

Registered number: 04833150

TERRA SERVICES LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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TERRA SERVICES LIMITED

COMPANY INFORMATION

DIRECTOR	P Ezoubov
COMPANY SECRETARY	P E Hauser
REGISTERED NUMBER	04833150
REGISTERED OFFICE	88 Wood Street London EC2V 7AJ
INDEPENDENT AUDITOR	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor 45 Pall Mall St James's London SW1Y 5JG

TERRA SERVICES LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2016

The director presents his report and the audited financial statements for the year ended 31 March 2016.

DIRECTOR

The director who served during the year was:

P Ezoubov

DIRECTOR'S RESPONSIBILITIES STATEMENT

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 he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

DISCLOSURE OF INFORMATION TO AUDITOR

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

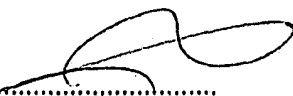
The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

TERRA SERVICES LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

This report was approved by the board and signed on its behalf.


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P Ezubov
Director

Date: 23/12/2016

TERRA SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TERRA SERVICES LIMITED

We have audited the financial statements of Terra Services Limited for the year ended 31 March 2016, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 DIRECTOR AND AUDITOR

As explained more fully in the Director's responsibilities statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

TERRA SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TERRA SERVICES LIMITED

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; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Director's report.


Jonathan Franks FCA (Senior statutory auditor)

for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

45 Pall Mall
St James's
London
SW1Y 5JG

Date: 23 December 2016

TERRA SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
TURNOVER	1	207,436	158,561
Administrative expenses		(195,165)	(145,947)
OPERATING PROFIT	2	12,271	12,614
Interest receivable and similar income		-	7
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,271	12,621
Tax on profit on ordinary activities	3	(5,104)	(5,383)
PROFIT FOR THE FINANCIAL YEAR		7,167	7,238

The notes on pages 7 to 12 form part of these financial statements.

TERRA SERVICES LIMITED
REGISTERED NUMBER: 04833150

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	4		2,178		3,320
CURRENT ASSETS					
Debtors	5	12,861		18,251	
Cash at bank and in hand		365,723		341,920	
		<u>378,584</u>		<u>360,171</u>	
CREDITORS: amounts falling due within one year	6	(26,596)		(17,336)	
NET CURRENT ASSETS			<u>351,988</u>		<u>342,835</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>354,166</u>		<u>346,155</u>
CREDITORS: amounts falling due after more than one year	7		(304,352)		(303,508)
NET ASSETS			<u>49,814</u>		<u>42,647</u>
CAPITAL AND RESERVES					
Called up share capital	9		1		1
Profit and loss account	10	49,813			42,646
SHAREHOLDERS' FUNDS	11		<u>49,814</u>		<u>42,647</u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

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



P Ezubov
 Director

Date: 23/12/2016

The notes on pages 7 to 12 form part of these financial statements.

TERRA SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Going concern

The company is reliant upon the continuing support of its related undertaking, which has been confirmed for a period of at least twelve months following approval of these financial statements. Accordingly, the director has prepared the financial statements on the going concern basis.

1.3 Turnover

Turnover comprises the company's revenue in respect of management agency services recharged to group companies during the year, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	5 years straight line
Fixtures & fittings	-	4 years straight line
Office equipment	-	3 years straight line

1.5 Foreign currencies

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

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

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

1.6 Transaction with related undertaking

The company operates as a service organisation for various entities within its group structure. Income received and expenses incurred on behalf of related entities are charged to the relevant entity by way of inter-company account and are not charged to the company's profit and loss account.

Amounts due to/from related parties are set out as gross figures in note 12.

TERRA SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the company	1,348	7,002
Auditor's remuneration	5,600	11,600
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2015 - £NIL).

3. TAXATION

	2016 £	2015 £
Analysis of tax charge in the year/period		
Current tax		
UK corporation tax charge on profit for the year/period	-	353
Deferred tax (see note 8)		
Effect of increased tax rate on opening liability	5,104	5,030
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	<u>5,104</u>	<u>5,383</u>

TERRA SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

4. TANGIBLE FIXED ASSETS

	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
Cost				
At 1 April 2015	209,164	4,201	21,183	234,548
Additions	-	-	206	206
At 31 March 2016	<u>209,164</u>	<u>4,201</u>	<u>21,389</u>	<u>234,754</u>
Depreciation				
At 1 April 2015	209,164	2,145	19,919	231,228
Charge for the year	-	552	796	1,348
At 31 March 2016	<u>209,164</u>	<u>2,697</u>	<u>20,715</u>	<u>232,576</u>
Net book value				
At 31 March 2016	<u>-</u>	<u>1,504</u>	<u>674</u>	<u>2,178</u>
At 31 March 2015	<u>-</u>	<u>2,056</u>	<u>1,264</u>	<u>3,320</u>

5. DEBTORS

	2016 £	2015 £
Other debtors	278	564
Deferred tax asset (see note 8)	12,583	17,687
	<u>12,861</u>	<u>18,251</u>

**6. CREDITORS:
Amounts falling due within one year**

	2016 £	2015 £
Bank loans and overdrafts	29	193
Trade creditors	4,624	2,079
Corporation tax	-	353
Other taxation and social security	13,943	2,711
Other creditors	8,000	12,000
	<u>26,596</u>	<u>17,336</u>

TERRA SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

7. CREDITORS:

Amounts falling due after more than one year

	2016 £	2015 £
Amounts owed to group undertakings	<u>304,352</u>	<u>303,508</u>

8. DEFERRED TAX ASSET

	2016 £	2015 £
At beginning of year/period	17,687	22,717
Charged for year/period (P&L)	(5,104)	(5,030)
At end of year/period	<u>12,583</u>	<u>17,687</u>

The deferred tax asset is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	<u>12,583</u>	<u>17,687</u>

9. SHARE CAPITAL

	2016 £	2015 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

10. RESERVES

	Profit and loss account £
At 1 April 2015	42,646
Profit for the financial year	7,167
At 31 March 2016	<u>49,813</u>

TERRA SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2016 £	2015 £
Opening shareholders' funds	42,647	35,409
Profit for the financial year/period	7,167	7,238
Closing shareholders' funds	<u>49,814</u>	<u>42,647</u>

12. RELATED PARTY TRANSACTIONS

Related parties include SCI 33 Rue de l'Universite, SCI Cordilliera, SCI Winberg Saint Tropez, Tangril Equities Limited, Ravellot Limited and Taviner Limited. These companies are controlled by Mr O Deripaska, the ultimate controlling party of the company.

	2016 £	2015 £
<u>Transactions during the year</u>		
Fees for services provided by Terra Services Limited		
Taviner Limited	134,978	158,561
Mr O Deripaska	72,459	-
Net amount paid/(received) on behalf of related undertaking		
SCI 33 Rue de l'Universite	481,713	653,948
SCI Cordilliera	16,143	-
SCI Winberg Saint Tropez	(134,574)	-
Taviner Limited	(15,064,911)	(941,174)
Tangril Equities Limited	(80,252)	-
Mr O Deripaska	14,781,880	-
Total transactions during the year	<u>207,436</u>	<u>(128,665)</u>
<u>Amounts due from/(to) related undertakings at the balance sheet date</u>		
SCI 33 Rue de l'Universite	8,295,208	7,813,495
SCI Cordilliera	114,895	98,752
SCI Winberg Saint Tropez	6,640,293	6,774,867
Taviner Limited	(30,070,391)	(15,004,636)
Tangril Equities Limited	(2,292,666)	(2,212,414)
Ravellot Limited	2,226,429	2,226,429
Mr O Deripaska	14,781,880	-
Sub total	<u>(304,352)</u>	<u>(303,507)</u>

The directors of Taviner Limited have confirmed that they will not demand repayment of the amount outstanding at the balance sheet date for at least twelve months from the approval of these financial statements.

TERRA SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent company is Sparticle Limited, a company incorporated in Cyprus, and the ultimate parent company is Cofido Limited, a company incorporated in the British Virgin Islands.

The ultimate controlling party is Mr O Deripaska.