

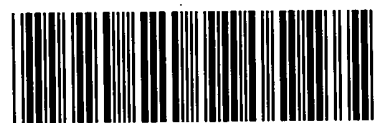
COMMONWEALTH & BRITISH SERVICES LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

REGISTERED NUMBER 2880545

31 DECEMBER 2015

TUESDAY
F



A5GWXR0P

A19 04/10/2016 #194

COMPANIES HOUSE

"L5G5CTKP"

LD3 23/09/2016 #40

COMPANIES HOUSE

CONTENTS	PAGE
Strategic report	3
Directors' report	4
Statement of directors' responsibilities in respect of the strategic report, the directors' report and financial statements	6
Independent auditor's report to the members of Commonwealth and British Services Ltd	7
Profit and Loss Account and Other Comprehensive Income	9
Balance sheet	10
Statement of Changes in Equity	11
Notes	12

STRATEGIC REPORT

BUSINESS REVIEW

The Company provides management, accounting, legal and other services to Caspian Investments Resources Ltd Group Companies.

FINANCIAL PERFORMANCE AND POSITION

The Company demonstrated steady performance throughout the year consistent with previous years with stable year-end financial results. The Company strives to maintain this level of performance in the forthcoming years. Turnover decreased in line with reduction of expenses leaving the net profit margin at the level of 5% demonstrating sustainable performance.

PRINCIPAL RISKS AND UNCERTAINTIES

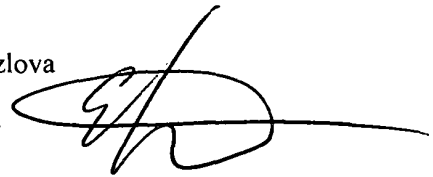
The Company does not face any significant financial risks. Liquidity is strong and cash inflow and outflow is closely monitored; the Company does not have any long term debts. Even though the Company wholly relies on the activities of related parties there is demand for the Company services in the foreseeable future and related parties are financially sound.

FUTURE DEVELOPMENTS

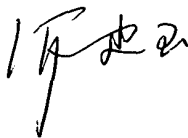
The Company strives to provide high quality services with effective and efficient performance of duties. The focus is on retaining qualified, experienced and well trained personnel to ensure long-term success of the Company's performance and profitability.

Signed by

Ekaterina Kozlova
Director



Mr Luo Jianyu
Director



Approved by directors on 22 August 2016

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2015.

ACCOUNTS PREPARATION

These accounts have been prepared under Financial Reporting Standard 102, which means that the recognition, measurement and disclosure requirements of International Financial Reporting Standards have been applied with certain disclosures omitted per exemptions allowed under FRS 102. Explanation of transition to FRS 102 from old UK GAAP is disclosed in Note 15 to these financial statements.

RESULTS AND DIVIDENDS

The profit for the year amounted to £21,824. The directors have not recommended a dividend.

The profit for 2014 amounted to £32,382.

DIRECTORS

The directors who served during the year were as follows:

Mr Aleh Yakavitski resigned on 20th of August 2015

Ms Liu Wenfeng appointed on 20th of August 2015

Mrs Ekaterina Kozlova appointed on 24th of December 2015

Director Ms. Liu Wenfeng resigned on 15th of January 2016. Director Mr Luo Jianyu was appointed on 15th of January 2016.

The directors have 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.

POLITICAL CONTRIBUTIONS

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

DISCLOSURE OF INFORMATION TO AUDITOR

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 auditor is unaware; and each director has taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

OTHER INFORMATION

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 3.

DIRECTORS' REPORT *(continued)*

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Registered office:
Office 307, 1st floor, 239 Kensington High Street
London, UK, W8 6SN

Signed by

Ekaterina Kozlova
Director



Luo Jianyu
Director



Approved by directors on 22 August 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMONWEALTH & BRITISH SERVICES LIMITED

We have audited the financial statements of Commonwealth & British Services Limited for the year ended 31 December 2015 set out on pages 9 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 6, 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 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.

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

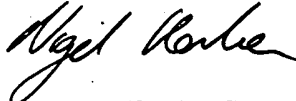
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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.



Nigel Harker (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

26/8/2016

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
for year ended 31 December 2015

	Note	2015 £	2014 £
TURNOVER	2	401,365	639,001
Administrative expenses		(379,541)	(606,619)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	21,824	32,382
Tax on profit on ordinary activities		—	—
PROFIT FOR THE FINANCIAL YEAR		21,824	32,382
Other comprehensive income		—	—
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		21,824	32,382

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 page 12 to 18 are an integral part of these financial statements.

BALANCE SHEET
at 31 December 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	7	<u>7,710</u>	<u>3,750</u>
CURRENT ASSETS			
Debtors	8	239,360	200,177
Cash at bank		<u>24,350</u>	<u>69,349</u>
		<u>263,710</u>	<u>269,526</u>
CREDITORS: amounts falling due within one year	9	<u>(27,126)</u>	<u>(50,806)</u>
NET CURRENT ASSETS		<u>236,584</u>	<u>218,720</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>244,294</u>	<u>222,470</u>
CAPITAL AND RESERVES			
Called-up share capital	10	1	1
Profit and loss account		<u>244,293</u>	<u>222,469</u>
SHAREHOLDER'S FUNDS	11	<u>244,294</u>	<u>222,470</u>

These accounts were approved and signed by the directors and authorised for issue on 22 August 2016.

Ekaterina Kozlova
Director

Mr Luo Jianyu
Director

Company registered number: 2880545

The notes on page 12 to 18 are an integral part of these financial statements.

Statement of Changes in Equity

	£ 2015	£ 2014
Balance at 1 January 2015	222,470	190,088
Profit for the year	21,824	32,382
Total comprehensive income for the period	<u>21,824</u>	<u>32,382</u>
Balance at 31 December 2015	<u>244,294</u>	<u>222,470</u>

The notes on page 12 to 18 are an integral part of these financial statements.

NOTES

(forming part of financial statements)

1. ACCOUNTING POLICIES

Commonwealth & British Services Ltd (the "Company") is a company incorporated and domiciled in the UK.

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.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

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.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Turnover

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

Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives as follows:

Fixtures & Fittings 5 years

Computer equipment and software 3 years

Depreciation methods and useful lives are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The total expense relating to these plans in the current year was £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:

	2015	2014
	£	£
United Kingdom – rendering services	401,365	385,946
British Virgin Islands	-	253,055
Total	<u>401,365</u>	<u>639,001</u>

3. EXPENSES AND AUDITOR'S REMUNERATION

included in profit are the following:

	2015	2014
	£	£
Depreciation of owned fixed assets	2,030	1,538
Operating lease costs:		
- Other	91,760	113,947
Auditor's remuneration in respect of		
- Audit of the financial statements	8,128	8,128
- Taxation services	5,845	4,725

4. STAFF NUMBERS AND COSTS

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

	2015	2014
	No	No
Number of administrative staff	<u>2</u>	<u>5</u>

The aggregate payroll costs of the above were:

	2015	2014
	£	£
Wages and salaries	179,452	368,606
Social security costs	21,612	45,178
Other pension costs	4,764	4,764
	<u>205,828</u>	<u>418,548</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2015	2014
	£	£
Directors' remuneration	<u>74,893</u>	<u>76,423</u>

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

6. TAXATION

Total tax expense recognised in the profit and loss account and other comprehensive income

	2015	2014
<i>Current tax</i>		
Current tax on income for the period	-	-
	<u>-</u>	<u>-</u>
Total tax	<u>-</u>	<u>-</u>

Analysis of current tax recognized in profit and loss and other comprehensive income

	2015	2014
Profit for the year	21,824	32,382
Tax using the UK corporation of 20.25% (2014: 21.50%)	4,419	6,962
Group relief	<u>(4,419)</u>	<u>(6,962)</u>
Total tax expense recognized in profit and loss	<u>-</u>	<u>-</u>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the Company's future current tax charge accordingly.

7. TANGIBLE FIXED ASSETS

	Fixtures & Fittings	Equipment	Total
	£	£	£
Cost			
Balance at 1 January 2015	1,000	11,386	12,386
Additions	–	5,990	5,990
Balance at 31 December 2015	<u>1,000</u>	<u>17,376</u>	<u>18,376</u>
DEPRECIATION			
Balance at 1 January 2015	1,000	7,636	8,636
Depreciation charge for the year	–	2,030	2,030
Balance at 31 December 2015	<u>1,000</u>	<u>9,666</u>	<u>10,666</u>
NET BOOK VALUE			
At 1 January 2015	–	7,710	7,710
At 31 December 2015	<u>–</u>	<u>3,750</u>	<u>3,750</u>

8. DEBTORS

	2015	2014
	£	£
Amounts owed by group undertakings	216,897	199,389
Prepayments and accrued income	7,348	788
Deposits to suppliers	9,983	–
VAT receivable	5,132	–
	<u>239,360</u>	<u>200,177</u>

9. CREDITORS: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	6,125	1,202
Amounts owed to group undertakings	–	18,296
Taxation and social security	–	15,169
Accruals and deferred income	21,001	16,139
	<u>27,126</u>	<u>50,806</u>

10. SHARE CAPITAL

Authorised share capital:

	2015 Number <u>1,000</u>	2014 Number <u>1,000</u>
<i>£1 Ordinary shares</i>		

Allotted, called up and fully paid:

	2015 No <u>1</u>	£ <u>1</u>	2014 No <u>1</u>	£ <u>1</u>
Ordinary shares of £1 each				

11. CAPITAL AND RESERVES

Reconciliation of movements in shareholder's funds

	Share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2015	1	222,469	222,470
Profit for the financial year	-	21,824	21,824
Balance at 31 December 2015	<u>1</u>	<u>244,293</u>	<u>244,294</u>

12. OPERATING LEASES

Non-cancellable operation lease rentals are payable as follows:	2015 £	2014 £
Operating leases expiring within one year	91,760	110,048

13. 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 for 2015 services as follows:

	2015 Amount for the period £	2014 Amount for the period £	2015 Balance outstanding £	2014 Balance outstanding £
Nelson Buzachi Ltd	200,683	192,786	127,711	67,853
Nelson Petroleum Arman Ltd	100,341	96,580	25,331	34,151
Nelson Petroleum KKM Ltd	100,341	96,580	63,855	34,151
Lukoil Overseas West Project Ltd	-	253,055	-	63,234
Total	<u>401,365</u>	<u>639,001</u>	<u>216,897</u>	<u>199,389</u>

In accordance with a Licence agreement with a group company Lukoil Overseas UK Limited (LOUK) the Company occupied part of its offices until 20 August 2015. LOUK charged the Company for rent and other related costs. The total cost to the Company in 2015 was £ 100,975 (2014: £121,200) of which rent and rates related costs were £ 98,130 (2014: £113,947).

All outstanding balances with these related parties are priced on an arm's length basis.

14. ULTIMATE PARENT COMPANY

The Company has been a wholly owned subsidiary undertaking of Caspian Investments Resources Limited for the entire year ended 31 December 2015 which is the smallest group in which the Company's results are incorporated. The consolidated financial statements of Caspian Investments Resources Limited can be obtained from its registered address at Regus Vinoly, Office 122, 1st floor, Gustav Mahlerplein 2, 1082 MA Amsterdam.

Until 20th of August 2015 Caspian Investments Resources Ltd was 50% owned by PJSC LUKOIL registered in Russia, address 11 Sretensky Boulevard, Moscow, Russia and 50% by Sinopec International Petroleum Exploration and Production Corporation with registered office at 22 Chaoyangmen North Street, Chaoyang District, Beijing, China, 100728.

On 20th of August 2015 PJSC LUKOIL closed a deal to sell its 50% share in Caspian Investments Resources Ltd. to Sinopec International Petroleum Exploration and Production Corporation. Publicly available financial statements are produced by Sinopec International Petroleum Exploration and Production Corporation and can be obtained from their registered office at 22 Chaoyangmen North Street, Chaoyang District, Beijing, China, 100728.

15. EXPLANATION OF TRANSITION TO FRS 102 FROM OLD UK GAAP

The Financial Reporting Council has issued FRS 100 Application of Financial Reporting Requirements, FRS 101 Reduced Disclosure Framework and FRS 102 The Financial Reporting Standard applicable in the UK and Ireland. These standards are applicable to all companies and entities in the UK and Republic of Ireland, other than listed groups which continue to report under IFRS, for accounting periods beginning on or after 1 January 2015.

FRS 100 sets out the overall financial reporting framework for companies in the UK and Ireland. FRS 101 applies to the individual financial statements of subsidiaries and ultimate parents, allowing them to apply the same accounting policies as in their listed group accounts, but with fewer disclosures. FRS 102 is a single financial reporting standard that applies to the financial statements of entities that are not applying IFRS, FRS 101 or the FRSSE. The primary statements of entities applying FRS 101 or FRS 102 would continue to follow the requirements of the Companies Act 2006.

The Company has adopted the accounting requirements of the reduced disclosure framework under FRS 102 in these financial statements, with a transition date of 1 January 2015. Given that the Company previously applied the fair value provisions of historic UK GAAP, the adoption of FRS 102 had no material impact to previously reported amounts in profit or equity.

The Company's financial statements still meet the requirements of the Companies Act 2006 including giving a true and fair view of the Company's assets, liabilities, financial position and profit or loss. This means the Company will therefore always be required to include in its accounts all information relevant to shareholders and necessary to show a true and fair view.

The Company is required to inform its shareholders and to provide a reasonable opportunity for its shareholders to object to the use of disclosure exemptions available under FRS 102. A shareholder or shareholders holding in aggregate 5% or more of the total allotted shares in Commonwealth & British Services Ltd may object to the Company applying the exemptions available under FRS 102 to its individual financial statements. No objections were received by the notification date of 18 of July 2016.