

Reliance Global Energy Services Limited

Independent Auditor's Report To the Members of Reliance Global Energy Services Limited

RELIANCE GLOBAL ENERGY SERVICES LIMITED TO THE MEMBERS OF

We have audited the financial statements of Reliance Global Energy Services Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related Notes 1 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 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 3, 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

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 Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and financial statements 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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Policies; 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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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; or
- the Directors were not entitled to take advantage of the small companies' exemption in not preparing the Strategic Report.

David Griffin FCA (Senior Statutory Auditor)

Deloitte LLP

London

Date: 9 April 2015

Profit and Loss Account for the year ended 31 March 2015

	Notes	2015 £	2014 £
Turnover – continuing operations		2,222,560	2,654,919
- Employee related costs	2	1,318,941	1,536,690
- Administrative expenses		734,110	922,045
Total operating expenses		2,053,051	2,458,735
Operating profit on ordinary activities before taxation	3	169,509	196,184
Tax on profit on ordinary activities	4	35,875	46,290
Profit for the financial year		133,634	149,894

Statement of recognised gains and losses

There are no recognised gains or losses for the period other than profit or loss.
The accompanying notes form an integral part of the financial statements.

Balance Sheet as at 31 March 2015

	Notes	2015 £	2014 £
Fixed assets	5	48,562	50,140
Current assets			
Debtors: amounts due within one year	6	848,238	954,035
Cash and bank and in hand		597,652	590,374
Total current assets		1,445,890	1,544,409
Creditors: Amounts due within one year	7	504,040	539,061
Net current assets		941,850	1,005,348
Total assets less current liabilities		990,412	1,055,488
Provision	9	212,768	211,478
Net assets		777,644	844,010
Capital and reserves			
Share capital	10	500,000	500,000
Profit and loss account	10	277,644	344,010
Equity shareholder's funds		777,644	844,010

Approved by the Board of Directors and signed on its behalf on 9 April 2015

Michael Warwick
(Director)

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements for the year ended 31 March 2015

1. Accounting policies

- Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Generally Accepted Accounting Principles (UK GAAP) and policies applied consistently.

- Going concern

The Directors reasonably expect that the Company has access to adequate resources to continue operating for the foreseeable future. For this reason, they continue to adopt the going concern assumption in the financial statements. The Company has received a letter of support from its ultimate parent confirming that it will assist the Company to meet its obligations as and when required.

- Cashflow statement

The Company has taken advantage of the exemption from the requirement of Financial Reporting Standard No. 01 (revised) to prepared a cashflow statement as during the year it was a wholly-owned subsidiary of Reliance Industries Limited, which is the parent Company of Reliance group, whose consolidated financial statements include those of the Company and are publicly available.

- Revenue

The Company acts as an agent of its ultimate parent company, Reliance Industries Limited, an Indian registered company for procurement of crude oil and the marketing of petroleum products and certain arrangements which are ancillary thereto such as storage operations and shipping.

Revenue is recognised to the extent of the expenditure incurred by the Company plus a mark up base don an arm's length margin.

- Foreign current transactions

The Company's accounting records are maintained in Great Britain Pounds (GBP) and transactions in other currencies during the year have been translated into GBP at rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet Date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.

- Fixed assets

All items of fixed assets are initially recorded at cost net of VAT. Subsequent to recognition, fixed assets are stated at cost less accumulated depreciation and accumulated implement losses, if any.

Depreciation is computed on a reducing balance method basis at the following rates, except for lease improvements which took place on old lease which are amortised on straight-line basis from the date of completion of improvement work till the end of the lease term in March 2014, so as to write off the cost of the asset over its useful life. Depreciation is charged from the date of acquisition of the asset.

Office IT equipment	–	40%
Fixtures and fittings	–	18.10%

The carrying values of tangible fixed assets are reviewed for impairment when events or charges in circumstances indicate the carrying value may not be recoverable.

Notes to the Financial Statements for the year ended 31 March 2015

- Taxes

(a) Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

(b) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that resulting an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the accounts that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the accounts.

- Provision

Provisions for dilapidation and reinstatement liabilities are recognised when the Company has a legal or constructive obligation as a result of the past event and its probable that an outflow of economic benefits will be required to settle the obligation.

- Leases

Operating lease payments are recognised as an expense in the profit and loss account.

Notes to the Financial Statements for the year ended 31 March 2015

2. Directors and employee costs

Employee related costs including remuneration paid to Directors during the year were as follows:

	2015	2014
	£	£
Salaries and wages	1,146,942	1,366,830
Social security costs	162,120	159,670
Other employee costs	9,879	10,190
	<u>1,318,941</u>	<u>1,536,690</u>

The average number of employees including Directors of the Company during the year was 11 (2014: 12).

The remuneration paid to Directors during the year was £8,000 (2014: £29,000). The total remuneration received by the directors in respect of qualifying services paid by other group companies during the year was £Nil (2014: £Nil).

3. Operating profit

This is stated after charging

	2015	2014
	£	£
Rent for office premises	290,142	368,887
Audit fees	26,565	23,000
Depreciation	19,385	50,868
	<u>336,092</u>	<u>442,755</u>

Notes to the Financial Statements for the year ended 31 March 2015

4. Tax

	2015 £	2014 £
(a) Tax on profit on ordinary activities		
Tax charge is made up as follows:		
Current tax		
UK Corporation Tax at 21% (2014: 23%)	32,864	50,733
Adjustments to tax charge in respect of previous years	6,439	206
Total current tax	<u>39,303</u>	<u>50,939</u>
Deferred tax		
Origination and reversal of timing differences	2,732	(5,322)
Prior year adjustment	(6,332)	70
Effect of change in tax rate	171	603
Total deferred tax	<u>(3,428)</u>	<u>(4,649)</u>
Tax on profit on ordinary activities	<u><u>35,875</u></u>	<u><u>46,290</u></u>
(b) Factors affecting the current tax charge		
Profit on ordinary activities before tax	169,509	196,184
Tax at standard UK corporation tax rate at 21% (2014: 23%)	35,596	45,122
Decelerated capital allowances	(2,732)	5,322
Permanent differences	-	289
Adjustments to tax charge in respect of previous years	6,439	206
Total current tax charge	<u><u>39,303</u></u>	<u><u>50,939</u></u>

The Finance Act, 2014, was enacted on 17 July 2013 and introduced a reduction in the headline rate of corporate tax to 21% from 1 April 2015 and 20% from 1 April 2015. It is not anticipated that this will have a material impact on the Company's future tax position.

Notes to the Financial Statements for the year ended 31 March 2015

5. Fixed assets

	Office IT Equipment £	Fixtures and Fittings £	Lease Improvements £	Total £
Cost				
Balance as at 1 April 2014	195,317	83,289	154,064	432,670
Additions	17,807	-	-	17,807
Disposals	-	-	-	-
Balance as at 31 March 2015	213,124	83,289	154,064	450,477
Accumulated depreciation				
Balance as at 1 April 2014	180,604	47,862	154,064	382,530
Depreciation charge	12,973	6,412	-	19,385
Balance as at 31 March 2015	193,577	54,274	154,064	401,915
Net book value as at 31 March 2015	19,547	29,015	-	48,562
Net book value as at 1 April 2014	14,713	35,427	-	50,140

6. Debtors: amounts due within one year

	2015 £	2014 £
Amounts owed by group undertakings		
Due from ultimate parent	305,906	333,771
Accrued income	431,224	484,235
	<u>737,130</u>	<u>818,006</u>
Other receivables		
Deferred tax asset	10,021	6,593
Prepaid expenses	81,192	80,066
VAT receivable	19,757	31,156
Advance	138	18,214
	<u>111,108</u>	<u>136,029</u>
	<u>848,238</u>	<u>954,035</u>

Notes to the Financial Statements for the year ended 31 March 2015

7. Creditors: amounts due within one year

	2015 £	2014 £
Creditors: amounts falling due within one year		
Sundry creditors	7,908	12,057
Creditors for social security costs	39,168	35,199
Accruals	444,100	467,572
Corporate tax	12,864	24,233
Total	504,040	539,061

8. Deferred tax

The deferred tax asset balance comprises

	2015 £	2014 £
Decelerated capital allowances	10,021	6,593

There are no other timing differences for which a deferred tax asset or liability has been recognised.

9. Provision

	2015 £
Dilapidation liability as at 1 April 2014	211,478
Increase in provision	1,290
	212,768

The dilapidation provision was transferred to the Company from the outgoing tenant for the Company's current office space under an operating lease. The amount of £212,768 is based on estimates provided by an external property surveyor. No payments were made during the year for dilapidation and reinstatement obligations.

Notes to the Financial Statements for the year ended 31 March 2015

10. Capital and reserves

	2015 £	2014 £
Authorised share capital		
1,000,000 ordinary shares of £1.00 each	<u>1,000,000</u>	<u>1,000,000</u>
Issued share capital		
500,000 ordinary shares of £1.00 each	500,000	500,000
Profit and loss account		
Balance as on 1 April 2014	344,010	194,116
Profit for the year	133,634	149,894
Interim dividend declared and paid	<u>(200,000)</u>	-
Balance as on 31 March 2015	277,644	344,010
Total	<u>777,644</u>	<u>844,010</u>

11. Contingent liabilities

There were no contingent liabilities as at 31 March 2015.

12. Ultimate parent and controlling related party

The Company's immediate parent company and controlling related party is Reliance Industries (Middle East) DMCC, a company registered in U.A.E. The Company's ultimate parent and controlling related party is Reliance Industries Limited, a company registered in India.

Reliance Industries Limited is the parent company of the group of which Reliance Global Energy Services Ltd. is a member and for which group accounts are drawn and can be obtained from 3rd Floor, Maker Chambers IV, 222, Nariman Point, Mumbai 400 021, India.

13. Commitments

At the balance sheet date the Company has following annual commitment under the lease agreement.

	2015 £	2014 £
Expiry date		
After five years	<u>269,186</u>	<u>266,758</u>
Total	<u>269,186</u>	<u>266,758</u>

The current lease expires on 25 September 2021 with next rent review due on 29 September 2016. The commitments are subject to change based on annual service charges budget of the landlord.

Notes to the Financial Statements for the year ended 31 March 2015

14. Related party transactions

The Company has taken advantage of the exemption contained with Financial Reporting Standard No. 8 “Related Party Disclosures” as during the year it was a wholly-owned subsidiary of Reliance Industries Limited, whose consolidated financial statements include those of the Company and are publicly available. Therefore the Company has not disclosed transactions with wholly-owned group companies. There were no other related party transactions in the year.