br>due to members                 | (433,780,037)        | -                  | 433,780,037                        | -                |
| <b>Net debt</b>                                 | <u>(429,459,207)</u> | <u>(4,320,830)</u> | <u>433,780,037</u>                 | <u>-</u>         |

**1. STATUTORY INFORMATION**

QHG Trading LLP is a limited liability partnership incorporated in England and Wales under the Limited Liability Partnership Act 2000. The LLP's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the US dollar (\$).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirement of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships. The financial statements have been prepared on a basis other than the going concern basis as the company ceased to trade as explained further below. This basis includes, where applicable, writing the company's assets down to net realisable value. No provision has been made for the future costs of terminating the business unless such costs were committed at the reporting date.

The accounting year was shortened, as far as possible, following cessation of trade 23 February 2022. As a result, the amounts presented in the financial statements, including the notes, are not entirely comparable.

**Going concern**

The LLP ceased to trade on 23 February 2022 and plans to dissolve in the near future.

**Revenue**

Revenue is measured based on consideration specified in the contract with a customer, net of discounts, VAT and other related taxes.

Revenue is recognised when the performance obligations have been satisfied, which is once control of the goods has transferred from the LLP to the buyer as specified in the relevant contracts, and once the final market price is published. The members believe that this results in the accounts providing reliable and relevant information about the effects of the transaction, especially considering the current volatility of oil prices. Cost of sales items are treated in the same way.

**Financial instruments**

Financial instruments are recognised initially at the transaction price. Any that are not payable within twelve months are amortised using the effective interest method less any provision for impairment.

Total interest income for financial assets held at amortised costs for the period was \$321,859 (2021: \$844,890)

**Foreign currencies**

Transactions during the year in currencies other than US dollars are translated into US dollars at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in currencies other than US dollars are translated into US dollars at the rates ruling at the statement of financial position date. Exchange adjustments are dealt with in the Income Statement in the year in which they arise.

**3. 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 reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Estimates and assumptions are continually evaluated and are based on experience, amongst other factors. Actual outcomes could result in a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

There are no critical judgements or significant accounting estimates that have been made in the process of applying the LLP's accounting policies that had a significant effect on the amounts recognised in the financial statements.

Notes to the Financial Statements - continued  
for the Period 1 January 2022 to 30 June 2022

4. **EMPLOYEE INFORMATION**

|                    | Period<br>1.1.22<br>to<br>30.6.22<br>\$ | Year Ended<br>31.12.21<br>\$ |
|--------------------|---|------------------------------|
| Wages and salaries | <u>26,599</u>                           | <u>164,805</u>               |

The average number of employees during the period was as follows:

|                     | Period<br>1.1.22<br>to<br>30.6.22 | Year Ended<br>31.12.21 |
|---------------------|-----------------------------------|------------------------|
| Operations officers | <u>2</u>                          | <u>2</u>               |

5. **OPERATING (LOSS)/PROFIT**

The operating loss (2021 - operating profit) is stated after charging:

|                              | Period<br>1.1.22<br>to<br>30.6.22<br>\$ | Year Ended<br>31.12.21<br>\$ |
|------------------------------|---|------------------------------|
| Foreign exchange differences | <u>4,658</u>                            | <u>1,976</u>                 |

6. **AUDITORS' REMUNERATION**

|  | Period<br>1.1.22<br>to<br>30.6.22<br>\$ | Year Ended<br>31.12.21<br>\$ |
|--|---|------------------------------|
| Fees payable to the LLP's auditors for the audit of the LLP's financial statements | <u>11,737</u>                           | <u>12,507</u>                |

7. **INFORMATION IN RELATION TO MEMBERS**

The average number of members during the period was 2 (Period ended 31 December 2020: 2)

8. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                          | 2022<br>\$    | 2021<br>\$         |
|--------------------------|---------------|--------------------|
| Trade debtors            | -             | 456,002            |
| Amounts due from members | 24,244        | -                  |
| Loans receivable         | -             | 445,844,890        |
|                          | <u>24,244</u> | <u>446,300,892</u> |

**Notes to the Financial Statements - continued  
for the Period 1 January 2022 to 30 June 2022**

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                 | 2022          | 2021              |
|-----------------|---------------|-------------------|
|                 | \$            | \$                |
| Trade creditors | 24,244        | 16,815,566        |
| Other creditors | -             | 13,612            |
| Accruals        | -             | 12,507            |
|                 | <u>24,244</u> | <u>16,841,685</u> |

**10. LOANS AND OTHER DEBTS DUE TO MEMBERS**

|   | 2022     | 2021               |
|---|----------|--------------------|
|   | \$       | \$                 |
| Amounts owed to members in respect of profits | -        | 433,780,037        |
| Capital account                               | -        | 4                  |
|   | <u>-</u> | <u>433,780,041</u> |
| Falling due within one year                   | <u>-</u> | <u>433,780,041</u> |

In the event of any winding up, loans and other debts due to members rank equally with unsecured creditors. Capital cannot be withdrawn unless the member is leaving the LLP.

**11. RELATED PARTY DISCLOSURES**

**Entities with control, joint control or significant influence over the entity**

An unsecured loan of \$445m was made during the prior period to Nestan Ltd, a designated member holding 99% of the capital, to further the investment and business development of the holding company. Interest at 0.45% per annum is accruing on the loan which has a repayment date no later than 28th July 2022.

Following cessation of trade on 23 February 2022, the remaining outstanding loan balance, plus the accrued interest, totalling \$443,788,614, was written off.

**12. ULTIMATE CONTROLLING PARTY**

From 12 November 2020 to date the immediate and ultimate parent company is Nestan Ltd, a company registered in Cyprus, (Registration number HE348192) of Vasileos Georgiou A, 83 1st Floor, Flat/office 2, Germasogia 4047, Limassol, Cyprus. Nestan Ltd is the parent of the largest and smallest group.

These accounts are single entity accounts for QHG Trading LLP.

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