

MUSAM INDONESIA LIMITED

**Financial statements for the year ended 31 December 2016
together with directors' and auditors' reports**

Company Number: 02743981

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MUSAM INDONESIA LIMITED
Directors' report for the year ended 31 December 2016

The directors present their annual report on the affairs of the Company, together with the financial statements and auditors' report, for the year ended 31 December 2016.

Principal activities

The Company is an investment holding company.

Results

The Company's profit for the year was \$886,162 (2015: profit of \$103,210).

Directors

The Directors who held office since the date of the last report are:

Dato' John Lim Ewe Chuan
Mr. Chua Hwa Phuay

Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 "Reduced Disclosure Framework" ("FRS 101") and applicable law. 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, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

Auditors

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the Company's auditor is unaware.

In preparing this directors' report, advantage has been taken of the small companies' exemption.

By order of the board


Dato' John Lim Ewe Chuan
Director

20 June 2017

MUSAM INDONESIA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUSAM INDONESIA LIMITED

We have audited the financial statements of Musam Indonesia Limited for the year ended 31 December 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 auditors

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. 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 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.

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.
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Anna Draper (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
London
W1U 7EU
United Kingdom
27 June 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

MUSAM INDONESIA LIMITED

Statement of comprehensive income for the year ended 31 December 2016

	Notes	2016 US \$	2015 US \$
Administration expenses	3	-	(5,274)
Income from shares in group undertaking	4	984,624	120,538
Profit on ordinary activities before taxation		984,624	115,264
Taxation on profit on ordinary activities	5	(98,462)	(12,054)
Profit on ordinary activities after taxation and profit for the financial year		886,162	103,210
Total comprehensive income for the year		886,162	103,210


The notes on pages 6 to 8 form part of these financial statements.

MUSAM INDONESIA LIMITED

Balance sheet as at 31 December 2016

	Notes	2016 US \$	2015 US \$
Fixed assets			
Investments	6	30,000	30,000
Current assets			
Debtors			
- due within one year	7	1,131,752	245,590
Net assets		<u>1,161,752</u>	<u>275,590</u>
Capital and reserves			
Share capital	8	3	3
Retained earnings		1,161,749	275,587
Shareholders' funds		<u>1,161,752</u>	<u>275,590</u>

The financial statements were approved and authorised for issue by the Board of Directors on 20 June 2017 and were signed on its behalf by:


Dato' John Lim Ewe Chuan
Director

The notes on pages 6 to 8 form part of these financial statements.

MUSAM INDONESIA LIMITED

Statement of changes in equity for the year ended 31 December 2016

	Share capital US \$	Retained earnings US \$	Total US \$
Balance at 31 December 2014	3	172,377	172,380
Comprehensive income for the year			
Profit for the year	-	103,210	103,210
Total comprehensive income for the year	-	103,210	103,210
Balance at 31 December 2015	3	275,587	275,590
Comprehensive income for the year			
Profit for the year	-	886,162	886,162
Total comprehensive income for the year	-	886,162	886,162
Balance at 31 December 2016	3	1,161,749	1,161,752

The notes on pages 6 to 8 form part of these financial statements.

MUSAM INDONESIA LIMITED

Notes to the financial statements

1 Accounting policies

Basis of preparation

Musam Indonesia Limited is a company incorporated in England & Wales under the Companies Act 2006. The address of the registered office is Quadrant House, Floor 6, 4 Thomas More Square, London E1W 1YW and the nature of the company's operations and principal activities are set out in the directors' report.

The financial statements have been prepared in accordance with Financial Reporting Standard 100 *Application of Financial Reporting Requirements* and Financial Reporting Standard 101 *Reduced Disclosure Framework*. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared under the historical cost basis. The presentation currency used is US Dollar.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of Anglo-Eastern Plantations Plc group of companies.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Anglo-Eastern Plantations Plc. These financial statements do not include certain disclosures in respect of:

- Share based payments;
- Business combinations;
- Assets held for sale and discontinued operations;
- Financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value);
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value); and
- Impairment of assets.

The financial statements of Anglo-Eastern Plantations Plc can be obtained as described in note 10.

Exemption from preparation of consolidated financial statements

The financial statements contain information about Musam Indonesia Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the EEA consolidated accounts of a larger group. It is a wholly-owned subsidiary undertaking of Anglo-Eastern Plantations Plc, a company registered in England and Wales.

Investments

Fixed asset investments are stated at cost unless the directors are of the opinion that impairment in value has occurred in which case a provision is made to reflect the impairment value. Only dividends received are credited to the Company's statement of comprehensive income.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends, this is when paid. In the case of final dividends, this is when approved by the shareholders in a General Meeting.

MUSAM INDONESIA LIMITED

Notes to the financial statements (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Investments

The most critical estimates, assumptions and judgements relate to the determination of the carrying value of unlisted investments at fair value through profit and loss. In determining this amount, the company applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

3 Administrative expenses

No staff are employed by the Company. Certain administrative expenses, including auditors' and directors' remuneration for 2016 and 2015 have been borne by Anglo-Eastern Plantations Plc, the ultimate parent undertaking.

4 Income from shares in group undertaking

	2016 US \$	2015 US \$
Dividend received from subsidiary undertakings	984,624	120,538

5 Taxation on profit on ordinary activities

	2016 US \$	2015 US \$
Withholding taxation on dividends from overseas	98,462	12,054

6 Investments

	2016 US \$	2015 US \$
At 1 January	30,000	30,000
Movement during the year	-	-
At 31 December	30,000	30,000

The undertakings in which the Company has an interest at the year end are as follows:

Companies incorporated in Indonesia	Nature of business	Proportion of voting rights and ordinary share capital held directly
PT Anglo Eastern Plantations Management Indonesia	Management	20%
PT Musam Utjing	Plantations	74%

Subsidiaries by country

Indonesia registered subsidiaries

Registered address

3rd Floor, Wisma HSBC, Jalan Diponegoro, Kav 11
Medan 20152
North Sumatera
Indonesia

MUSAM INDONESIA LIMITED

Notes to the financial statements (continued)

7 Debtors: due within one year

	2016 US \$	2015 US \$
Amounts owed by other group undertaking	1,131,752	245,590

8 Share capital

	2016 US \$	2015 US \$
Authorised: 1,000 ordinary shares of £1 each	1,557	1,557
Allotted, called-up and fully-paid: 2 ordinary shares of £1 each	3	3

9 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed for.
Retained earnings	All other net gains and losses and transactions with owners (eg dividends) not recognised elsewhere.

10 Ultimate parent company

The Company is a wholly-owned subsidiary undertaking of Anglo-Indonesian Oil Palms Limited, a Company registered in England and Wales.

The only group in which the results of the Company are consolidated is that headed by the ultimate parent undertaking, Anglo-Eastern Plantations Plc. The consolidated financial statements of this group are available to the public and may be obtained from CETC (Nominees) Ltd, Quadrant House, Floor 6, 4 Thomas More Square, London E1W 1YW.