Independent Auditors' Report to the Members of Balmer Lawrie (UK) Limited

Opinion

We have audited the financial statements of Balmer Lawrie (UK) Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. 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).

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 Auditors' 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

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 Auditors' 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 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 this regard.

Opinion 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.

Matters on which we are required to report by exception
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 material misstatements in the Directors' Report.

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 from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities, 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 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.

Our 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 Auditors' 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Jane Wills (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants and Statutory Auditors
Sterling House
177-181 Farnham Road
Slough
Berkshire
SL1 4XP

Date: 21ST MAY 2018

Statement of Comprehensive Income
for the year ended 31 March 2018

	Notes	2018 $	2017 $
Turnover		-	-
Administrative expenses		(8,996)	(11,919)
Operating loss		(8,996)	(11,919)
Interest receivable and similar income	3	95,297	49,263
Profit before taxation	4	86,301	37,344
Tax on profit	5	(16,397)	(7,292)
Profit for the financial year		69,904	30,052
Other comprehensive income		-	-
Total comprehensive income for the year		69,904	30,052

The notes on pages 9 to 12 form part of these financial statements

Balance Sheet
31 March 2018

	Notes	2018 $	2018 $	2017 $	2017 $
Fixed assets					
Investments	6		2,010,109		2,010,109
Current assets					
Debtors	7	56,121		14,460	
Cash at bank		3,289,431		3,264,665	
		3,345,552		3,279,125	
Creditors					
Amounts falling due within one year	8	25,231		28,708	
Net current assets			3,320,321		3,250,417
Total assets less current liabilities			5,330,430		5,260,526
Capital and reserves					
Called up share capital	9		2,837,478		2,837,478
Retained earnings	10		2,492,952		2,423,048
Shareholders' funds			5,330,430		5,260,526

The financial statements were approved by the Board of Directors on 21st May 2018 and were signed on its behalf by:

Prabal Basu - Director

Manoj Lakhanpal - Director

Shyam Khuntia - Director

The notes on pages 9 to 12 form part of these financial statements

Statement of Changes in Equity
for the year ended 31 March 2018

	Called up share capital $	Retained earnings $	Total equity $
Balance at 1 April 2016	2,837,478	2,392,996	5,230,474
Changes in equity			
Total comprehensive income	-	30,052	30,052
Balance at 31 March 2017	2,837,478	2,423,048	5,260,526
Changes in equity			
Total comprehensive income	-	69,904	69,904
Balance at 31 March 2018	2,837,478	2,492,952	5,330,430

The notes on pages 9 to 12 form part of these financial statements

1. **Accounting policies**

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Balmer Lawrie (UK) Limited is a limited liability incorporated in England. The Registered Office is: Sterling House, 177-181 Farnham Road, Slough, Berkshire, SL14XP.

The company's activities are more dependent on the American dollar than sterling. Consequently, the company's financial statements are prepared in American dollars on applying the following bases:

(a) Monetary assets and liabilities denominated in a foreign currency were translated into dollars at the foreign exchange rates ruling at the balance sheet date;

(b) Revenue and expenses in foreign currencies were translated in dollars at the average rate for the year;

(c) Any gains or losses arising on translation were taken to the profit and loss account.

Going concern
The directors have considered the basis of preparation of the financial statements and, based on the assessment of budgets, cashflows and current cash, have a high expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Hence, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial Reporting Standard 102 - reduced disclosure exemptions
The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Related party exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Investments in joint ventures
Investments in Joint Ventures are carried at cost or valuation. Cost is based on the fair value of the consideration paid for the investment, including acquisition costs.

Where a different value is demonstrated by a significant third party event, the investment is carried at a corresponding revalued amount. In the case of a permanent impairment in the carrying value of the asset, a write-down provision is made in the profit and loss account.

1. **Accounting policies - continued**

Financial instruments
Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the company's cash management.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Key sources of estimation uncertainty and judgements
Preparation of the financial statements requires management to make significant judgements and estimates in determining the carrying amounts of certain assets and liabilities. Management makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The management's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. This disclosure excludes uncertainty over future events and judgement in respect of measuring financial instruments.

There is estimation surrounding the fair value of the companys interest in its joint venture entity. As it is based on future cashflow projections and certain other assumptions. Whilst every attempt is made for these projections to be as robust as possible it is possible that some of these projections may not materialise which could result in an impairment charge in subsequent periods.

2. **Directors' emoluments**

	2018	2017
	$	$
Directors' remuneration	-	-

All directors remuneration is borne by the parent company.

3. **Interest receivable and similar income**

	2018	2017
	$	$
Deposit account interest	**95,297**	49,263

4. **Profit before taxation**

The profit is stated after charging/(crediting):

	2018	2017
	$	$
Auditors' remuneration	**4,000**	4,000
Foreign exchange differences	**53**	(280)

5. Taxation

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2018 $	2017 $
Current tax:		
UK corporation tax	16,397	7,292
Tax on profit	16,397	7,292

6. Fixed asset investments

	Interest in joint venture $
Cost	
At 1 April 2017 and 31 March 2018	2,010,109
Net book value	
At 31 March 2018	2,010,109
At 31 March 2017	2,010,109

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Joint venture

PT Balmer Lawrie Indonesia
Registered office:
Nature of business: Manufacture and sales of greases and lubricants

Class of shares:	% holding
Ordinary	50.00

	2018 $	2017 $
Aggregate capital and reserves	(546,719)	(1,439,136)
Profit/(loss) for the year	712,525	(147,514)

7. Debtors: amounts falling due within one year

	2018 $	2017 $
Prepayments and accrued income	56,121	14,460

8. Creditors: amounts falling due within one year

	2018 $	2017 $
Tax	16,397	7,292
Accruals and deferred income	8,834	21,416
	25,231	28,708

9. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 $	2017 $
1,797,032	Ordinary shares of £1 each	£1	**2,837,478**	2,837,478

10. Reserves

	Retained earnings $
At 1 April 2017	2,423,048
Profit for the year	69,904
At 31 March 2018	2,492,952

11. Ultimate parent company and controlling party

The company's ultimate parent company and controlling party is Balmer Lawrie & Co. Limited, a company incorporated in India which is a Government of India Undertaking.

Detailed Profit and Loss Account
for the year ended 31 March 2018

		2018		2017
	$	$	$	$
Income		-		-
Other income				
Deposit account interest		95,297		49,263
		95,297		49,263
Expenditure				
Salary recharge	-		5,287	
Accountancy	4,834		3,730	
Legal fees	-		(880)	
Auditors' remuneration	4,000		4,000	
Foreign exchange differences	53		(280)	
		8,887		11,857
		86,410		37,406
Finance costs				
Bank charges		109		62
Net profit		86,301		37,344

This page does not form part of the statutory financial statements