

COMPANY REGISTRATION NUMBER 2880545

**COMMONWEALTH & BRITISH SERVICES LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2012**



# **COMMONWEALTH & BRITISH SERVICES LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2012**

<b>CONTENTS</b>	<b>PAGE</b>
Officers and professional advisers	<b>1</b>
The director's report	<b>2</b>
Statement of director's responsibilities	<b>3</b>
Independent auditor's report to the shareholder	<b>4</b>
Profit and loss account	<b>6</b>
Balance sheet	<b>7</b>
Notes to the financial statements	<b>8</b>

**COMMONWEALTH & BRITISH SERVICES LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

<b>The director</b>	Mr Aleh Yakavitski
<b>Company secretary</b>	Cornhill Secretaries Limited
<b>Registered office</b>	27 Berkeley Square London UK W1J 6EL
<b>Auditor</b>	KPMG LLP Chartered Accountants & Statutory Auditor 15 Canada Square Canary Wharf UK E14 5GL
<b>Bankers</b>	HSBC (Midland) 69 Pall Mall London UK SW1Y 5EY

# **COMMONWEALTH & BRITISH SERVICES LIMITED**

## **THE DIRECTOR'S REPORT**

### **YEAR ENDED 31 DECEMBER 2012**

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31 December 2012

#### **INCORPORATION**

The Company was incorporated on 14 December 1993

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The Company acted primarily in the provision of services to UK registered companies Nelson Buzachi Ltd, Nelson Petroleum (KKM) Ltd and Nelson Petroleum Arman Ltd ("Nelson companies")

#### **RESULTS AND DIVIDENDS**

The profit for the year amounted to £33,104 The director has not recommended a dividend

The profit for 2011 amounted to £33,988

#### **DIRECTOR**

The director who served the company during the year was as follows

Mr Aleh Yakavitski

The director has no interest in the share capital of the Company The ultimate parent company is an overseas company and disclosure of the interests of the director in that company is not required

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

The director who held office at the date of approval of this directors' report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

#### **DONATIONS**

The Company made no political or charitable donations or incurred any political expenditure during the year

#### **AUDITOR**

KPMG LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office  
27 Berkeley Square  
London  
UK  
W1J 6EL

Signed by

A handwritten signature in black ink, appearing to be 'Aleh Yakavitski', written over a horizontal line.

Aleh Yakavitski  
Director

Approved by the director on 22 May 2013

# **COMMONWEALTH & BRITISH SERVICES LIMITED**

## **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

**YEAR ENDED 31 DECEMBER 2012**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director 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 year.

In preparing those financial statements, the director is 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

In so far as the director is aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

**COMMONWEALTH & BRITISH SERVICES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF**  
**COMMONWEALTH & BRITISH SERVICES LIMITED**  
**YEAR ENDED 31 DECEMBER 2012**

We have audited the financial statements of Commonwealth & British Services Limited for the year ended 31 December 2012 on pages 6 to 12. 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 shareholder, 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 shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR**

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is 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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**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 2012 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.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

**COMMONWEALTH & BRITISH SERVICES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF**  
**COMMONWEALTH & BRITISH SERVICES LIMITED** *(continued)*

**YEAR ENDED 31 DECEMBER 2012**

**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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



NIGEL HARKER (Senior Statutory Auditor)  
For and on behalf of  
KPMG LLP  
Chartered Accountants & Statutory Auditor

15 Canada Square  
Canary Wharf  
UK  
E14 5GL

22 May 2013

# COMMONWEALTH & BRITISH SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
<b>TURNOVER</b>	<b>2</b>	<b>661,209</b>	<b>679,741</b>
Administrative expenses		(628,105)	(645,753)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>33,104</b>	<b>33,988</b>
Tax on profit on ordinary activities		—	—
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>33,104</b>	<b>33,988</b>
Balance brought forward		<u>125,654</u>	<u>91,666</u>
Balance carried forward		<u>158,758</u>	<u>125,654</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 12 form part of these financial statements.



# COMMONWEALTH & BRITISH SERVICES LIMITED

## BALANCE SHEET

31 DECEMBER 2012

	Note	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	7	<u>1,346</u>	<u>2,144</u>
<b>CURRENT ASSETS</b>			
Debtors	8	200,070	136,502
Cash at bank and in hand		<u>32,345</u>	<u>54,892</u>
		<u>232,415</u>	<u>191,394</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>(75,002)</u>	<u>(67,883)</u>
<b>NET CURRENT ASSETS</b>		<u>157,413</u>	<u>123,511</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>158,759</u>	<u>125,655</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	11	1	1
Profit and loss account		<u>158,758</u>	<u>125,654</u>
<b>SHAREHOLDER'S FUNDS</b>	12	<u>158,759</u>	<u>125,655</u>

These financial statements were approved and signed by the director and authorised for issue on 22 May 2013

  
Aleh Yakavitski  
Director

Company Registration Number 2880545

The notes on pages 8 to 12 form part of these financial statements

# COMMONWEALTH & BRITISH SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

### 1. ACCOUNTING POLICIES

#### Basis of preparation

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

The Company is exempt by virtue of Section 401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

#### Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### Fixed assets

All fixed assets are initially recorded at cost.

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings 5 years

Computer equipment and software 3 years

#### Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £4,764.

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

### 2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	2012	2011
	£	£
United Kingdom	<u>661,209</u>	<u>679,741</u>

# COMMONWEALTH & BRITISH SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

### 3. OPERATING PROFIT

Operating profit is stated after charging

	2012	2011
	£	£
Depreciation of owned fixed assets	1,348	1,211
Auditor's remuneration - audit of the financial statements	7,900	7,900
Auditor's remuneration - other fees	<u>4,843</u>	<u>4,845</u>

	2012	2011
	£	£
Auditor's remuneration - audit of the financial statements	<u>7,900</u>	<u>7,900</u>

Auditor's remuneration - other fees

- Taxation services	<u>4,843</u>	<u>4,845</u>
---------------------	--------------	--------------

### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2012	2011
	No	No
Number of administrative staff	<u>6</u>	<u>6</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	394,754	411,933
Social security costs	49,301	52,402
Other pension costs	<u>4,764</u>	<u>4,764</u>
	<u>448,819</u>	<u>469,099</u>

### 5. DIRECTOR'S REMUNERATION

The director's aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	<u>99,068</u>	<u>84,060</u>

Other than the amounts disclosed above, the director did not receive any additional employment benefits or amounts under pension schemes

# COMMONWEALTH & BRITISH SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

### 6. FACTORS AFFECTING CURRENT TAX CHARGE

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 24% (2011: 26%). The differences are reconciled below:

	2012 £	2011 £
Profit on ordinary activities before tax	33,104	33,988
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24%	7,945	8,837
Amounts claimed as group relief	(7,945)	(8,837)

### 7. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Equipment £	Total £
<b>COST</b>			
At 1 January 2012	1,000	5,778	6,778
Additions	—	550	550
<b>At 31 December 2012</b>	<b>1,000</b>	<b>6,328</b>	<b>7,328</b>
<b>DEPRECIATION</b>			
At 1 January 2012	800	3,834	4,634
Charge for the year	200	1,148	1,348
<b>At 31 December 2012</b>	<b>1,000</b>	<b>4,982</b>	<b>5,982</b>
<b>NET BOOK VALUE</b>			
At 31 December 2012	—	1,346	1,346
At 31 December 2011	200	1,944	2,144

### 8. DEBTORS

	2012 £	2011 £
Amounts owed by group undertakings	199,216	134,369
Prepayments and accrued income	854	2,133
	<b>200,070</b>	<b>136,502</b>

# COMMONWEALTH & BRITISH SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2012

#### 9. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	1,998	153
Amounts owed to group undertakings	17,819	31,070
Taxation and social security	29,661	26,920
Accruals and deferred income	25,524	9,740
	<u>75,002</u>	<u>67,883</u>

#### 10. RELATED PARTY TRANSACTIONS

The Company was providing management services to Nelson companies throughout the year under review in pursuant of Service agreements. The Company charged the Nelson companies and Lukoil Overseas West Project Ltd for 2012 services as follows

	2012 Amount for the period £	2011 Amount for the period £	2012 Balance outstanding £	2011 Balance outstanding £
Nelson Buzachi Ltd	207,369	189,854	68,293	67,185
Nelson Petroleum Arman Ltd	103,685	94,927	34,147	33,592
Nelson Petroleum KKM Ltd	103,685	94,927	34,147	33,592
Lukoil Overseas West Project Ltd	246,470	300,033	62,629	–
Total	<u>661,209</u>	<u>679,741</u>	<u>199,216</u>	<u>134,369</u>

In accordance with a Licence agreement with a group company Lukoil Overseas UK Limited (LOUK) the Company occupies part of its offices. LOUK charges the Company for rent and other related costs. The total cost to the Company in 2012 was £124,591 (2011 £125,812) of which rent and rates related costs were £103,702 (2011 £104,958).

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash.

#### 11. SHARE CAPITAL

##### Authorised share capital:

	2012	2011
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

##### Allotted, called up and fully paid:

	2012 No	£	2011 No	£
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

# COMMONWEALTH & BRITISH SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

### 12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2012	2011
	£	£
Profit for the financial year	33,104	33,988
Opening shareholder's funds	125,655	91,667
Closing shareholder's funds	158,759	125,655

### 13. POST BALANCE SHEET EVENTS

There were no post balance sheet events

### 14. ULTIMATE PARENT COMPANY

The Company has been a wholly owned subsidiary undertaking of Caspian Investment Resources Limited for the entire year ended 31 December 2012 which is the smallest group in which the Company's results are incorporated. The consolidated financial statements of Caspian Investment Resources Limited can be obtained from Lukoil Overseas Holdings Ltd, 1 Bolshaya Ordynka, Moscow, 115035, Russia

Caspian Investment Resources Ltd is 50% owned by OAO LUKOIL registered in Russia, address 11 Sretensky Boulevard, Moscow, Russia and 50% by Sinopec International Petroleum Exploration and Production Corporation with registered office at P22 Chaoyangmen North Street, Chaoyang District, Beijing, China, 100728