

**COMPANY REGISTRATION NUMBER 2880545**

**COMMONWEALTH AND BRITISH SERVICES LTD**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2014**

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# **COMMONWEALTH AND BRITISH SERVICES LTD**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2014**

<b>CONTENTS</b>	<b>PAGE</b>
Officers and professional advisers	<b>1</b>
Strategic report	<b>2</b>
Director's report	<b>3</b>
Statement of director's responsibilities	<b>5</b>
Independent auditor's report to the shareholder	<b>6</b>
Profit and loss account	<b>8</b>
Balance sheet	<b>9</b>
Notes to the financial statements	<b>10</b>

# **COMMONWEALTH AND BRITISH SERVICES LTD**

## **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 AND BRITISH SERVICES LTD

## STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2014

### BUSINESS REVIEW

The company provides management, accounting, legal and other services to Caspian Investment 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. Net profit margin remained at the level of 5% demonstrating sustainable performance. Current Ratio improved from 3.62 in 2013 to 5.31 in 2014 demonstrating even safer liquidity level. Turnover slightly increased with operating profit increasing in line with it. The performance remained stable.

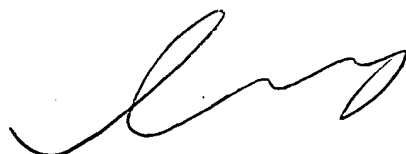
### PRINCIPAL RISKS AND UNCERTAINTIES

The company does not face any significant financial risks.

### 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 performance and profitability.

Signed by



Aleh Yakavitski  
Director

Approved by the director on 1 May 2015

# **COMMONWEALTH AND BRITISH SERVICES LTD**

## **DIRECTOR'S REPORT**

### **YEAR ENDED 31 DECEMBER 2014**

The director presents his report and the financial statements of the company for the year ended 31 December 2014.

#### **INCORPORATION**

The Company was incorporated on 14 December 1993.

#### **RESULTS AND DIVIDENDS**

The profit for the year amounted to £32,382. The director has not recommended a dividend.

The profit for 2013 amounted to £31,329.

#### **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.

#### **STRATEGIC REPORT**

The strategic report for the Company is presented on page 2 of these Financial Statements.

# COMMONWEALTH AND BRITISH SERVICES LTD

## DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2014

### AUDITOR

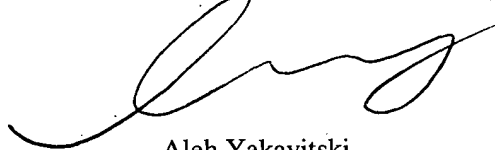
KPMG LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The director at the date of the approval of this report confirms that:

- 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 as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:  
27 Berkeley Square  
London  
UK  
W1J 6EL

Signed by



Aleh Yakavitski  
Director

Approved by the director on 1 May 2015

# **COMMONWEALTH AND BRITISH SERVICES LTD**

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

**YEAR ENDED 31 DECEMBER 2014**

The director is responsible for preparing the Strategic Report, 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 these 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.



## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF COMMONWEALTH AND BRITISH SERVICES LTD**

**YEAR ENDED 31 DECEMBER 2014**

We have audited the financial statements of Commonwealth and British Services Ltd for the year ended 31 December 2014 on pages 8 to 14. 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 5, 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 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 2014 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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



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

**YEAR ENDED 31 DECEMBER 2014**

**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

1 May 2015

# COMMONWEALTH AND BRITISH SERVICES LTD.

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
<b>TURNOVER</b>	<b>2</b>	<b>639,001</b>	<b>619,538</b>
Administrative expenses		(606,619)	(588,209)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>3</b>	<b>32,382</b>	<b>31,329</b>
Tax on profit on ordinary activities		—	—
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>32,382</b>	<b>31,329</b>
Balance brought forward		<u>190,087</u>	<u>158,758</u>
Balance carried forward		<u>222,469</u>	<u>190,087</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 10 to 14 form part of these financial statements.

# COMMONWEALTH AND BRITISH SERVICES LTD

## BALANCE SHEET

31 DECEMBER 2014

	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	7	<u>3,750</u>	<u>3,298</u>
<b>CURRENT ASSETS</b>			
Debtors	8	200,177	180,524
Cash at bank and in hand		<u>69,349</u>	<u>77,535</u>
		269,526	258,059
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>(50,806)</u>	<u>(71,269)</u>
<b>NET CURRENT ASSETS</b>		<u>218,720</u>	<u>186,790</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>222,470</u>	<u>190,088</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	11	1	1
Profit and loss account		<u>222,469</u>	<u>190,087</u>
<b>SHAREHOLDER'S FUNDS</b>	12	<u>222,470</u>	<u>190,088</u>

These accounts were approved and signed by the director and authorised for issue on 1 May 2015.

Aleh Yakavitski  
Director



Company Registration Number: 2880545

The notes on pages 10 to 14 form part of these financial statements.

# **COMMONWEALTH AND BRITISH SERVICES LTD**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2014**

### **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

#### **Operating lease**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **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.

# COMMONWEALTH AND BRITISH SERVICES LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### 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:

	2014 £	2013 £
United Kingdom	<u>639,001</u>	<u>619,538</u>

### 3. OPERATING PROFIT

Operating profit is stated after charging:

	2014 £	2013 £
Depreciation of owned fixed assets	1,538	1,116
Operating lease costs:		
- Other	113,947	119,072
Auditor's remuneration - audit of the financial statements	8,128	8,025
Auditor's remuneration - other fees	<u>4,725</u>	<u>4,725</u>

	2014 £	2013 £
Auditor's remuneration - audit of the financial statements	<u>8,128</u>	<u>8,025</u>
Auditor's remuneration - other fees:		
- Taxation services	<u>4,725</u>	<u>4,725</u>

### 4. PARTICULARS OF EMPLOYEES

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

	2014 No	2013 No
Number of administrative staff	<u>5</u>	<u>5</u>

The aggregate payroll costs of the above were:

	2014 £	2013 £
Wages and salaries	368,606	359,544
Social security costs	45,178	47,030
Other pension costs	4,764	4,764
	<u>418,548</u>	<u>411,338</u>

# COMMONWEALTH AND BRITISH SERVICES LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### 5. DIRECTOR'S REMUNERATION

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

	2014	2013
	£	£
Remuneration receivable	<u>76,423</u>	<u>82,401</u>

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

### 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 21.5% (2013: 23.25%). The differences are reconciled below:

	2014	2013
	£	£
Profit on ordinary activities before tax	32,382	31,329
Profit on ordinary activities multiplied by standard average rate of corporation tax in the UK of 21.5 in 2014 and 23.25% in 2013	6,962	7,284
Amounts claimed as group relief	<u>(6,962)</u>	<u>(7,284)</u>

### 7. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Equipment £	Total £
<b>COST</b>			
At 1 January 2014	1,000	9,396	10,396
Additions	–	1,990	1,990
<b>At 31 December 2014</b>	<u>1,000</u>	<u>11,386</u>	<u>12,386</u>
<b>DEPRECIATION</b>			
At 1 January 2014	1,000	6,098	7,098
Charge for the year	–	1,538	1,538
<b>At 31 December 2014</b>	<u>1,000</u>	<u>7,636</u>	<u>8,636</u>
<b>NET BOOK VALUE</b>			
At 31 December 2014	–	3,750	3,750
At 31 December 2013	–	3,298	3,298

# COMMONWEALTH AND BRITISH SERVICES LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### 8. DEBTORS

	2014 £	2013 £
Amounts owed by group undertakings	199,389	179,761
Prepayments and accrued income	788	763
	<u>200,177</u>	<u>180,524</u>

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

	2014 £	2013 £
Trade creditors	1,202	3,710
Amounts owed to group undertakings	18,296	27,212
Taxation and social security	15,169	21,847
Accruals and deferred income	16,139	18,500
	<u>50,806</u>	<u>71,269</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 2014 services as follows:

	2014 Amount for the period £	2013 Amount for the period £	2014 Balance outstanding £	2013 Balance outstanding £
Nelson Buzachi Ltd	192,786	185,411	67,853	58,123
Nelson Petroleum Arman Ltd	96,580	92,705	34,151	29,061
Nelson Petroleum KKM Ltd	96,580	92,705	34,151	29,061
Lukoil Overseas West Project Ltd	253,055	248,718	63,234	63,516
Total	<u>639,001</u>	<u>619,539</u>	<u>199,389</u>	<u>179,761</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 2014 was £121,200 (2013 £125,554) of which rent and rates related costs were £113,947 (2013 £119,072).

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

# COMMONWEALTH AND BRITISH SERVICES LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### 11. SHARE CAPITAL

Authorised share capital:

	2014	2013
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

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

	2014	2013
	£	£
Profit for the financial year	32,382	31,329
Opening shareholder's funds	<u>190,088</u>	<u>158,759</u>
Closing shareholder's funds	<u>222,470</u>	<u>190,088</u>

### 13. OPERATING LEASES

	2014	2013
	£	£
Operating leases expiring within one year	110,048	110,048

### 14. POST BALANCE SHEET EVENTS

On 9th of February 2015 OAO Lukoil lodged arbitration in London against China Petroleum & Chemical Corporation saying the Chinese company breached an agreement to buy 50 percent of a Kazakh oil producer for about \$1.2 billion.

### 15. ULTIMATE PARENT COMPANY

The Company has been a wholly owned subsidiary undertaking of Caspian Investment Resources Limited for the entire year ended 31 December 2014 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 GmbH, Dubai Properties Group Headquarters Building, P.O. Box 500551, UAE.

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.