HUNTING OIL HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Registered No: 01103530

HUNTING OIL HOLDINGS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2019

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HUNTING OIL HOLDINGS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2019

COMPANY INFORMATION

Registered number:	01103530
Country of incorporation:	England and Wales
Registered office:	5 Hanover Square London W1S 1HQ
Directors:	B.H. Ferguson D.B. Willey M.E. Jarvis A.J. Johnson
Company Secretary:	D.B. Willey
Independent Auditors:	Deloitte LLP London United Kingdom

HUNTING OIL HOLDINGS LIMITED

STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 December 2019.

Business Review and Principal Activities

The Company is a wholly-owned subsidiary of Hunting PLC, is UK domiciled, is registered in England and Wales and acts as a holding company of non-core UK central and services businesses for the Hunting PLC Group. Further details of the Company's subsidiaries can be found in note 7 to the financial statements.

The results and financial position of the Company are set out in the financial statements.

Dividend income during the year was $1,241,000 (2018: $nil). During the year, Field Insurance Limited, a subsidiary, was placed into liquidation and the Company recognised an exceptional loss on disposal of $987,000 (note 3). The Company made a profit from operations for the year of $191,000 (2018: $39,000 loss), an increase of $230,000.

In preparing the 2019 financial statements, an impairment review of the carrying value of investments in subsidiaries was conducted in accordance with IAS 36 Impairment ("IAS 36") and an impairment review of the recoverability of the carrying value of the loan receivable due from a fellow group company was conducted in accordance with the general model under IFRS 9 Financial Instruments ("IFRS 9"). No impairment charges were recognised following the impairment reviews, nor were any sensitivities disclosed (see notes 7a, 7b and 8a), as management concluded that there were no reasonably foreseeable changes in key assumptions that would give rise to an impairment charge under IAS 36 and there had not been a significant increase in credit risk under IFRS 9. The impairment reviews were carried out using projected cash flows and macroeconomic information based on what could have reasonably been known as at 31 December 2019, the reporting date, of the conditions that existed at that date.

Since 31 December 2019, expectations regarding business activity levels have declined significantly due to the impact of COVID-19 (see "Events After the Balance Sheet Date"). Therefore, the risk of impairment having to be recognised in the financial year ending 31 December 2020 has increased significantly, which is discussed further in notes 7c and 8b.

Finance income increased by $685,000 to $5,161,000 (2018: $4,476,000). The increase in finance income is due to the increase in the interest rate on the loan receivable from a fellow group company. Profit before tax for the year was $5,352,000 (2018: $4,437,000) and, after a tax charge of $873,000 (2018: $824,000), profit after tax was $4,479,000 (2018: $3,613,000).

The increase in net assets from $265,830,000 in 2018 to $270,309,000 in 2019 was attributable to the profit and total comprehensive income for the year of $4,479,000 (2018: $3,613,000). There were no dividend payments in the year (2018: $nil). Net cash increased from $148,678,000 to $153,913,000 during the year. Details of the Company's capital risk management are disclosed in note 15.

IFRS 16 Leases became effective for the Company on 1 January 2019. However, it has not had to make any adjustments as a result of adopting this standard as the changes do not impact the financial performance or position of the Company, as the Company does not have any leases.

Events After the Balance Sheet Date

COVID-19

At 31 December 2019 a limited number of cases of an unknown virus had been reported by China to the World Health Organisation (the "WHO"). Following the subsequent spread of the virus, on 11 March 2020, the WHO declared the coronavirus ("COVID-19") outbreak to be a pandemic. The impact of COVID-19 has, therefore, been treated as a non-adjusting event after the balance sheet date in these financial statements.

Principal Risks and Uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the primary risks of the Hunting PLC Group and are not managed separately. The principal risks and uncertainties of the Hunting PLC Group, which include those of the Company, are discussed on pages 42 to 47 of the Hunting PLC 2019 Annual Report and Accounts.

Since December 2019, the outbreak of COVID-19 has impacted the Group's risk assessment. In terms of existing risks, the weaker economic outlook will reduce demand for oil and gas and reduce commodity prices, particularly while there is excess inventory in the system. This is particularly impacting activity levels in US shale, which is a "swing" producer. Competitive pressures will increase and there is likely to be a pressure on margins given the shrinking market.

There are further risks from the virus if further waves of infection occur and more restrictive measures are re-introduced which would deepen and lengthen the recession. In addition, the virus is having an impact on the Group's operating efficiency. While full site closures have been limited, operations are now having to address their specific supply chain and distribution challenges that are being caused by the global pandemic, as well as responding to similar challenges faced by their customers.

There has been a significant focus on ensuring a safe working environment for all employees. Measures taken include increased spacing between work stations, use of appropriate protective equipment, staggered shifts and breaks, plus enhanced cleaning processes and contingency planning. Admin functions have been working from home when appropriate and there have been bans on non-essential travel by staff and for visitors to our facilities.

Further detail on financial risks is provided within note 12.

UK Leaving the European Union ("Brexit")

The potential consequences to the Company of the United Kingdom's decision to withdraw from the European Union continue to be monitored and the Directors remain of the opinion that, given its limited exposure to this market, Brexit will not have a material impact on the business.

Key Performance Indicators ("KPI's")

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

On behalf of the Board

M.E. Jarvis
Director

26 June 2020

HUNTING OIL HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present their report, together with the audited financial statements for the year ended 31 December 2019.

Directors' Going Concern Assessment

These accounts have been prepared on a going concern basis. At the time, these accounts have been authorised the world faces a situation of unprecedented economic uncertainty and a much wider range of possible future forecast outcomes than normal. In determining that the Company is a going concern, the Directors have carefully considered the cash resources available to the Company and the Hunting PLC Group and potential future cash flows.

(a) Background

As the virus spread from Asia into Europe, America and to the rest of the world, we have seen significant macroeconomic uncertainty during 2020 with regard to prices and demand for oil and gas, with the largest one-day fall in the oil price since 1991 recorded in March 2020.

For the Hunting Group, even in Asia, the impact of the virus was limited in Q1 2020, and the Group's revenues and profits were in line with the last quarter of 2019. Towards the end of March, 2020, as various country lock-downs were implemented, the impacts became more significant. April's revenue was approximately one third lower than March, with US shale-focussed businesses experiencing the most significant declines, however the Group still generated a positive EBITDA. Market conditions are expected to remain challenging for at least Q2 and Q3 of 2020.

(b) The Company's Cash Position and Resources

As stated in the Strategic Report, the Company's purpose is to hold investments in Hunting PLC's non-core UK central and services businesses and the ability of the Company to continue as a going concern is inter-dependant with that of the Group.

At the end of 2019, Hunting PLC had $123.1m of net cash available and had no drawings on its bank facility putting it in a strong position to weather a downturn. The Group has a committed $160m multi-currency revolving credit facility with a maturity date of 2022. The facility includes an accordion feature that allows for the facility to be increased to $235m, subject to the approval of its lending group. The facility also includes an extension option, which allows the Company to extend the maturity to 2023. The facility includes covenants which are tested twice a year, at 30 June and 31 December, based on the previous 12-month period. The covenants require that:

i. The ratio of net debt to consolidated EBITDA permitted under the revolving credit facility must not exceed a multiple of three times.
ii. Consolidated EBITDA must also cover relevant finance charges by a minimum of four times.

Further details of the facility, including the terms and conditions and covenant definitions are given in note 30 of the Hunting PLC 2019 Annual Report and Accounts.

Directors' Going Concern Assessment (continued)

(c) Forecasts

During May 2020, the Group updated its forecast through to June 2021 taking into consideration market analysis, such as that by Spears and Associates and our understanding of the likely evolution of the business from our conversations with customers as to their plans and what is being seen in our order books. A plausible downside case was produced, which is significantly more adverse reflecting the greater uncertainties existing and assumes a more protracted downturn and slower recovery, as could be the case if there is a second wave of the pandemic requiring an increase in social distancing provisions or a deeper general economic malaise. With an 88% increase in WTI oil prices occurring over the course of May, the likelihood of the downside case occurring has reduced, but is not considered remote.

In the Group's forecast, there are significant net cash balances at December 2020 and June 2021 and EBITDA is positive in both testing periods.

In the downside case there is a positive cash balance at the end of December 2020, however, by the end of H1 2021 the Group would need to make a small drawdown on its facility, partly as a result of "trapped cash" in certain Group jurisdictions. In this scenario, a modest negative EBITDA would be generated in the 12 months to June 2021.

A ramification of the covenant structure is that a bank covenant waiver is required if there are drawings on the facility and covenant EBITDA is negative, no matter how small each parameter is. There are mitigating actions that management could invoke to improve this outcome, such as more rigorous workforce reductions, more restraints on capital expenditure and more aggressive working capital reductions that should offset the requirement to draw down on the facility. However, in light of the wide range of economic outcomes possible at the present time, the Directors acknowledge that when stress-testing the downside case there are scenarios, which are not considered remote, that would require bank consent to a waiver. The Directors would expect consent to be granted, given the very low levels of borrowing envisaged and the strength of our banking relationships, as evidenced by the support from our banks during the 2015/2016 downturn. In addition, the UK government is seeking to ensure banks support viable businesses during the COVID-19 crisis and are providing access to funds under certain circumstances. However, the Directors cannot guarantee a waiver could be obtained or alternate funding found. Hence, under these particular conditions, which the Directors consider are unlikely, there is a material uncertainty that may cast significant doubt as to the Company's and Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Dividends

No dividends were paid during the year (2018: $nil). The Directors do not recommend the payment of dividend for the year.

Risk Management

Further information on the Company's financial risks and its financial risk management is disclosed in note 12.

DIRECTORS' REPORT (continued)

Future Outlook
No change in the activities of the Company is anticipated in 2020. As a result of COVID-19, trading conditions in 2020 will be significantly worse than 2019 and there is an increased risk that the Company's investments may be impaired as well as the inter-company loan receivable.

Political Contributions
The Company made no payments to political organisations during the year (2018: $nil).

Directors
The Directors of the Company who served during the year and to the date of this report were as follows:

P. Rose (resigned 15 April 2020)
B.H. Ferguson (appointed 15 April 2020)
D.B. Willey
M.E. Jarvis
A. J. Johnson

No Director had a material interest in any contract of significance to which either the Company or its subsidiaries were a party.

Directors' and Officers' Liability Insurance
Hunting PLC maintains insurance against certain liabilities which could arise from a negligent act or a breach of duty by its Directors and officers and those of its subsidiaries in the discharge of their duties. This is a qualifying third party indemnity provision, which was in force throughout the financial year and at the date of approval of the financial statements.

Statement of Directors' Responsibilities in Respect of the Financial Statements
The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

DIRECTORS' REPORT (continued)

Statement of Directors' Responsibilities in Respect of the Financial Statements (continued)
The Directors 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 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.

Directors' Confirmations
In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors
Deloitte LLP has been appointed as the Company's new auditor in the absence of an Annual General Meeting.

By order of the Board

M.E. Jarvis
Director

26 June 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUNTING OIL HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

In our opinion the financial statements of Hunting Oil Holdings Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the Statement of Cash Flows; and
- the Notes to the Financial Statements 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

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.

Material Uncertainty Relating to Going Concern

We draw your attention to note 1.1 within these financial statements and the detailed information in the Directors' Report regarding the Company's ability to continue as a going concern. In determining that the Company is a going concern, the Directors have considered the cash resources and potential future cash flows available to both the Company and the Hunting PLC Group, given that the outlook of this Company is intrinsically linked to that of the Group and the Company forms part of the Group banking arrangement. Note 1.1 and the Directors' Report makes it clear that in their reasonably possible downside scenario included within the forecasts used to assess going concern, the Directors have identified there is a possibility that the Hunting PLC Group could generate negative EBITDA and be required to draw down on the revolving credit facility within the next 12 months from the date of signing these financial statements. This would result in a breach of a banking covenant associated with the Group's lending facilities. Despite having confidence in their ability to do so, the Directors cannot guarantee a waiver could be obtained, which could result in an event of default occurring on the Group's lending. As stated within note 1.1 and the Directors' Report, these events or conditions, along with other matters set forth in note 1.1 and the Directors' Report, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUNTING OIL HOLDINGS LIMITED (continued)

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.

Responsibilities of Directors
As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, 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. This description forms part of our Auditor's Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUNTING OIL HOLDINGS LIMITED (continued)

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have 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 Strategic Report or 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.

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.

William Smith

William Smith
(Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
26 June 2020

HUNTING OIL HOLDINGS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	**2019**	2018
		$'000	$'000
REVENUE	17	**1,241**	-
Other operating income		**14**	2
Other operating expenses – non-exceptional	3	**(77)**	(41)
Other operating expenses – exceptional	3	**(987)**	-
Other operating expenses	3	**(1,064)**	(41)
PROFIT (LOSS) FROM OPERATIONS	4	**191**	(39)
Finance income	5	**5,161**	4,476
PROFIT BEFORE TAX		**5,352**	4,437
Taxation	6	**(873)**	(824)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,479**	3,613

HUNTING OIL HOLDINGS LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019	2018
		$'000	$'000
ASSETS			
Non-current assets			
Investment in subsidiaries	7	**117,233**	118,601
Accounts receivable	8	**153,913**	148,678
Deferred tax asset	9	**126**	126
		271,272	267,405
LIABILITIES			
Current liabilities			
Provisions	10	**(738)**	(738)
Current tax liability		**(225)**	(837)
		(963)	(1,575)
Net current liabilities		**(963)**	(1,575)
Net assets		**270,309**	265,830
Shareholders' equity			
Share capital	14	**257,669**	257,669
Retained earnings		**30,916**	26,437
Cumulative translation reserve		**(18,276)**	(18,276)
Total equity		**270,309**	265,830

The notes on pages 17 to 30 form part of these financial statements. The financial statements on pages 13 to 30 were approved by the Board of Directors on 26 June 2020 and were signed on its behalf by:

M.E. Jarvis
Director

Registered No: 01103530

HUNTING OIL HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital $'000	Retained earnings $'000	Cumulative translation reserve $'000	Total equity $'000
At 1 January 2019	**257,669**	**26,437**	**(18,276)**	**265,830**
Total comprehensive income:				
Profit and total comprehensive income for the year	**-**	**4,479**	**-**	**4,479**
At 31 December 2019	**257,669**	**30,916**	**(18,276)**	**270,309**

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital $'000	Retained earnings $'000	Cumulative translation reserve $'000	Total equity $'000
At 1 January 2018	257,669	22,824	(18,276)	262,217
Total comprehensive income:				
Profit and total comprehensive income for the year	-	3,613	-	3,613
At 31 December 2018	257,669	26,437	(18,276)	265,830

HUNTING OIL HOLDINGS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

		Restated[1]
	2019	2018
	$'000	$'000
Operating activities		
Profit (loss) from operations	**191**	(39)
Loss on disposal of investment in subsidiary (note 7)	**987**	-
(Decrease) increase in payables	**(1)**	2
Decrease in provisions	**-**	(32)
Taxation paid	**(1,485)**	(765)
Net exchange differences	**(14)**	(2)
Net cash outflow from operating activities	**(322)**	(836)
Investing activities		
Interest received	**5,161**	4,503
Loans issued to fellow group companies	**(5,235)**	(3,667)
Receipt on liquidation of subsidiary (note 7)	**396**	-
Net cash inflow from investing activities	**322**	836
Net outflow in cash and cash equivalents	**-**	-
Cash and cash equivalents at the beginning of the year	**-**	-
Cash and cash equivalents at the end of the year	**-**	-

1. The Statement of Cash Flows for 2018 has been restated to show the cash outflows relating to the depositing of funds with the Hunting PLC Group's Treasury Company, totalling $3,667,000, as investing activities rather than as financing activities. As a result, the prior year comparatives no longer include any cash flows from financing activities.

1. ACCOUNTING POLICIES

1.1 Basis of Accounting

Hunting Oil Holdings Limited is a private company limited by shares. Hunting Oil Holdings Limited was incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the Company's registered office is shown on page 1. The Company acts as a holding company of non-core UK central and services businesses for the Hunting PLC Group. Details of the Company's subsidiaries are given in note 7.

The financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using IFRS and those International Financial Reporting Standards ("IFRSs") and International Financial Reporting Interpretations Committee ("IFRIC") Interpretations as adopted by the European Union.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, except as noted below.

Cash flows relating to the depositing of funds with the Hunting PLC Group's Treasury Company have been reclassified as investing activities rather than as financing activities as this better reflects the nature of the cash flows. Comparatives have been restated accordingly.

Going Concern

The financial statements have been prepared on a going concern basis under the historical cost convention. The details of the going concern assessment performed and the conclusions reached, including the identification of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern, are discussed in the Directors' Report on pages 6 and 7.

Adoption of New Standards, Amendments and Interpretations

IFRS 16 Leases ("IFRS 16") has been adopted by applying the modified retrospective approach from 1 January 2019. There has been no impact on the financial performance or position of the Company as a result of adopting IFRS 16, as the Company does not have any leases.

A number of amendments to IFRS became effective for the financial year beginning on 1 January 2019, however the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments.

- IFRIC 23 Uncertainty over Income Tax Treatments
- Annual Improvements to IFRS Standards 2015-2017 Cycle
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures

1. **ACCOUNTING POLICIES** (continued)

1.1 Basis of Accounting (continued)

Effective Subsequent to the Year End

The following standards, amendments and interpretations are effective subsequent to the year-end, which have not been early adopted, and are being assessed to determine whether there is a significant impact on the Company's results or financial position:

- Amendment to IAS 1 and IAS 8: Definition of Material[1]
- Amendment to IFRS 3 Business Combinations[1]
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)[1]
- Amendments to References to the Conceptual Framework in IFRS Standards[1]
- Amendment to IAS 1: Classification of Current and Non-current Liabilities[1/2]

1. Mandatory adoption date and effective date for the Company is 1 January 2020.
2. Not yet endorsed by the European Union.

An assessment of the impact of adopting the amendments to IFRS 9 and IFRS 7 regarding Interest Rate Benchmark Reform is ongoing. A preliminary assessment indicates that the Company's loan agreement with Hunting Knightsbridge Holdings Limited will be impacted by the reform regarding LIBOR as LIBOR is currently used as the base for the interest rate applied.

1.2 Revenue

Dividend income is recognised in the statement of comprehensive income in the period in which it has been approved, by the relevant company's shareholders or, if earlier, declared and paid by that company.

1.3 Interest

Interest income and expense is recognised in the statement of comprehensive income using the effective interest method and is included in finance income and finance expense.

1.4 Foreign Currency Translation

The financial statements of the Company are prepared and presented using its functional currency, which is US Dollar. The functional currency is the currency of the primary economic environment in which the Company operates. Monetary assets and liabilities that are not denominated in US dollars are retranslated at the exchange rates ruling at the balance sheet date. Transactions in currencies other than the US dollar are translated at the exchange rate ruling at the date of transaction. All exchange differences are taken to the statement of comprehensive income.

1.5 Taxation

The tax recognised in the statement of comprehensive income comprises current tax and deferred tax arising on the current year's result before tax and adjustments to tax arising on prior years' results before tax.

Current tax is the expected tax receivable or payable arising in the current year on the current year's profit before tax, using tax rates enacted or substantively enacted at the balance sheet date, plus adjustments to tax in respect of prior years' profits.

1. ACCOUNTING POLICIES (continued)

1.5 Taxation (continued)

Deferred tax is the tax that is expected to arise when the assets and liabilities recognised in the Company's balance sheet are realised, using tax rates enacted or substantively enacted at the balance sheet date that are expected to apply when the asset is realised or the liability is settled.

Full provision is made for deferred taxation, using the liability method, on all taxable temporary differences. Deferred tax assets and liabilities are recognised separately on the balance sheet and are reported as non-current assets and liabilities. Deferred tax assets are recognised only to the extent that they are expected to be recoverable.

1.6 Investment in Subsidiaries

Investments in subsidiaries are stated at cost, which is the fair value of the consideration paid, less provision for impairment.

1.7 Exceptional Items

Exceptional items are items of income and expense, which the Directors believe should be separately disclosed by virtue of their significant size or nature to enable a better understanding of the Company's financial performance.

1.8 Financial Assets

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs. Transaction costs of financial assets at FVTPL are expensed immediately to the statement of comprehensive income.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset in order to generate cash flows and the cash flow characteristics of the financial asset. Debt instruments that are held for the collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are subsequently measured at amortised cost. The Company's debt instruments are classified as carried at amortised cost. Interest income from these financial assets is included in finance income using the effective interest method. If collection is expected in one year or less they are classified as current assets, otherwise they are presented as non-current assets.

By virtue of the nature of the effective interest method, interest accrued on loans carried at amortised cost is regarded as an integral part of the loan balance and is, therefore, included within the carrying value of those loans. Consequently, interest receivable within twelve months on loans due after more than one year is recognised within non-current assets.

Debt instruments held for collection of contractual cash flows include the loan receivable due from a fellow group company.

1. ACCOUNTING POLICIES (continued)

1.8 Financial Assets (continued)

The Company assesses on a forward-looking basis the expected credit losses ("ECLs") at each balance sheet date associated with its loan receivables due from fellow group companies carried at amortised cost. The impairment methodology applied, following the adoption of the general model under IFRS 9, will depend on whether there has been a significant increase in credit risk. Indications of a significant increase in credit risk include events that have a negative impact on the estimated future cash flows and if any payments under the terms of the debt are more than 30 days overdue.

1.9 Impairments

The Company assesses at least annually whether there have been any events or changes in circumstances that indicate that the investment in subsidiaries may be impaired and an impairment review is carried out whenever such an assessment indicates that the carrying amount may not be recoverable. Where impairment exists, the asset is written down to its recoverable amount, which is the higher of the fair value less costs to sell and value in use, being the net present value of estimated future cash flows. Impairments are recognised immediately in the statement of comprehensive income.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been previously recognised.

1.10 Provisions

Provisions are liabilities where the amount or timing of future expenditure is uncertain. Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the obligation. If the time value of money is material, provisions are discounted to their present value. If an obligation is not capable of being reliably estimated it is classified as a contingent liability.

1.11 Group Financial Statements

The Company has taken advantage of the exemption from preparing group financial statements under section 400 of the Companies Act 2006, as it is a wholly-owned subsidiary of Hunting PLC, a company registered in England and Wales, in whose consolidated financial statements the Company is included.

1.12 Share Capital

The Company's share capital comprises a single class of Ordinary shares, which are classified as equity.

1.13 Dividends

Dividends paid to the Company's shareholders are recognised as liabilities in the financial statements in the period in which the dividends are approved by shareholders. Interim dividends are recognised when paid. All dividends paid are recognised in the statement of changes in equity.

1. ACCOUNTING POLICIES (continued)

1.14 Critical Accounting Estimates and Judgements

Critical judgements are those that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the Company's financial statements. Key assumptions are those assumptions concerning the future and other key sources of estimation uncertainty at the reporting period are those that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Other than estimates regarding future cash flows for the purposes of impairment testing (see note 7), management believe that there are no other critical judgements or estimates applied in the preparation of the financial statements.

Estimates are continually evaluated, based on experience and reasonable expectations of future events. Accounting estimates are applied in determining the carrying value of investments in subsidiaries.

2. DIRECTORS AND EMPLOYEES

None of the Directors received any remuneration during the year in respect of their services to the Company (2018: $nil). Remuneration received by Directors was for their services to Hunting PLC, the ultimate parent company acting in various Group capacities. The key management of Hunting Oil Holdings Limited is its Directors. The average monthly number of persons employed by the Company during the year was nil (2018: nil).

3. OTHER OPERATING EXPENSES

	2019	2018
	$'000	$'000
Management fees	**77**	41
Other operating expenses – non-exceptional	**77**	41
Loss on disposal of investment in subsidiary – exceptional (note 7)	**987**	-
	1,064	41

4. PROFIT (LOSS) FROM OPERATIONS

	2019	2018
	$'000	$'000
Profit (loss) from operations is stated after charging (crediting):		
Net foreign exchange (gains) losses		
'- loans and receivables	**(15)**	-
- financial liabilities measured at amortised cost	**1**	(2)

Auditor remuneration of $25,000 (2018: $23,000) is borne by Hunting PLC, the Company's immediate and ultimate parent company, for services provided to the Company for the statutory audit of the financial statements.

5. FINANCE INCOME

	2019 $'000	2018 $'000
Interest on loans to fellow group companies	5,161	4,476

6. TAXATION

	2019 $'000	2018 $'000
UK Corporation Tax:		
– current year charge	(969)	(837)
– adjustments in respect of prior years	-	18
– foreign exchange	96	-
Current tax	(873)	(819)
Deferred tax (note 9):		
– current year charge	-	(5)
Total tax charge	(873)	(824)

The tax charge (2018: charge) for the year is lower (2018: lower) than the UK standard rate for corporation tax of 19% (2018: 19%) for the following reasons:

	2019 $'000	2018 $'000
Profit before tax	5,352	4,437
Taxation at the standard UK corporation tax rate of 19% (2018: 19%)	(1,017)	(843)
Non-taxable income	236	1
Expenses not deductible for tax purposes	(188)	-
Adjustments in respect of prior years	-	18
Foreign exchange	96	-
Total tax charge	(873)	(824)

A number of changes to the UK corporation tax system were announced in the Chancellor's Autumn Budget on 29 October 2018. The Finance Act 2019 was enacted on 12 February 2019. The Finance Bill 2016, which received Royal Assent on 15 September 2016, included reductions to the main rate of corporation tax to reduce the rate to 17% from 1 April 2020. The Budget on 11 March 2020 included a provision to revoke this change in tax rate. A resolution under the Provisional Collection of Taxes Act 1968 was temporarily enacted on 17 March 2020. The change in corporation tax rate to remain at 19% is not expected to have a material impact on the Company's tax balances.

7. INVESTMENT IN SUBSIDIARIES

	2019 $'000	2018 $'000
Cost:		
At 1 January	**163,537**	163,537
Disposals	**(2,161)**	-
At 31 December	**161,376**	163,537
Impairment:		
At 1 January	**44,936**	44,936
Charge for the year	**-**	-
Disposals	**(793)**	-
At 31 December	**44,143**	44,936
Net book value	**117,233**	118,601

Subsidiaries[ii/iv]	Registered Address
Huntfield Trust Limited[i/iii]	5 Hanover Square, London, W1S 1HQ, England
HG Management Services Ltd[i]	5 Hanover Square, London, W1S 1HQ, England
Hunting Knightsbridge Holdings Limited[i]	5 Hanover Square, London, W1S 1HQ, England
Hunting Aviation Limited[i/iii]	5 Hanover Square, London, W1S 1HQ, England
Huntaven Properties Limited[i]	5 Hanover Square, London, W1S 1HQ, England
Field Insurance Limited[i/v]	The Albany, South Esplanade, St Peter Port, GY1 4NF, Guernsey
Stag Line Limited[iii]	5 Hanover Square, London, W1S 1HQ, England

i. Interests in these companies are held directly by the Company. For all other companies, the interest is held indirectly.

ii. Companies are incorporated and operate in the countries indicated.

iii. Dormant company and exempt from being audited.

iv. All interests in the companies are in the equity shares of those companies. The proportion of voting rights is represented by the interest in the equity shares of those companies.

v. Company has been placed in voluntary liquidation.

During the year, Field Insurance Limited was placed into shareholder's voluntary liquidation. A final distribution of $396,000 was received in November 2019. A loss on the disposal of the investment of $987,000 has been recognised as an exceptional item in other operating expenses (note 3).

a) Impairment Reviews

In respect of the carrying value of the Company's investment in subsidiaries, assessments are undertaken at least annually to determine whether there have been any events or changes in circumstances that indicate that the carrying value may be impaired. An impairment review is carried out when such indicators are present by comparing the carrying value of a subsidiary to its recoverable amount.

7. INVESTMENT IN SUBSIDIARIES (continued)

a) Impairment Reviews (continued)

The recoverable amounts are determined based on the undiscounted cash flows from the recovery of the underlying net assets of the subsidiary. The valuation is a Level 3 measurement as per the fair value hierarchy as defined within IFRS 13 due to unobservable inputs used in the valuation.

Following the review, no impairment was recognised. At 31 December 2019, of the total cost of \$161,376,000 (2018: \$163,537,000), investments in subsidiaries costing \$91,212,000 (2018: \$93,373,000) have been subject to accumulated impairment of \$44,143,000 (2018: \$44,936,000). In the opinion of the Directors, the value of the investments in the subsidiaries is not less than the aggregate amount shown in the balance sheet.

b) Sensitivities

Foreign exchange rates

Management has concluded that there are no reasonably possible changes in the Sterling/US dollar foreign exchange rate that would result in an impairment charge in relation to its investments in Sterling denominated companies.

c) Impairment of Investments: Impact of COVID-19

The impairment review was carried out using projected cash flows based on what could have reasonably been known as at 31 December 2019, the reporting date, of the conditions that existed at that date. Since 31 December 2019, business activity levels have declined significantly due to the impact of COVID-19. Therefore, the risk of impairment having to be recognised in the financial year ending 31 December 2020 has increased significantly.

The Company has, therefore, revised its forecasts used for the 31 December 2019 impairment review with its current expected view of forecasted cash flows for the mid-term. Therefore, a high degree of judgement has been used and inherently there is a lot of uncertainty around the estimates of potential impairment for the financial year ending 31 December 2020 in the current environment.

Management has estimated that for Huntaven Properties Limited an impairment between \$2,700,000 and \$3,400,000 would be recognised.

8. ACCOUNTS RECEIVABLE

	2019	2018
	\$'000	\$'000
Non-current:		
Loan receivable due from a fellow group company – interest-bearing	**153,913**	148,678

The interest-bearing loan receivable due from a fellow group company is repayable in March 2023, is unsecured, has a variable interest rate, which is the US Federal Reserve plus a margin, and is denominated in US dollars. The interest-bearing loan receivable due from a fellow group company is a financial asset measured at amortised cost.

8. ACCOUNTS RECEIVABLE (continued)

a) Impairment of Receivables

The Company assesses on a forward-looking basis the expected credit losses ("ECLs") at each balance sheet date associated with its loan receivable due from a fellow group company carried at amortised cost. The impairment methodology applied, following the adoption of the general model under IFRS 9, will depend upon whether there has been a significant increase in credit risk. To assess whether there has been a significant increase in credit risk, the risk of default occurring as at 31 December 2019 is compared with the risk of default occurring as at the date of initial recognition. Indications of a significant increase in credit risk include events that have a negative impact on the estimated future cash flows and if any payments under the terms of the debt are more than 30 days overdue. Macroeconomic information is also considered.

At 31 December 2019, the Company's loan receivable was not overdue and the Company does not consider it necessary to provide for any impairment. The loan receivable is expected to be fully recovered, as there is no recent history of default or any indications that the contractual payments will not be made (see note 12(b)).

Default on a financial asset is usually considered to have occurred when any contractual payments under the terms of the debt are more than 90 days overdue. Receivables are written off when there is no reasonable expectation of recovery. Indicators that receivables are generally not recoverable include the failure of the debtor to engage in a repayment plan, failure to make contractual payments for a period greater than 180 days past due and the debtor being placed in administration. Where receivables have been written off, the entity will continue to try and recover the outstanding receivable.

At the year-end there are no receivables (2018: none) whose terms have been renegotiated and would otherwise be overdue or impaired.

At the year-end there are no receivables (2018: none) whose terms have been renegotiated and would otherwise be overdue or impaired. The Company does not hold any collateral as security and no assets have been acquired through the exercise of any collateral previously held. The Company's maximum exposure to credit risk is the fair value of each class of receivable. The carrying amount of receivables approximates their fair value as described in note 11.

b) Impairment of Receivables: Impact of COVID-19

The assessment of the recoverability of the loan receivable was carried out using projected cash flows and macroeconomic information based on what could have reasonably been known as at 31 December 2019, the reporting date, of the conditions that existed at that date. Since 31 December 2019, business activity levels have declined significantly due to the impact of COVID-19. Therefore, the risk of having to recognise an impairment provision in the financial year ending 31 December 2020 has increased significantly.

The Company has, therefore, revised its forecasts used for the 31 December 2019 impairment review with its current expected view of forecasted cash flows for the mid-term. Therefore, a high degree of judgement has been used and inherently there is a lot of uncertainty around the estimate of potential impairment for the financial year ending 31 December 2020 in the current environment.

8. ACCOUNTS RECEIVABLE (continued)

b) Impairment of Receivables: Impact of COVID-19 (continued)
For the loan receivable, management has concluded that there are no reasonably foreseeable changes in the cash flows that would give rise to an impairment charge.

As at the date of signing the financial statements, there have been no instances of default on the loan receivable outstanding at 31 December 2019.

9. DEFERRED TAX ASSET

The movement in the deferred tax asset is as follows:

	Tax losses	
	2019	2018
	$'000	$'000
Non-current:		
At 1 January	**126**	131
Charge to the statement of comprehensive income (note 6)	**-**	(5)
At 31 December	**126**	126

Deferred tax assets of $126,000 (2018: $126,000) have been recognised as the Company has assessed that the realisation of the benefit is probable. Deferred tax assets of $126,000 (2018: $126,000) are expected to be recovered after more than twelve months.

Impact of COVID-19
The assessment of the recoverability of the deferred tax asset was carried out using projected cash flows based on what could have reasonably been known as at 31 December 2019, the reporting date, of the conditions that existed at that date. Since 31 December 2019, business activity levels have declined significantly due to the impact of COVID-19. Therefore, the risk of having to derecognise the deferred tax asset in the financial year ending 31 December 2020 has increased significantly. However, based on revised forecasts of projected cash flows, the deferred tax assets are still considered to be recoverable.

10. PROVISIONS

The Company has a warranty provision of $738,000 (2018: $738,000) at the year-end. There were no movements on the provision during the year. The warranty provision relates to claims by former employees of a former fellow group company, Aero Sekur SpA, which was sold by the Hunting PLC Group on 12 July 2007. The provision reflects uncertainty in the timing and amounts of the costs expected to arise in meeting this obligation.

11. FINANCIAL INSTRUMENTS: FAIR VALUES

The carrying value of the loan receivable due from a fellow group company and the warranties provision approximates their values.

Due to its short-term nature, the carrying value of the provision approximates its fair value. The carrying value of the interest-bearing loan receivable due from a fellow group company approximates its fair value as interest is charged based on a margin over current bank lending rates.

12. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to certain financial risks, namely market risk (including cash flow interest rate risk), credit risk and liquidity risk. From the perspective of the Company, these financial risks are integrated with the financial risks of the Hunting PLC Group and are not managed separately.

a) Interest rate risk

The Company is exposed to cash flow interest rate risk from its loan receivable due from a fellow group company, which is at variable interest rates.

b) Credit risk

The Company's credit risk arises from its outstanding receivables. The Company is exposed to credit risk to the extent of non-receipt of its financial assets; however, it has no significant concentrations of credit risk other than from related parties. Credit risk is continually monitored and no individual exposure is considered to be significant in the ordinary course of the Company's activities.

The interest-bearing loan receivable due from a fellow group company has not been impaired as no losses are expected from non-performance of this counterparty. The credit risk at the time the loan was taken out was deemed to be low and there has not been an increase in the credit risk since the time the loan was initially recognised. Therefore, management does not believe that there is a significant increase in credit risk such that the loan moves from stage 1 to stage 2 of the IFRS 9 general impairment model. There is no history of default and previously all payments under the original terms of the loan have been made.

The loan is with the Group's central treasury company, which has sufficient cash, short-term deposits and credit facilities, in the form of the $160 million Revolving Credit Facility ("RCF"), to repay the loan. Management does not have any reason to believe that any future payments will not be made in accordance with the terms of the loan and no losses are expected from non-performance from this counterparty. Therefore no provision for 12-month expected credit losses has been made under IFRS 9.

c) Liquidity risk

All the Company's funds are arranged centrally through the Hunting PLC Group's treasury function, which has facilities available to satisfy the Company's requirements. The Group's treasury function has a sweeping arrangement with the Company, such that at the end of each day any balances in its bank accounts are swept to the treasury function, with a corresponding increase in the loan receivable balance. As a result, at the end of the year, cash a bank was $nil.

12. FINANCIAL RISK MANAGEMENT (continued)

c) Liquidity risk (continued)
The Company is party to a cross guarantee and set off arrangement with Barclays Bank Plc. There is no set-off in the presentation of cash balances held by the Company in the financial statements. Under this arrangement the Company is jointly and severally liable for any gross liability held by any of the companies that are party to the aforementioned arrangements in the event of default. Any gross liability limit cannot exceed a combined facility limit of $2.2m.

The Company did not have any financial liabilities at the end of 2018 or 2019.

13. FINANCIAL INSTRUMENTS: SENSITIVITY ANALYSIS

The following sensitivity analysis is intended to illustrate the sensitivity to changes in market variables on the Company's financial instruments, and show the impact on profit or loss and shareholders' equity. Financial instruments affected by market risk include receivables. The sensitivity analysis relates to the position as at 31 December 2019.

The sensitivity analysis has been prepared on the basis that the amount of net cash and the ratio of fixed to floating interest rates of the net cash remain unchanged at 31 December 2019. No foreign currency sensitivity testing has been performed because the financial instruments at 31 December 2019 were all denominated in US dollars.

The following assumptions have been made in calculating the sensitivity analysis:

- Interest rate sensitivities have an asymmetric impact on the Company's results, that is, an increase in rates does not result in the same amount of movement as a decrease in rates.
- For floating rate assets and liabilities, the amount of asset or liability outstanding at the balance sheet date is assumed to be outstanding for the whole year.
- The carrying values of financial assets and liabilities carried at amortised cost do not change as interest rates change.

Positive figures represent an increase in profits.

Interest rate sensitivity
The sensitivity rate of 0.25% (2018: 0.5%) for US interest rates represents managements' assessment of a reasonably possible change, based on historical volatility and a review of analysts' research and banks' expectations of future interest rates.

The post-tax impact on the Company's statement of comprehensive income for an increase in interest rates was an increase of $312,000 (2018: $602,000). The post-tax impact on the Company's statement of comprehensive income for a decrease in interest rates was a decrease of $312,000 (2018: $602,000).

The movements in the statement of comprehensive income arise from the US dollar denominated interest-bearing loan receivable due from a fellow group company. There is no impact on other comprehensive income ("OCI").

14. SHARE CAPITAL

	2019		2018	
	No of shares	**$'000**	No of shares	$'000
Ordinary equity shares of £1 each:				
Allotted, issued and fully paid	**142,380,266**	**257,669**	142,380,266	257,669

There are no restrictions to any of the Ordinary shares in issue and all Ordinary shares carry equal voting rights.

15. CAPITAL RISK MANAGEMENT

The Company's capital consists of equity and net cash, comprising the loan receivable due from a fellow group company. It is managed with the aim of maintaining an appropriate level of financing available for the Company's activities, having due regard to interest rate and currency risks and the availability of borrowing facilities. Changes in equity arise from the retention of earnings and, from time to time, issues of share capital. Net cash is monitored on a periodic basis and is managed by the control of dividend payments and the purchase and disposal of investments.

At the year-end, capital comprised:

	2019	2018
	$'000	$'000
Total equity	**270,309**	265,830
Less net cash: Receivable due from a fellow group company	**(153,913)**	(148,678)
Gross capital employed	**116,396**	117,152

The increase in total equity during the year is attributable to the profit and total comprehensive income for the year of $4,479,000. The net increase in the loan during the year was $5,235,000, which is mainly due to interest income received of $5,161,000. There have been no significant changes in the Company's funding policy during the year. The Company is not subject to any externally imposed capital requirements.

16. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company and controlling company is Hunting PLC, a company registered in England and Wales. The only group of which the Company is a member and for which consolidated financial statements are prepared is Hunting PLC. The consolidated financial statements of Hunting PLC can be obtained from its registered office at 5 Hanover Square, London, W1S 1HQ.

17. RELATED PARTY TRANSACTIONS

During the year, the Company paid management fees of $77,000 (2018: $41,000) to HG Management Services Ltd, a fellow group company. There was no balance at the year-end.

The Company was also owed $153,913,000 (2018: $148,678,000) on an interest-bearing loan by Hunting Knightsbridge Holdings Limited, a fellow group company. Interest of $5,161,000 (2018: $4,476,000) was charged on the loan during the year.

A dividend of $1,241,000 (2018: $nil) was received from Field Insurance Limited prior to that company being placed into member's voluntary liquidation. In November 2019, the Company received a final distribution of $396,000.

18. EVENTS AFTER THE BALANCE SHEET DATE: COVID-19

At 31 December 2019 a limited number of cases of an unknown virus had been reported by China to the World Health Organisation (the "WHO"). Following the subsequent spread of the virus, on 11 March 2020, the WHO declared the coronavirus ("COVID-19") outbreak to be a pandemic. The impact of COVID-19 has, therefore, been treated as a non-adjusting event after the balance sheet date in these financial statements.