HGHL Holdings Limited

Financial Statements

for the year ended 31 March 2016

Registered number: 08302976

HGHL Holdings Limited

Contents

Directors' report

The directors present their annual report on the affairs of HGHL Holdings Ltd ("the Company"), together with the financial statements and auditors' report, for the year ended 31 March 2016.

Principal activities

The principal activity of the Company is that of a holding company.

Business review

The Company made a profit before and after tax of US$ 820 thousand during the period. The directors have not declared a dividend for the period ended 31 March 2016, same for previous period ended 31 March 2015. The directors have taken advantage of the exemption for small companies not to include a strategic report in accordance with section 414B of the Companies Act.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

Cash flow risk

Interest bearing assets are held at a fixed rate to ensure the certainty of cash flows, whereas the interest bearing liabilities are held at a variable rate, LIBOR plus, and as a result will be open to the market.

Credit risk

The Company's principal financial assets are bank balances and cash, inter-company receivables, and an investment.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

To maintain liquidity and ensure that sufficient funds are available for servicing debt, the company has access to funds through the loan to Gulf Oil International Limited.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Directors

The directors, who served throughout the period, were as follows:

Sandra Georgeson
Linda Cain
Camille Nehme

HGHL Holdings Limited

Directors' report (continued)

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

Camille Nehme

Director
26 August 2016

16 Charles II Street,
London,
United Kingdom,
SW1Y 4QU

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report including 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

HGHL Holdings Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HGHL HOLDINGS LIMITED

We have audited the financial statements of HGHL Holdings Limited for the year ended 31 March 2016 which comprise of the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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, 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 annual 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 IFRSs as adopted by the European Union; 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 period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report (continued)

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 preparing the directors' report.

J. A. L.

James Leigh (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London
26 August 2016

HGHL Holdings Limited
Income statement
For the year ended 31 March 2016

	Note	2016 $	2015 $
Administrative expenses		(56,795)	(74,714)
Operating loss		(56,795)	(74,714)
Finance income	6	10,404,461	11,015,703
Finance costs	6	(9,527,327)	(9,936,535)
Profit for the year from continuing operations, both before and after taxation		820,339	1,004,454
Profit for the year attributable to the owners of the Company		820,339	1,004,454

All gains and losses are recorded within the income statement. Consequently, no statement of comprehensive income has been presented.

HGHL Holdings Limited
Balance sheet
As at 31 March 2016

	Note	2016 $	2015 $
Non-current assets			
Available for sale investments	8	160,456	160,456
Loans to other group entities	16	174,583,276	196,013,286
		174,743,732	196,173,742
Current assets			
Trade and other receivables	9	298,173	873,428
Cash and cash equivalents	14	19,028	18,688
		317,201	892,116
Total assets		175,060,933	197,065,858
Current liabilities			
Trade and other payables	11	154,053	181,823
Borrowings	10	26,400,000	24,000,000
		26,554,053	24,181,823
Net current liabilities		(26,236,852)	(23,289,707)
Non-current liabilities			
Borrowings	10	149,542,881	174,740,375
		149,542,881	174,740,375
Total liabilities		176,096,934	198,922,198
Net liabilities		(1,036,001)	(1,856,340)
Equity			
Share capital	12	160,456	160,456
Retained loss	13	(1,196,457)	(2,016,796)
Equity attributable to owners of the Company		(1,036,001)	(1,856,340)

The financial statements of HGHL Holdings Limited (Registered number: 08302976) were approved by the board of directors and authorised for issue on 26 August 2016. They were signed on its behalf by:

Camille Nehme

Director

HGHL Holdings Limited
Statement of changes in equity
For the year ended 31 March 2016

	Share capital $	Retained loss $	Total $
Issue of share capital	160,456	(3,021,250)	(2,860,794)
Profit for the year	-	1,004,454	1,004,454
Balance at 31 March 2015	160,456	(2,016,796)	(1,856,340)
Profit for the year	-	820,339	820,339
Balance at 31 March 2016	160,456	(1,196,457)	(1,036,001)

HGHL Holdings Limited
Cash flow statement
For the year ended 31 March 2016

	Note	2016 $	2015 $
Net cash used in operating activities	14	(55,836)	(130,325)
Investing activities			
Interest received		10,498,001	11,130,119
Loans given		-	(198,263,286)
Repayment of loans given		21,429,961	198,213,286
Net cash generated from investing activities		31,927,962	11,080,119
Financing activities			
Repayments of borrowings		(24,000,000)	(3,000,000)
Finance costs		(7,871,786)	(9,097,622)
Net cash used in financing activities		(31,871,786)	(12,097,622)
Net increase / (decrease) in cash and cash equivalents		340	(1,147,828)
Cash and cash equivalents at beginning of year		18,688	1,166,516
Cash and cash equivalents at end of year		19,028	18,688

1. General information

HGHL Holdings Limited is a company incorporated in the United Kingdom under the UK Companies Act 2006. The address of the registered office is 16 Charles II Street, London, SW1Y4QU, United Kingdom. The nature of the company's operations and its principal activities are set out in the Director's report on page 1.

These financial statements are prepared for the year ended 31 March 2016. The financial statements are presented in US Dollars because that is the currency of the primary economic environment in which the company operates.

2. Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Director's Report on page 1.

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. On the basis of their assessment of the Company's financial position and the terms of the debt facility that requires Gulf Oil Corporation Limited as party to the agreement, to provide adequate support to the company to meet its obligations under the debt facility at all times, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Further, the company's debt with third parties is also guaranteed by Gulf Oil International Limited. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

3. Significant accounting policies

3.1 Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies adopted are set out below.

3.2 Standards issued but not adopted

The following new and relevant standards and interpretations were adopted effectively from 1 January 2015:

- *IFRIC 21* addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the financial statements.

- *Annual Improvements to IFRSs 2011 – 2013 Cycle:* The Entity has adopted the amendments to IFRSs included in the Annual Improvements to IFRSs 2011 – 2013 Cycle for the first time in the current year. The amendments are in the nature of clarifications rather than substantive changes to existing requirements. The application of the amendments has had no material impact on the disclosures or on the amounts recognised in the financial statements.

3.2 Standards issued but not adopted (continued)

At the date of authorisation of these financial statements, the Entity has not applied the following new and revised IFRSs that have been issued but are not yet effective and in some cases had not yet been adopted by the EU:

IAS 19 (amendments)	*Defined Benefit Plans: Employee Contributions*
Annual Improvements to IFRSs: 2010-2012	Amendments to : IFRS2: *Share-based Payments*, IFRS 3 *Business Combinations*, IFRS 8 *Operating Segments*, IFRS 13 *Fair Value Measurement*, IAS 16 *Property, Plant and Equipment*, IAS 24 *Related Party Disclosures and* IAS 38 Intangible Assets.
IFRS 9	*Financial Instruments*
IFRS 16	*Leases*
IFRS 15	*Revenue from Contracts with Customers*
IFRS 11 (amendments)	*Accounting for Acquisitions of Interests in Joint Operations*
IAS 1 (amendments)	*Disclosure Initiative*
IAS 12 (amendments)	*Recognition of Deferred Tax Assets for Unrealised Losses*
IAS 16 and IAS 38 (amendments)	*Clarification of Acceptable Methods of Depreciation and Amortisation*
IAS 16 and IAS 41 (amendments)	*Agriculture: Bearer Plants*
IAS 27 (amendments)	*Equity Method in Separate Financial Statements*
IFRS 10 and IAS 28 (amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
IFRS 10, IFRS 12 and IAS 28 (amendments)	*Investment Entities: Applying the Consolidation Exemption*
Annual Improvements to IFRSs: 2012-2014 Cycle	Amendments to: IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, IFRS 7 *Financial Instruments: Disclosures*, IAS 19 *Employee Benefits* and IAS 34 *Interim Financial Reporting*

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements in future periods.

3. Significant accounting policies (continued)

3.3 Accounting Policies

Revenue

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Foreign currencies

The financial statements are presented in US dollars, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Borrowing costs

Interest expense is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount on initial recognition.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on 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, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Significant accounting policies (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

3. Significant accounting policies (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. The company has not classified any liabilities 'at FVTPL'.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4. Critical judgements in applying the company's accounting policies

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, 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 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.

The following is the critical judgement, that the directors have made in the process of applying the Company's accounting policies and that has the most significant effect on the amounts recognised in financial statements.

Impairment of investment in & recoverability of loan given to a related party

Management have exercised judgment in their assessment of impairment of its investment in Gulf Houghton Lubricants Limited and recoverability of loan given. Management have obtained audited financial statements of the company in which Gulf Houghton Lubricants Limited holds investment in order to assess the recoverability of its investment and loan balance. Management continue to monitor the status of this recoverability through constant interaction with management of the investee company.

5. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the company's annual accounts are $15,570 (March 15: $27,336). No non-audit fees were paid to Deloitte LLP for the year ended 31 March 2016.

6. Finance costs

	2016 $	2015 $
Interest on bank loans	(6,507,354)	(6,788,090)
Letter of credit charges	(2,084,667)	(2,214,875)
Guarantee commission	(935,305)	(933,570)
Total interest expense	(9,527,327)	(9,936,535)
Finance income	10,404,461	11,015,703
Net finance income	877,134	1,079,168

7. Tax

There is no corporation tax charge in 2016 despite an operating profit for the period as the tax losses carried forwardfrom prior years amount to $1,956,438

	2016 $	2015 $
Profit before taxation	820,339	1,004,454
Tax calculated at 20% (2015 – 21%)	164,068	210,935
Effects of:		
Non-taxable income and non-deductible expenses	-	-
Utilisation of tax losses	(164,068)	(210,935)
Non-deductible write-off	-	-
Adjustments to tax charge in respect of previous years	-	-
Income tax (credit) / expense	-	-

8. Available for sale investments

	Non-Current 2016 $	Non-Current 2015 $
Available-for-sale investments carried at fair value		
Opening balance	160,456	160,456
Acquisitions made during the period	-	-
Change in fair value	-	-
Total investments	160,456	160,456

8. Available for sale investments (continued)

The Company holds a strategic non-controlling interest in Gulf Houghton Lubricants Limited. These shares are not held for trading and accordingly are classified as available for sale. The fair value of the investment is a Hierarchy 3 fair value and is calculated based on the value in use of the company in which investment is held. The value in use of that investee company is calculated using discounted cash flow method.

9. Trade and other receivables

	2016 $	2015 $
Receivables from related parties	-	486,216
Accrued Income from related party	272,352	365,892
VAT receivable	25,821	21,320
	298,173	873,428

The carrying value of trade and other receivables approximate their fair value due to the short term maturities or nature of these instruments. All trade and other receivables are held as loans and receivables.

10. Borrowings

	2016 $	2015 $
Unsecured borrowing at amortised cost		
Loans from related parties	26,000,000	26,000,000
	26,000,000	26,000,000
Secured borrowing at amortised cost		
Bank loans	153,000,000	177,000,000
Less: Capitalised fees	(3,057,119)	(4,259,625)
	149,942,881	172,740,375
Total borrowings	175,942,881	198,740,375
Amount due for settlement within 12 months	26,400,000	24,000,000
Amount due for settlement after 12 months	149,542,881	174,740,375

10. Borrowings (continued)

The other principal features of the company's borrowings are as follows.

(i) On 18.12.2012, the Company received an interest-free loan of $26,000,000 from Gulf International Lubricants Limited to finance the investment in GHGL London Limited. The loan does not have a fixed repayment schedule and is repayable through mutual consent. On 31.10.2014, the loan was reassigned to Gulf Oil International Limited, its parent company, at the same conditions.

(ii) A loan of $300,000,000 was taken on 18.12.2012. There was a repayment of $120,000,000 made during the previous period. Repayments commence on 18.03.2015 and will continue until 15.11.2019. During the period, there was a repayment of USD 24,000,000. The loan carries an effective interest rate at 5.61 per cent.

The weighted average interest rates paid during the period were as follows:

	2016 %	2015 %
Bank loans	5.61	5.13

The carrying value of borrowings approximates its fair value as at 31.03.2016due to floating interest rates being applicable to a majority of the borrowings. All borrowings are held at amortised cost.

11. Trade and other payables

	2016 $	2015 $
Interest payable (accruals)	144,963	178,142
Trade creditor	9,090	3,681
	154,053	181,823

The carrying value of trade and other payables approximates its fair value. All trade and other payables are held at amortised cost.

12. Share capital

	2016 $	2015 $
Authorised, allotted, called up and fully paid:		
100,000 ordinary shares of £1 each	160,456	160,456

The Company has one class of ordinary shares which carry no right to fixed income and were issued on incorporation.

13. Retained loss

	2016 $	2015 $
Opening balance	(2,016,796)	(3,021,250)
Profit for the year	820,339	1,004,454
Closing balance	(1,196,457)	(2,016,796)

14. Notes to the cash flow statement

	2016 $	2015 $
Profit before taxation	820,339	1,004,454
Adjustments for:		
Other non-cash	957	(55,611)
	821,296	948,843
Interest received	(10,404,461)	(11,015,703)
Interest paid	9,527,327	9,936,535
Net cash used in operating activities	(55,836)	(130,325)

Cash and cash equivalents

	2016 $	2015 $
Cash and cash equivalents	19,028	18,688
	19,028	18,688

Cash and cash equivalents comprise cash. The carrying amount of these assets is approximately equal to their fair value.

15. Financial Instruments

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings disclosed in note 11 after deducting cash and bank balances), and equity of the company's parent, comprising issued capital and retained earnings as disclosed in notes 13 to 14. The Company is an investment holding company and is fully financed by borrowings.

The Company is not subject to any externally imposed capital requirements.

Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at floating interest rates. The Company's profit before tax would decrease by $765,000 if LIBOR increases by 50 basis points.

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Trade receivables consist of a receivable from a related party. The company has a receivable from a related party and considers the credit risk from related party to be low.

15. Financial Instruments (continued)

Liquidity risk management

The company receives interest income in time to pay the interest expense. Payments are received from the related party in time for repayments of the bank borrowings.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the balance sheet date. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Weighted average effective interest rate %	Less than 1 year $	1-5 years $	5+ years $	Total $
31 March 2016					
Non-interest bearing	-	-	-	26,000,000	26,000,000
Variable interest rate instruments	5.61	26,400,000	126,600,000		153,000,000
Principal		26,400,000	126,600,000	26,000,000	179,000,000
Interest		6,146,088	8,877,682		15,023,770
31 March 2015					
Non-interest bearing	-	-	-	26,000,000	26,000,000
Variable interest rate instruments	5.13	24,000,000	153,000,000		177,000,000
Principal		24,000,000	153,000,000	26,000,000	203,000,000
Interest		7,194,896	14,582,590		21,777,486

The following table details the Company's expected maturity for its non-derivative financial assets. These are repayable on mutual consent. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

15. Financial Instruments (continued)

	Weighted average effective interest rate %	Less than 1 year $	1-5 years $	5+ years $	Total $
31 March 2016					
Fixed interest rate instruments	5.6	26,400,000	126,600,000	21,583,276	174,583,276
Variable interest rate instruments	-	298,173	-	-	298,173
		26,698,173	126,600,000	21,583,276	174,881,449
31 March 2015					
Fixed interest rate instruments	5.6	24,000,000	153,000,000	19,013,286	196,013,286
Variable interest rate instruments	-	873,428	-	-	873,428
		24,873,428	153,000,000	19,013,286	196,886,714

6. Related party transactions

Gulf Oil Corporation Limited (GOCL) incorporated in India is the immediate parent company of this Company throughout the financial period. The financial statements of GOCL are available at its registered office at Kukatpally, Hyderabad, India. The ultimate parent company of the Company is Hinduja Power Limited.

The company has had a number of transactions with companies within the Gulf Oil International Limited group. Given below are details of the transactions during the period and the balances at balance sheet date with related parties of the Company. The carrying amount of these assets and liabilities approximates their fair value. There are no past due or impaired receivable balances.`

31 March 2016	**Immediate Parent**	**Others**
Transactions	**$**	**$**
Interest income	-	10,404,461
Reimbursement of expenses	(35,305)	
Guarantee Commission	(900,000)	-
	(935,305)	10,404,461
Balances		
Loan given	-	174,583,276
Loan received	-	26,000,000
Trade and other payables	-	771
Trade and other receivables	-	272,352
	-	200,856,399

HGHL Holdings Limited
Notes to the financial statements
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16. Related party transactions (continued)

31 March 2015	**Immediate Parent**	**Others**
Transactions	**$**	**$**
Interest income	-	11,015,703
Reimbursement of expenses	(33,570)	
Guarantee Commission	(900,000)	-
	(933,570)	11,015,703
Balances		
Loan given	-	196,013,286
Loan received	-	26,000,000
Trade and other payables	-	425
Trade and other receivables	-	365,893
	-	222,379,600