

Registration number 5525360

**Zauralneftegaz Limited**  
**Financial Statements**  
For the year ended 31 December 2012



**Company information**

**Directors**

Simon Escott  
Victor Repin  
David Zaikin

**Auditors**

Grant Thornton  
Grant Thornton House  
Melton Street  
Euston Square  
London  
NW1 2EP

**Bankers**

Coutts & Co  
440 Strand  
London  
WC2R 0QS

**Solicitors**

Covington & Burling  
265 Strand  
London  
WC2R 1BH

**Registered Office**

1-6 Yarmouth Place  
Mayfair  
London  
W1J 7BU

# **Zauralneftegaz Limited**

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# Zauralneftegaz Limited

## Directors' report

The directors present their report together with the audited financial statements for the year ended 31 December 2012

### Statement of Directors' responsibilities

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 are 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.

### Principal activities and review of business

The company did not trade during the year. There has been minimal expenditure incurred and no change has arisen in the position of the company during the year.

### Results and dividends

The loss for the year, after taxation, amounted to \$288 (2011: \$284).

The directors do not recommend the payment of a dividend for the year.

### Directors

The directors who served during the year and up to the date of this report are as follows:

Simon Escott  
Victor Repin  
David Zaikin

The directors did not have any interest in the share capital of the Company during the year.

## Zauralneftegaz Limited

### Statement of disclosure to auditors

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 auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

### Risks and key performance indicators

A discussion of the significant risks and key performance indicators has been provided in the Pan European Terminals plc group accounts for the year ended 31 December 2012

### Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006

This report was approved by the board on 20 August 2013 and signed on its behalf



Simon Escott  
Director

## Zauralneftegaz Limited

### Independent auditor's report to the members of Zauralneftegaz Limited

We have audited the financial statements of Zauralneftegaz Limited for the year ended 31 December 2012 which comprise the balance sheet, profit and loss account, the cash flow statement and the related notes. 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 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 Director's Responsibilities Statement set out on page 1, 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 (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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

#### 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 loss 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

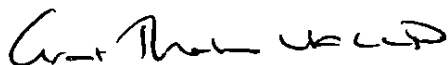
#### Opinion on other matter prescribed by the Companies Act 2006

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



Philip Westerman (Senior Statutory Auditor)  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
20 August 2013

## Zauralneftegaz Limited

### Profit and loss account For the year ended 31 December 2012

	notes	2012 \$	2011 \$
Administrative expenses	2	(288)	(284)
<b>Loss on ordinary activities before taxation</b>		<b>(288)</b>	<b>(284)</b>
Tax on loss on ordinary activities	4	-	-
<b>Loss on ordinary activities after taxation</b>	11	<b>(288)</b>	<b>(284)</b>

All amounts relate to continuing operations

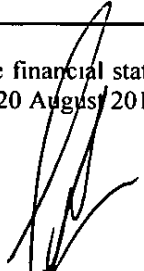
There were no recognised gains and losses other than those included in the profit and loss account

## Zauralneftegaz Limited

### Balance sheet As at 31 December 2012

	notes	2012 \$	2011 \$
<b>Fixed assets</b>			
Intangible fixed assets	5	-	-
Fixed asset investments	6	-	-
		-	-
<b>Current assets</b>			
Debtors	7	13	13
<b>Creditors amounts falling due within one year</b>	8	(5,367,380)	(5,367,092)
<b>Net current liabilities</b>		(5,367,367)	(5,367,079)
<b>Total assets less current liabilities</b>		(5,367,367)	(5,367,079)
<b>Creditors amounts falling due after more than one year</b>	9	(7,253,361)	(7,253,361)
<b>Net liabilities</b>		(12,620,728)	(12,620,440)
<b>Capital and reserves</b>			
Called up share capital	10	177	177
Share premium account	11	74,913	74,913
Profit and loss account	11	(12,695,818)	(12,695,530)
		(12,620,728)	(12,620,440)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 August 2013



Simon Escott  
Director

Zauralneftegaz Limited  
Company Registered Number: 5525360



## Zauralneftegaz Limited

### Cash Flow Statement

For the year ended 31 December 2012

		2012	2011
		\$	\$
Net cash flow from operating activities	12	(4)	-
Decrease in cash in the period		(4)	-

### Reconciliation of net cash flow to movement in net debt

		2012	2011
		\$	\$
Decrease in cash in the period		(4)	-
Non cash inflow from increase in debt		(284)	(284)
Movement in net debt in the period		(288)	(284)
Net debt at 31 December		(12,620,741)	(12,620,453)

# **Zauralneftegaz Limited**

## **Notes to the financial statements**

### **1 Accounting policies**

#### **Basis of preparation of financial statements**

The accounts have been prepared on a going concern basis as the parent company has agreed to provide funds to enable the Company to meet its liabilities as they fall due

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

The financial statements contain information about Zauralneftegaz Limited as an individual company and do not contain consolidated financial information of its subsidiaries. The company is exempt under Sections 400 - 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Pan European Terminals plc

The company has adopted the US Dollar as its reporting currency. The Board believes that through this approach the accounts will give a clearer picture of the performance of the company's business, while minimising the impact of the US Dollar exchange rate fluctuations. The sterling exchange rate at 31 December 2012 is £1 \$1.617 (2011 £1 \$1.546)

#### **Intangible assets - Exploration and evaluation**

Geological and geophysical exploration costs are charged against income as incurred. The direct costs associated with exploration wells, exploratory drilling and directly related overheads, are capitalised as intangible assets pending determination of proven reserves. These costs are excluded from depletion until commerciality is determined or impairment occurs. The cost of unsuccessful exploratory wells is expensed upon determination that the well does not justify commercial development.

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, an entity shall measure, present and disclose any resulting impairment loss in accordance with FRS 11 "Impairment of fixed assets"

#### **Investments**

Investments in subsidiaries are valued at cost less provision for impairment

#### **Foreign currencies**

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

Transactions in foreign currencies are translated into US dollars at the rate ruling on the date of the transaction

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

## Zauralneftegaz Limited

### 2 Operating loss

The auditors' remuneration has been borne by Pan European Terminals plc, the ultimate parent company of the group, in the years ended 31 December 2012 and 2011

### 3. Staff costs

The Company has no employees other than the directors, who did not receive any remuneration during the year

### 4. Taxation

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below

	2012	2011
	\$	\$
<b>Loss on ordinary activities before tax</b>	<b>(288)</b>	<b>(284)</b>
Loss on ordinary activities before tax multiplied by the standard rate of corporation tax of 24.5% (2011: 26%)	(71)	(74)
Effects of UK tax losses not recognised	71	74
<b>Current tax charge for the period</b>	<b>-</b>	<b>-</b>

The Company has tax losses of \$9,313,536 (2011: \$8,905,451) that are available indefinitely for offset against future taxable profits. Deferred tax assets have not been recognised in respect of these losses due to uncertainty as to whether such amounts will be realised.

### 5. Intangible fixed assets

	Exploration costs
	\$
<b>Cost</b>	
At 1 January 2012 and 31 December 2012	2,313,071
<b>Accumulated depreciation and impairment</b>	
At 1 January 2012 and 31 December 2012	2,313,071
<b>Net book value</b>	
At 1 January 2012 and 31 December 2012	-

## Zauralneftegaz Limited

### 6. Fixed asset investments

	Investments in subsidiaries \$
<b>Cost</b>	
At 1 January 2012 and 31 December 2012	75,090
<b>Impairment provisions</b>	
At 1 January 2012 and 31 December 2012	(75,090)
<b>Net book value</b>	
At 1 January 2012 and 31 December 2012	-

The following is a subsidiary undertaking of the Company

Principal subsidiaries	Country of incorporation	Principal activity	% of ordinary shares held & voting rights
OOO Zauralneftegaz	Russia	Oil and gas exploration	100

### 7. Debtors

	2012 \$	2011 \$
Other debtors	13	13

### 8 Creditors – amounts falling due within one year

	2012 \$	2011 \$
Bank overdraft	71	67
Amounts owed to group undertakings	5,367,309	5,367,025
	5,367,380	5,367,092

### 9. Creditors – amounts falling due after more than one year

	2012 \$	2011 \$
Amounts due to group undertakings	7,253,361	7,253,361

### 10. Share capital

	2012 \$	2011 \$
<b>Authorised, allotted, called up and fully paid</b>		
50 Ordinary class A shares of £1 each	88.50	88.50
50 Ordinary class B shares of £1 each	88.50	88.50
	177	177

The A and B ordinary shares of £1 rank pari passu other than the A ordinary shares have an additional vote at general meeting thereby giving the A ordinary shareholder control of the company

## Zauralneftegaz Limited

### 11 Reconciliation of movements in shareholders' deficit

	Share capital \$	Share premium \$	Profit and loss account \$	Total 2012 \$	Total 2011
At 1 January	177	74,913	(12,695,530)	(12,620,440)	(12,620,156)
Loss for the year	-	-	(288)	(288)	(284)
<b>At 31 December</b>	<b>177</b>	<b>74,913</b>	<b>(12,695,818)</b>	<b>(12,620,728)</b>	<b>(12,620,440)</b>

### 12 Net cash flow from operating activities

	2012 \$	2011 \$
Operating loss	(288)	(284)
Increase in creditors	284	284
	<b>(4)</b>	<b>-</b>

### 13. Analysis of changes in net debt

	As at 1 January 2012 \$	Cash flow \$	Other non cash changes \$	As at 31 December 2012 \$
Cash at bank and in hand	(67)	(4)	-	(71)
<b>Debt:</b>				
Debts falling due after more than one year	(7,253,361)	-	-	(7,253,361)
Debts falling due within one year	(5,367,025)	-	(284)	(5,367,309)
<b>Net debt</b>	<b>(12,620,453)</b>	<b>(4)</b>	<b>(284)</b>	<b>(12,620,741)</b>

### 14 Related party transactions

No transactions occurred between the company and related parties to the company during the years ended 31 December 2012 and 31 December 2011

The following balances were outstanding as at 31 December 2012

	Amount \$	Nature of transaction
Caspian Finance Ltd	(5,493,179)	Loans payable
Caspian Finance Ltd	(1,760,182)	Accrued interest payable
Pan European Oil Terminals Ltd	49,828	General trading balances
Pan European Terminals plc	(5,417,164)	Loans payable

The following balances were outstanding as at 31 December 2011

	Amount \$	Nature of transaction
Caspian Finance Ltd	(5,493,179)	Loans payable
Caspian Finance Ltd	(1,760,182)	Accrued interest payable
Pan European Oil Terminals Ltd	49,828	General trading balances
Pan European Terminals plc	(5,416,854)	Loans payable

## **Zauralneftegaz Limited**

### **14. Related party transactions (continued)**

Pan European Terminals plc is the ultimate parent of the group which holds a 50% interest in Zauralneftegaz Ltd Caspian Finance Ltd and Pan European Oil Terminals Ltd are subsidiaries of Pan European Terminals plc

### **15 Ultimate parent undertaking**

The immediate parent undertaking is Baltic Petroleum Limited

The ultimate parent undertaking and controlling party is Pan European Terminals plc (formerly Baltic Oil Terminals plc), a public company incorporated in the UK Copies of Pan European Terminals plc (formerly Baltic Oil Terminals plc) consolidated financial statements can be obtained from the Company's website [www.peterminals.com](http://www.peterminals.com)