

**Reliance Global Energy Services Limited**  
**Financial Statements**  
**2019-20**

## Independent Auditor's Report

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### TO THE MEMBERS OF RELIANCE GLOBAL ENERGY SERVICES LIMITED

#### Report on the audit of the financial statements

##### Opinion

In our opinion the financial statements of Reliance Global Energy Services Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

##### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

# Independent Auditor's Report

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## Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Report on other legal and regulatory requirements

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

### Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

### Use of our report

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.

**Peter McDermott FCA (Senior Statutory Auditor)**

**For and on behalf of Deloitte LLP**

**Statutory Auditor**

**London, United Kingdom**

**24<sup>th</sup> April 2020**

## Profit and loss account for the year ended 31 March 2020

	Note	1 April 2019 – 31 March 2020	1 April 2018 – 31 March 2019
		£	£
Turnover		2,254,650	2,540,006
Other Operating Income	3	420,000	350,000
		<u>2,674,650</u>	<u>2,890,006</u>
Employee related costs	4	1,143,814	1,389,221
Administrative expenses	5	950,873	986,772
		<u>2,094,687</u>	<u>2,375,993</u>
<b>Profit before interest and taxation</b>		<u>579,963</u>	<u>514,013</u>
Finance Cost	6	413,633	351,728
<b>Profit before taxation</b>		<u>166,330</u>	<u>162,285</u>
Tax (credit) / charge on profit	7	(943)	3,352
<b>Profit for the financial year</b>		<u>167,273</u>	<u>158,933</u>

All amounts relate to continuing operations. There were no recognised gains and losses for 2020 and 2019 other than those included in the Profit and loss account.

## Balance Sheet as at 31 March 2020

	Note	31 March 2020 £	31 March 2019 £
<b>Fixed assets</b>			
Tangible assets	8	51,229	55,001
Investments	9	18,451,059	18,451,059
		<b>18,502,288</b>	<b>18,506,060</b>
<b>Current assets</b>			
Debtors: amounts due within one year	10	834,494	938,198
Cash at bank and in hand		1,505,484	1,303,393
<b>Total current assets</b>		<b>2,339,978</b>	<b>2,241,591</b>
<b>Creditors: amounts falling due within one year</b>	11	<b>8,546,771</b>	<b>634,006</b>
<b>Net current assets / (liabilities)</b>		<b>(6,206,793)</b>	<b>1,607,585</b>
<b>Total assets less current liabilities</b>		<b>12,295,495</b>	<b>20,113,645</b>
<b>Creditors: amounts falling due after more than one year</b>	12	<b>7,962,220</b>	<b>15,950,143</b>
Provision for liability	14	222,500	220,000
		<b>8,184,720</b>	<b>16,170,143</b>
<b>Net assets</b>		<b>4,110,775</b>	<b>3,943,502</b>
<b>Capital and reserves</b>			
Share capital	15	3,000,000	3,000,000
Profit & loss account		1,110,775	943,502
<b>Equity shareholder's funds</b>	15	<b>4,110,775</b>	<b>3,943,502</b>

Approved by the Board of Directors and signed on its behalf on 24<sup>th</sup> April 2020

Saji Varghese  
Director

The accompanying notes form an integral part of the financial statements

## Statement of changes in equity for the year ended 31 March 2020

	Note	Share capital £	Profit and loss account £	Total £
<b>Balance at 1 April 2018</b>		<b>500,000</b>	<b>784,569</b>	<b>1,284,569</b>
Profit for the year ended 31 March 2019		-	158,933	158,933
<b>Total comprehensive income for the year</b>		-	<b>158,933</b>	<b>158,933</b>
Issue of share capital	15	2,500,000	-	2,500,000
<b>Balance at 31 March 2019</b>		<b>3,000,000</b>	<b>943,502</b>	<b>3,943,502</b>
Profit for the year ended 31 March 2020		-	167,273	167,273
<b>Total comprehensive income for the year</b>		-	<b>167,273</b>	<b>167,273</b>
<b>Balance at 31 March 2020</b>		<b>3,000,000</b>	<b>1,110,775</b>	<b>4,110,775</b>

## Notes to the financial statements for the year ended 31 March 2020

### 1. Accounting policies

#### - Basis of preparation

Reliance Global Energy Services Limited (Registered office – 105 Wigmore Street, London, W1U 1QY) is a private company limited by shares, incorporated in the United Kingdom under Companies Act 2006 and is registered in England and Wales.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Reliance Global Energy Services Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement, remuneration of key management personnel and related party transactions.

Reliance Global Energy Services Limited has further taken advantage of the exemption available to it from the obligation of preparing and delivering group consolidated accounts in accordance with section 405 of Companies Act 2006.

Reliance Global Energy Services Limited and its subsidiary are consolidated in the financial statements of its ultimate parent, Reliance Industries Ltd, a company incorporated in India. Consolidated accounts may be obtained at [www.ril.com](http://www.ril.com).

#### - Going concern

The Directors have reviewed the cash flow projections for next 12 months from the date of signing of these accounts. Based on these projections and the commitment of the parent company to provide support to the Company, should it be needed, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors have also considered the external factors including Covid-19 and do not believe it will have a significant impact on the business and operations. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### - Revenue

The main activity of the Company has been provision of support services to group entities in relation to procurement of crude oil and marketing of petroleum products.

Revenue is recognised to the extent of the expenditure incurred by the Company plus a markup based on an arm's length margin.

Dividend Income is recognised when the Company's right to receive the amount has been established.

#### - Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as accruals in the balance sheet.

#### - Foreign currency transactions

The Company's accounting records are maintained in British Pounds Sterling (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 impairment losses, if any.

Depreciation is charged from the date of acquisition of the asset. Depreciation is computed on a reducing balance method basis for Office IT Equipment and Furniture & fittings and on a straight-line method basis for Motor Vehicle. Lease improvements which took place on old lease are amortised on straight-line basis from the date of completion of improvement work until the end of the initial lease term in March 2014, so as to write off the cost of the asset over its useful life.

## Notes to the financial statements for the year ended 31 March 2020

### Rate of depreciation

• Office IT equipment	–	40.00%
• Fixtures & fittings	–	18.10%
• Motor Vehicle	–	13.66%

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

### - 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 on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

### - Provisions

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 it is 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.

### - Financial instruments

All financial assets and liabilities are initially measured at transaction price (including transaction cost).

Debt instrument which meet the conditions of being 'basic' financial instruments as defined in FRS 102.11.9 are subsequently measured at amortised cost using the effective interest method.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets and liabilities are not offset in the balance sheet.

### - Investment in subsidiaries and associates

Investment in subsidiaries and associates are measured at cost less impairment loss, if any.

## 2. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company does not have any critical accounting judgements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.



## Notes to the financial statements for the year ended 31 March 2020

### Key sources of estimation uncertainty

#### Revenue recognition

The annual bonus payable to staff is estimated by directors based on various measures. This accrual and the corresponding revenue is accrued based on agreed markup at arm's length. During the year, the value of the bonus accrual is estimated to be £288,658 (2019: £393,612) and the corresponding accrued income is £317,386 (2019: £433,022). This is based on the best available information to the directors at the time. The actual bonus paid during the year related to previous year was £259,206 with a corresponding income of £281,277.

### 3. Other operating income

	2020 £	2019 £
Dividend received	420,000	350,000

### 4. Directors and employee costs

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

	2020 £	2019 £
Salaries and wages	998,112	1,208,201
Social security costs	115,848	151,272
Pension costs	17,786	16,325
Health insurance costs	12,068	13,423
<b>Total</b>	<b>1,143,814</b>	<b>1,389,221</b>

The average number of employees including Directors of the Company during the year was 10 (2019:11).

The remuneration paid to Directors during the year was £nil (2019: £1,000). The total remuneration received by the directors in respect of qualifying services paid by other group companies during the year was £nil (2019: £nil).

### 5. Operating profit

This is stated after charging:

	2020 £	2019 £
Rent for office premises	499,527	505,086
Fees paid to auditors	31,100	23,100
Depreciation (note 8)	13,187	19,036

Fees paid to auditors include fees paid for audit £26,100 (2019-£23,100) and fees paid for audit-related assurance services in respect of the review of the Company's interim financial information £5,000 (2019-£Nil).

### 6. Finance Cost

	2020 £	2019 £
Bank loan interest	365,887	341,334
Bank loan transaction cost	12,076	10,394
Other group company loan interest	35,670	-
	<b>413,633</b>	<b>351,728</b>

## Notes to the financial statements for the year ended 31 March 2020

### 7. Tax

	2020 £	2019 £
<b>(a) Tax on profit on ordinary activities</b>		
<b>Current tax</b>		
UK Corporation Tax at 19% (2019: 19%)	-	-
Adjustments to tax charge in respect of previous years	-	(189)
<b>Total current tax</b>	<u>-</u>	<u>(189)</u>
<b>Deferred Tax</b>		
Origination and reversal of timing differences	(943)	3,541
<b>Total deferred tax</b>	<u>(943)</u>	<u>3,541</u>
<b>Tax on profit on ordinary activities</b>	<u><u>(943)</u></u>	<u><u>3,352</u></u>
 <b>(b) Factors affecting the current tax charge</b>		
Profit on ordinary activities before tax	166,330	162,285
Tax at standard UK corporation tax rate at 19% (2019: 19%)	31,603	30,834
Other timing differences	-	13
Permanent capital allowances in excess of depreciation	(678)	1,726
Capital items expensed	-	190
Dividend income	(79,800)	(66,500)
Group Relief surrender	48,875	33,737
Adjustments to tax charge in respect of previous years	-	(189)
Change in deferred tax	(943)	3,541
<b>Total tax (credit) / charge</b>	<u><u>(943)</u></u>	<u><u>3,352</u></u>

At Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate at 19% for the years starting 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. A further reduction to 17% for the year starting 1 April 2020 was announced at Budget 2016. At Budget 2020, the government announced that the Corporation Tax main rate for the years starting 1 April 2020 and 2021 would remain at 19%.

Accordingly, the company's deferred tax balances at the reporting date are taxed at an effective rate of 19% (2019: 17%).

## Notes to the financial statements for the year ended 31 March 2020

### 8. Tangible assets

Cost	Office IT Equipment £	Fixtures & fittings £	Lease Imp rovements £	Motor Vehicles £	Total £
Balance as at 1 April 2019	267,876	83,289	154,064	17,720	522,949
Additions	9,415	-	-	-	9,415
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>277,291</b>	<b>83,289</b>	<b>154,064</b>	<b>17,720</b>	<b>532,364</b>
<b>Accumulated depreciation</b>					
Balance as at 1 April 2019	240,133	70,235	154,064	3,516	467,948
Depreciation charge	8,497	2,390	-	2,300	13,187
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>248,630</b>	<b>72,625</b>	<b>154,064</b>	<b>5,816</b>	<b>481,135</b>
<b>Net book value as at 31 March 2020</b>	<b>28,661</b>	<b>10,664</b>	<b>-</b>	<b>11,904</b>	<b>51,229</b>
<b>Net book value as at 1 April 2019</b>	<b>27,743</b>	<b>13,054</b>	<b>-</b>	<b>14,204</b>	<b>55,001</b>

### 9. Investments

Cost	In subsidiary £
Balance as at 1 April 2019	18,451,059
Additions	-
Disposals	-
<b>Balance as at 31 March 2020</b>	<b>18,451,059</b>
<b>Impairment</b>	
Balance as at 1 April 2019	-
Impairment	-
Reversal of impairment	-
Disposals	-
<b>Balance as at 31 March 2020</b>	<b>-</b>
<b>Carrying value as at 31 March 2020</b>	<b>18,451,059</b>
<b>Carrying value as at 31 March 2019</b>	<b>18,451,059</b>

On 21 May 2019, the Company acquired 100% of ordinary share capital of Mindex 1 Limited (Registered office - Suite 23, Portland House, Glacis Road, Gibraltar, GX11 1AA) for consideration of £18,000,000 and acquisition cost of £451,059.

## Notes to the financial statements for the year ended 31 March 2020

### 10. Debtors: amounts due within one year

	2020 £	2019 £
<b>Amounts owed from group undertakings</b>		
Due from other group company	329,508	336,350
Accrued income	340,010	442,416
	<u>669,518</u>	<u>778,766</u>
<b>Other receivables</b>		
Deferred tax asset (note 13)	3,339	2,396
Prepaid expenses	132,200	131,685
VAT receivable	28,967	25,176
Advance to employees	470	175
	<u>164,976</u>	<u>159,432</u>
	<u>834,494</u>	<u>938,198</u>

Amounts owed from other group company are repayable on normal commercial terms.

### 11. Creditors: amounts falling due within one year

	2020 £	2019 £
<b>Creditors: amounts falling due within one year</b>		
Loan from other group company	8,000,000	-
Sundry creditors	161,578	158,632
Creditors for social security costs	31,359	33,286
Accruals	354,099	442,353
Corporation Tax	(265)	(265)
<b>Total</b>	<u>8,546,771</u>	<u>634,006</u>

The group company unsecured loan is payable in 12 months from the date of drawdown. Interest is payable at variable rate of LIBOR + 1.70% on the principal amount.

### 12. Creditors: amounts falling due after more than one year

	2020 £	2019 £
<b>Creditors: amounts falling due after more than one year</b>		
Bank loan	8,000,000	16,000,000
Transaction cost	(37,780)	(49,857)
<b>Total</b>	<u>7,962,220</u>	<u>15,950,143</u>

The bank loan is secured on freehold property of subsidiary undertaking with a carrying value of £18,000,000. The term of the loan restricts the Company making significant disposal without the consent of the lender. Interest is payable on the 5-year bank loan at variable rate of LIBOR + 1.80% on the principal amount.

## Notes to the financial statements for the year ended 31 March 2020

### 13. Deferred tax asset

The deferred tax asset balance comprises

	2020	2019
	£	£
Decelerated capital allowances (note 7)	3,381	2,417
Other timing difference	(42)	(23)
	<u>3,339</u>	<u>2,396</u>

### 14. Provision

	2020	2019
	£	£
Dilapidation liability	<u>222,500</u>	<u>220,000</u>

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 £222,500 is based on estimates provided by an external property surveyor. No payments were made during the year for dilapidation and reinstatement obligations.

### 15. Capital and reserves

	2020	2019
	£	£
<b>Authorised share capital</b>		
3,000,000 ordinary shares of £ 1.00 each	3,000,000	3,000,000
<b>Issued share capital</b>		
3,000,000 ordinary shares of £ 1.00 each	3,000,000	3,000,000
<b>Profit and loss account</b>		
Balance as on 1 April	943,502	784,569
Profit for the year	<u>167,273</u>	<u>158,933</u>
<b>Balance as on 31 March</b>	<b>1,110,775</b>	<b>943,502</b>
<b>Total</b>	<u><b>4,110,775</b></u>	<u><b>3,943,502</b></u>

During the year the Company allotted Nil (2019 - 2,500,000) ordinary shares with a nominal value of £1 each.

### 16. Ultimate parent and controlling related party

Reliance Industries Limited, a company incorporated in India, (Registered office - 3<sup>rd</sup> Floor, Maker Chambers IV, 222, Nariman Point, Mumbai 400 021, India) is controlling party and the direct parent and the ultimate parent company of the group of which Reliance Global Energy Services Limited is a member and for which group accounts are drawn and can be obtained from 3<sup>rd</sup> Floor, Maker Chambers IV, 222, Nariman Point, Mumbai 400 021, India.

### 17. Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows.

	2020	2019
	£	£
Within one year	438,430	438,430
Between one and five years	<u>213,810</u>	<u>652,240</u>
<b>Total</b>	<u><b>652,240</b></u>	<u><b>1,090,670</b></u>

The current lease which relates to the company's office premises expires on 25 September 2021.