

**ADDAX PETROLEUM UK LIMITED**

# **Addax Petroleum UK Limited**

**Company No. 08135892**

## **Financial Statements**

**For the year ended 31 December 2018**



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# **ADDAX PETROLEUM UK LIMITED**

## **Company Information**

### **Directors**

C. Lo  
D. Moore  
X. Hu (appointed 05 July 2018)  
R. Liu (resigned 05 July 2018)

### **Secretary**

Vistra Company Secretaries Limited

### **Company number**

08135892

### **Registered office**

Suite 1, 3<sup>rd</sup> floor  
11-12 St James's Square  
London  
SW1Y 4LB  
U.K.

### **Auditor**

Shinewing Wilson Accountancy Limited  
9 St Clare Street  
London  
EC3N 1LQ  
U.K.



# **ADDAX PETROLEUM UK LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

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The Directors present their report together with the audited financial statements of Addax Petroleum UK Limited ("the Company" or "APUK") for the year ended 31 December 2018.

### **Principal activities**

APUK is an investment holding company. The Company was incorporated on 10 July 2012 for the purpose of holding and managing its 49% shareholding in Repsol Sinopec Resources UK Limited ("RSRUK"), formerly Talisman Sinopec Energy (UK) Limited (the name was changed on 4 July 2016), based in Aberdeen, United Kingdom. RSRUK's assets are located in the United Kingdom.

The investment is in the form of a joint arrangement, in particular a joint venture. RSRUK is governed by a Shareholders' Agreement, which requires that unanimous consent be obtained from the shareholders for significant operating and financing decisions.

In addition, the Company assists its immediate parent on a legal case, recharges the relevant costs with a mark up, which is not considered as the Company's trading income.

### **Business review**

Fluctuation in the prices of oil and gas and the impact on RSRUK's financial results have led to the directors and shareholders of RSRUK taking steps to improve its financial position. APUK, guaranteed by ultimate beneficial owners, the State-owned entities of the People's Republic of China, have committed to financially support RSRUK.

The Company incurred a profit of \$843million (2017: \$108million), after recording a share of profits and share of other comprehensive income in RSRUK of \$827million and \$17million (2017: \$74million and \$9million), respectively. In 2018, the significant profits reported in the Joint Venture was mainly due to a net impairment credit of \$1,467million (2017: \$944million). Revenue for management services provided to RSRUK, rendered amounts to \$0.9million (2017: \$0.6million). Other income for recharges to its immediate parent, rendered amounts to \$27million (2017: \$31million). As at 31 December 2018, the Company had 7 (2017: 7) employees, among them, 2 staff were assigned to RSRUK. The Company has provided \$151million corporation tax liability this year.

The Directors continue to closely monitor the development and management of APUK's investment in RSRUK. The lower prices of oil and gas have created difficult trading conditions in the oil and gas sector. In order to deliver the basis of successful and sustainable business, RSRUK is committed to focus on delivering improved performance. With the successful completion of transformation programme, a lower cost base and lower capital expenditure allow RSRUK to take advantage in the future and maintain a better cash flow position. However, it's not clear whether, and if so, on what terms, the United Kingdom may withdraw from European Union, which gives difficulties to evaluate all of the potential implications on the RSRUK's trade, customers, suppliers, and the wider economy.

A Deposit Agreement was entered on 22 September 2017, to enable RSRUK to deposit excess cash proportionately with Addax Petroleum Holdings Limited ("APHL") and Repsol Tesoreria y Gestion Financiera, S.A. on a short-term basis until the funds are required to meet cash flow requirements. Based on the agreement, APHL has received a cash deposit of total \$359million from RSRUK since 22 September 2017 up to 31 December 2018.



# **ADDAX PETROLEUM UK LIMITED**

## **DIRECTORS' REPORT - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **Risk assessment**

The Company has one sole investment, its shareholding in RSRUK. RSRUK's principal activity is the exploration, development and production of oil and gas. RSRUK is subject to a number of risks inherent to the nature of its business. These risks individually, or in the aggregate, can impact the net asset value of RSRUK and its subsidiaries, and therefore the assessment of the Company's investment values. These risks include, but are not limited to:

- Changes in Government and HSSE regulations applicable to RSRUK's assets;
- Ability of RSRUK to find, develop and acquire additional oil and gas reserves;
- Volatility of commodity prices, costs of materials and services and demand for drilling and related equipment; and
- Unpredictable consequences of Brexit.

The Company is subject to certain capital management and financial risk management risks. These are discussed in more detail in Note 20 to the financial statements.

### **Results and dividends**

The results for the year and the Company's financial position at the end of the year are shown on pages 11 and 12.

The Directors do not recommend any distribution by way of a dividend for the year ended 31 December 2018.

### **Directors**

The Directors who held office during the year and up to the date of signing of the balance sheet were as follows:

- C. Lo
- D. Moore
- X. Hu (appointed 05 July 2018)
- R. Liu (resigned 05 July 2018)

The Directors had no interests in the shares of the Company at any time during the year.

### **Going Concern**

The financial position of the Company and its business activities are described in the financial statements and notes 2(b) of this report. The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate financial resources to continue its operations for the foreseeable future with the financial support from its parents. Therefore, the Directors continue to adopt the going concern basis for the preparation of the financial statements.



## **ADDAX PETROLEUM UK LIMITED**

### **DIRECTORS' REPORT - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **Disclosure of information to auditor**

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information (as defined by section 418 (3) of the Companies Act 2006) of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Shinewing Wilson Accounting Limited therefore will continue in office.

#### **Small company exemptions**

The Directors have taken advantage of the small company exemptions in preparing this Directors' Report.

On behalf of the Board



Director  
D. Moore

30 September 2019



## **ADDAX PETROLEUM UK LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018**

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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 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 group and of the profit or loss of the group for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and consistently 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF ADDAX PETROLEUM UK LIMITED**

**Opinion**

We have audited the financial statements of Addax Petroleum UK Limited (the 'Company'), which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity, and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance and its cash flows for the year then ended;
- have been properly prepared in accordance with International Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 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.

**Emphasis of matter on going concern**

In forming our opinion on the financial statements, which is unqualified, we have considered the adequacy of the disclosure made in the Directors' Report and in note 2(b) to the financial statements, concerning the Company's ability to continue as a going concern. At year end, the Company's current and total liabilities exceeded its current and total assets by \$80million and \$3,207million, respectively, indicating the existence of an uncertainty which may cast doubt about the Company's ability to continue as a going concern. The Company's operation is dependent on continuing financial support from its parents. The ultimate parents are Stated-owned Corporations.

In addition, it's unclear whether, and if so, on what terms the United Kingdom may withdraw from European Union, and difficult to evaluate all of the potential implications on the RSRUK's trade, customers, suppliers, and the wider economy. RSRUK is the sole investment of the Company.

The financial statements do not include the adjustments that would result if the Company was unable to continue in operation.



### **Other information**

The other information comprises the information included with these financial statements other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. 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 this regard.

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

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report was 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 in relation to which 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 company exemptions in preparing the directors' report or from the requirement to prepare a strategic report.

### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement set out on page 7 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 Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **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.

A handwritten signature in black ink, appearing to read "Julie Zhuge Wilson".

Julie Zhuge Wilson, FCCA  
Senior Statutory Auditor  
For and on behalf of  
ShineWing Wilson Accountancy Limited  
Statutory Auditor  
9 St. Clare Street  
London  
EC3N 1LQ

30 September 2019

## ADDAX PETROLEUM UK LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

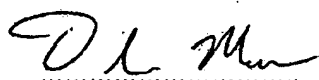
	<i>Note</i>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Revenue	3	910	640
Other income	3	27,119	56,127
General and administrative expenses	4	<u>(27,241)</u>	<u>(31,000)</u>
Operating profit		788	25,767
Finance costs	10	(3)	(288)
Share of profits / (losses) in Joint Venture	9	<u>826,865</u>	<u>73,842</u>
Profit / (Loss) before income tax		827,650	99,321
Income tax expense	11	(151)	
Income tax under provision in previous year	11	<u>(329)</u>	<u>-</u>
Profit / (Loss) for the year		<u>827,170</u>	<u>99,321</u>
<b>Other comprehensive income</b>			
Share of other comprehensive income / (losses) in joint venture	9	<u>16,605</u>	<u>9,124</u>
Total comprehensive profit / (loss) for the year		<u><b>843,775</b></u>	<u><b>108,445</b></u>

# ADDAX PETROLEUM UK LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 \$'000	2017 \$'000
<b>ASSETS</b>			
Non-current assets			
Investment in a joint venture	12	<u>278,720</u>	<u>-</u>
Current assets			
Trade receivables	13	1,063	-
Other receivables	13	46	38
Cash and cash equivalents	14	<u>443</u>	<u>903</u>
		<u>1,552</u>	<u>941</u>
<b>TOTAL ASSETS</b>		<u>280,272</u>	<u>941</u>
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables	15	81,170	77,860
Income tax payable	11	<u>480</u>	<u>-</u>
		<u>81,650</u>	<u>77,860</u>
Non-current liabilities			
Long term borrowings	16	3,406,000	3,409,484
Provisions	12	<u>-</u>	<u>564,750</u>
		<u>3,406,000</u>	<u>3,974,234</u>
<b>TOTAL LIABILITIES</b>		<u>3,487,650</u>	<u>4,052,094</u>
<b>EQUITY</b>			
Capital and reserves attributable to Equity holders of the Company			
Share capital	17	1	1
Other reserves	17	(13,443)	(13,443)
Accumulated deficit		<u>(3,193,936)</u>	<u>(4,037,711)</u>
<b>TOTAL EQUITY</b>		<u>(3,207,378)</u>	<u>(4,051,153)</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>280,272</u>	<u>941</u>

The financial statements were approved and authorised for issue by the Board of Directors on 30 September 2019, and were signed on its behalf by:



Director  
D. Moore

Company registered number: 08135892

## ADDAX PETROLEUM UK LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	<i>Share capital \$'000</i>	<i>Retained Deficit \$'000</i>	<i>Other reserve \$'000</i>	<i>Total deficit \$'000</i>
At 1 January 2017	1	(4,146,156)	(13,443)	(4,159,598)
Profit for the year	-	99,321	-	99,321
Other comprehensive income	-	9,124	-	9,124
Total comprehensive loss for the year	<u>1</u>	<u>(4,037,711)</u>	<u>(13,443)</u>	<u>(4,051,153)</u>
<b>At 31 December 2017</b>	<b><u>1</u></b>	<b><u>(4,037,711)</u></b>	<b><u>(13,443)</u></b>	<b><u>(4,051,153)</u></b>
At 1 January 2018	1	(4,037,711)	(13,443)	(4,051,153)
Profit for the year	-	827,170	-	827,170
Other comprehensive income	-	16,605	-	16,605
Total comprehensive loss for the year	<u>1</u>	<u>(3,193,936)</u>	<u>(13,443)</u>	<u>(3,207,378)</u>
<b>At 31 December 2018</b>	<b><u>1</u></b>	<b><u>(3,193,936)</u></b>	<b><u>(13,443)</u></b>	<b><u>(3,207,378)</u></b>

# ADDAX PETROLEUM UK LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>			
Receipts from related party for service rendered		23,481	1,210
Insurance reclaimed		-	25,326
VAT refunds		156	1,392
Finance costs		(3)	-
PAYE payments		(107)	-
Cash paid to suppliers and employees		(23,944)	(13,937)
Net cash generated from / (used in) operating activities		(417)	13,991
<b>Cash flows from investing activities</b>			
Investment in Joint Venture	12	-	(90,650)
Net cash used in investing activities		-	(90,650)
<b>Cash flows from financing activities</b>			
Cash returned from parent company		-	(13,107)
Proceeds from long-term borrowings		-	90,650
Net cash from financing activities		-	77,543
<b>Net increase in cash and cash equivalents</b>		(417)	884
<b>Cash and cash equivalents as at 1 January</b>	14	903	327
Effect of foreign exchange change on the balance of cash held in foreign currencies		(43)	(308)
<b>Cash and cash equivalents as at 31 December</b>	14	443	903

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1. General information

#### a) Organisation

Addax Petroleum UK Limited ("the Company") is a private company limited by shares, incorporated in England & Wales under the Companies Act 2006. Its registered office address is Suite 1, 3<sup>rd</sup> floor, 11-12 St James's Square, London SW1Y 4LB, U.K.

The Company's direct parent and the lowest level at which a consolidation is prepared is Addax Petroleum Holdings Limited ("APHL"), a company incorporated in the British Virgin Islands under the BVI Business Companies Act 2004 (as amended). Its registered office address is Road Town, Tortola, British Virgin Islands.

The Company is an indirect wholly-owned subsidiary of Sinopec International Petroleum Exploration and Production Corporation ("SIPC"). The ultimate beneficial owners are China Petrochemical Corporation ("CPC" or "Sinopec group"), China Chengtong Holdings Group Ltd and China Reform Holdings Corporation Ltd, which are all State-owned entities of the People's Republic of China, incorporated in the People's Republic of China.

#### b) Principal activities

The Company's principal activity is holding and managing its 49% shareholding in Repsol Sinopec Resources (UK) Ltd ("RSRUK") based in Aberdeen, United Kingdom. The Company has contractually agreed to share control over RSRUK with another party from the date of acquisition, viz., Talisman Colombia Holdco Limited, making RSRUK a joint venture.

In addition, the Company assists its immediate parent on a legal case, recharges the costs with a mark up, which is not considered as the Company's trading income.

### 2 Significant accounting policies

#### a) Basis of preparation

The Company's financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the European Union ("Adopted IFRSs").

Application of new and revised International Financial Reporting Standards adopted by the European Union

#### Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2018.

- IFRS 15 Revenue from Contracts with Customers including amendments to IFRS 15: Effective date of IFRS 15
- IFRS 9 Financial Instruments
- Clarifications to IFRS 15 Revenue from Contracts with Customers
- Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
- Amendments to IFRS 2: classification and Measurement of Share-based Payment Transactions
- Amendments to IAS 40: Transfers of Investment Property
- IFRS 22 Foreign Currency Transactions and Advance Consideration
- Annual Improvements to IFRS Standards 2014-2016 Cycle

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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*New and revised IFRSs in issue but not yet adopted by the European Union*

The following IFRSs have been issued but have not been adopted by EU and not yet applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 16 Leases (effective date 1 January 2019)
- Amendments to IFRS 9: Prepayment Features with Negative Compensation (effective date 1 January 2019)
- IFRIC 23 Uncertainty over Income Tax Treatments (effective date 1 January 2019)
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (effective date 1 January 2019)
- Amendments to IAS 19: Plan Amendments, Curtailment or Settlement (effective date 1 January 2019)
- Annual Improvements to IFRS Standards 2015-2017 Cycle (effective date 1 January 2019)

The historical cost basis has been used in the preparation of the financial statements, and explained in the accounting policies below. The historical cost is generally based on the fair value of the consideration given in exchange for assets.

The Directors have decided to present the Company's loan due to its immediate parent as a long-term loan instead of a current liability (Note 16), in order to reflect the substance of the financing and to show a true and fair view.

The financial statements are presented in United States ("US") dollars.

Certain updates and reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's results.

**b) Going concern**

RSRUK will continue to undertake a significant programme of investment in capital projects and upgrades to existing assets in order to maximise future returns and cash flows of the business, subject to shareholders' unanimous consent. Under the Shareholders' Agreement, among other things, China Petrochemical Corporation unconditionally and irrevocably guarantees the full, due and punctual performance and observation by APUK of all the obligations of APUK to Talisman Colombia Holdco Limited and RSRUK.

The Company has received a confirmation from its immediate parent APHL. APHL will assist the Company in meeting its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the Company to meet such liabilities. APHL will continue to cover any legal costs incurred in relation to the existing case APUK is engaged in.

APHL itself has received a written confirmation, which provides that its indirect parent, Sinopec International Petroleum Exploration and Production Corporation ("SIPC") will continue to provide financial support and assist APHL in meeting its liabilities as and when they fall due.

As a result, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore the financial statements have been prepared on a going concern basis.



**c) Estimation uncertainty**

In application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. The estimates and associated assumptions are based upon historical experience and other factors that are not readily apparent from other sources but management considered to be relevant. Actual results may differ from these estimates and the differences could be significant.

The estimates and underlying assumptions are reviewed on an on-going 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.

Apart from investment in a joint venture, involving estimation, which is dealt with separately below, 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 financial statements.

**d) Investment in a joint venture**

The Company's joint venture investment in RSRUK qualifies as a joint venture as the Company has contractually agreed to share control with another party.

APUK accounts for its interest in RSRUK using the equity method, is entitled to 49% of assets, liabilities, income and expenses. When the entity's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent it has incurred legal or constructive obligations to make payments on behalf of the joint venture.

In addition, the Company discloses the share of commitments and obligations in the notes to the financial statements.

**e) Foreign currencies**

The US dollar is the presentation and functional currency as it best reflects the underlying transactions, events and conditions for the Company.

For the purposes of presenting financial statements, the assets and liabilities are translated into US dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at exchange rates prevailing on the last day of the month prior to the date of the transaction unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in the statement of income.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated to US dollars at the rates prevailing at the end of each reporting period. Non-monetary items in a foreign currency that are measured in terms of historical cost are not retranslated. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

**f) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash equivalents are stated at cost, which approximates fair value.

**g) Trade and other receivables**

Trade and other receivables are initially recognised at fair value and thereafter stated at amortized cost less accumulated impairment losses for bad and doubtful debts. Trade and other receivables are derecognised if APUK's contractual rights to the cash flows from these financial assets expire or if APUK transfers these assets to another party without retaining control of substantially all risks and rewards of the assets.

**h) Trade and other payables**

Trade and other payables are initially recognised at fair value and thereafter stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

**i) Financial instruments**

Financial assets and financial liabilities are recognised when APUK becomes a party to the contractual provisions of the instrument. APUK classifies its financial instruments into one of the following categories: held-for-trading (financial assets and financial liabilities), available-for-sale financial assets, loans and receivables, and other financial liabilities. The classification depends on the nature and purpose of the financial instrument and is determined at the time of initial recognition.

Financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets or financial liabilities held-for-trading) 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 instruments held-for-trading are recognised immediately in the profit or loss. Measurement in subsequent periods depends on the classification of the financial instrument.

Financial assets and liabilities held-for-trading are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'finance income/costs' lines in the statement of income.

Financial assets available-for-sale is subsequently re-measured to their fair value with changes in fair value recognised directly in equity, net of tax. All other categories of financial instruments are subsequently measured at their amortised cost using the effective interest rate method.

Cash and cash equivalents and derivative instruments are classified as held-for-trading and are measured at carrying value, which approximates fair value due to the short-term nature of these instruments. Accounts receivable and certain other assets that are financial instruments are classified as loans and receivables. Accounts payable and accrued liabilities, long-term debt and convertible bonds are classified as other financial liabilities.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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### **j) Impairment of financial assets**

Trade accounts receivable, other receivables and investments in equity securities that do not have a quoted market price in an active market, other than investments in associates and jointly controlled entities, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The impairment loss is measured as the difference between the asset's carrying amount and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset and is recognised as an expense in the income statement. Impairment losses for trade and other receivables are reversed through the income statement if in a subsequent period the amount of the impairment losses decreases. Impairment loss for equity securities is not reversed.

### **k) Provisions and long-term liabilities**

Provisions are recognised when APUK has a present obligation (legal or constructive) as a result of a past event, it is probable that APUK will be required to settle the 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 end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions for future decommissioning costs are initially recognised based on the present value of the future costs expected to be incurred in respect of dismantlement and abandonment costs at the end of oil and gas exploration and development activities.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist if APUK has a contract under which the unavoidable costs of meeting its obligations under the contract exceed the economic benefits expected to be received from the contract.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote. The evaluation of the likelihood of the contingent events requires management judgment as to the probability of exposure to potential loss.

### **l) Employee benefits**

Wages, salaries, bonuses, cash based long term incentive programs and social security contributions are accrued in the period in which the associated services are rendered by employees. Payments to defined contribution retirement benefit plans are recognized as an expense when the employees have rendered service entitling them to the contributions.

# ADDAX PETROLEUM UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### m) Deferred Compensation Plan

Awards under Deferred Compensation Plan to the employee shall be purely discretionary, not form part of the employee's contractual remuneration and not be pensionable. The program allocates an Award which vests two years after the Award is made. The Award is amortised to general and administrative costs.

### n) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. APUK's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### o) Other income

Revenue from management services rendered is recognized when the service has been performed, the amount of income can be measured reliably and it is probable that the economic benefits will flow to the Company.

### 3 Revenue and other income

	2018 \$'000	2017 \$'000
<b>Revenue</b>		
Management services rendered to JV	<u>910</u>	<u>640</u>
<b>Other income</b>		
Recharge to intermediate parent on its costs	27,119	30,801
Insurance recovery	<u>-</u>	<u>25,326</u>
	<u>27,119</u>	<u>56,127</u>

### 4 General and administrative expenses

The following amounts were expensed during the year:

	Note	2018 \$'000	2017 \$'000
Professional fees	5	(23,317)	(26,930)
Employment costs	6	(3,145)	(3,034)
Communication and information		(10)	(33)
Office expenses		(758)	(756)
Information systems & technology		(11)	(52)
Depreciation		<u>-</u>	<u>(195)</u>
		<u>(27,241)</u>	<u>(31,000)</u>

# ADDAX PETROLEUM UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 5 Professional fees

	2018 \$'000	2017 \$'000
Fees for the audit of the financial statements	(45)	(45)
Other assurance services	(5)	(5)
Auditor's remuneration	(50)	(50)
Consultants	(23,267)	(25,491)
Management and technical support	-	(1,389)
	<u>(23,317)</u>	<u>(26,930)</u>

### 6 Employment costs

	2018 \$'000	2017 \$'000
Wages and salaries	(2,518)	(1,851)
Social security costs	(337)	(303)
Other employment costs	(199)	(625)
Other pension costs	(91)	(255)
	<u>(3,145)</u>	<u>(3,034)</u>

The average number of persons employed by the Company during the year was 7 (2017: 7).

### 7 Directors' remuneration

	2018 \$'000	2017 \$'000
<b>Directors' remuneration</b>		
Aggregate remuneration in respect of qualifying services	<u>(477)</u>	<u>(323)</u>
<b>Remuneration of the highest paid director</b>		
Emoluments	(420)	(281)
Company contributions to money purchase schemes	(57)	(42)
	<u>(477)</u>	<u>(323)</u>
<b>The number of directors who</b>	<b>2018</b>	<b>2017</b>
Are members of a money purchase pension scheme	<u>1</u>	<u>1</u>

D. Moore received the remuneration for services as a director of APUK during the financial year 2018. The other Directors are representatives of the Company's shareholders (Note 1a). They are senior executives of, and are remunerated by the parent companies or fellow subsidiaries in its group. They received no fees or remuneration for services as a director of the Company in 2018 (2017: nil), and it is not possible to make an accurate apportionment of the Directors' emoluments in respect of each of their serviced companies.

The Company may in its absolute discretion pay compensation to key management in respect of loss of their offices.

# ADDAX PETROLEUM UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 8 Employee benefits

A pension contribution of \$91K (2017: \$172K) has been included in the general and administrative costs.

### 9 Investment gains in joint venture

	2018 \$'000	2017 \$'000
Share of Profit of joint venture	826,865	73,842
Share of other comprehensive income	16,605	9,124
	<u>843,470</u>	<u>82,966</u>

### 10 Finance costs

	2018 \$'000	2017 \$'000
Exchange loss	-	(282)
Bank charges	(3)	(6)
	<u>(3)</u>	<u>(288)</u>

### 11 Taxation

	2018 \$'000	2017 \$'000
Under provision in previous year	329	-
Current income tax expense	151	-
	<u>480</u>	<u>-</u>
Profit before tax from continuing operations	<u>844,256</u>	<u>108,445</u>
Income tax expense calculated @ 19% (2017: 19.25%)	160,409	20,605
Effects of:		
Expenses not deductible for tax purposes	1	38
Share of profit / (loss) in joint venture that are not allowable	(157,104)	(14,030)
Share of OCI / (loss) in joint venture that are not allowable	(3,155)	(1,734)
Movement in deferred tax asset not recognised	-	-
Surrender of tax losses	-	(4,279)
Tax rate differences	-	(271)
Under provision in previous years	329	(329)
Income tax expense	<u>480</u>	<u>-</u>

There're no potential deferred tax assets with respect to the tax losses and timing differences, since all tax losses were fully used in 2017 and fixed assets were fully disposed in 2017

Certain figures have been adjusted to the prior year's note to enhance comparability with the current year's reconciliation of tax charge.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018****12 Investment**

On 23 July 2012, APUK along with SIPC entered into an agreement (the "Share Purchase Agreement") with Talisman Energy Inc., and Talisman Colombia Holdco Limited (collectively "Talisman") to purchase a 49% non-operated equity interest in Talisman Energy UK Limited. The transaction was completed on 17 December 2012 and Talisman Energy UK Limited subsequently changed its name to Talisman Sinopec Energy UK Limited. In July 2016 the name was changed to Repsol Sinopec Resources UK Limited following the acquisition of Talisman by Repsol SA in May 2015.

The transaction is in the form of a joint arrangement, in particular a joint venture. RSRUK is governed by a Shareholders' Agreement dated 17 December 2012, which requires unanimous consent to be obtained from the shareholders for all significant operating and financing decisions. Under the Shareholders' Agreement, among other things, China Petrochemical Corporation unconditionally and irrevocably guarantees the full, due and punctual performance and observation by APUK of all the obligations of APUK to Talisman Colombia Holdco Limited and RSRUK.

RSRUK, incorporated in England and Wales, is engaged in the exploration for, and development and production of crude oil and natural gas in the UK North Sea.

In 2016, the Company's ultimate beneficial owners became 3 State owned entities of the People's Republic of China, and these have committed to financially support APUK, then RSRUK.

Under the Subscription Agreement, the Company has obligation to continue investing in RSRUK, in order to fund RSRUK's operating and capital expenditures. This agreement has been ceased on 31 December 2018. During the year, no cash has been invested in RSRUK. RSRUK is expected to maintain positive cash flows over the next five years. Therefore, a new Subscription Agreement is not expected to be entered into.

The following table summarises the financial position of the joint venture. Based on the Shareholders' Agreement, the Company has calculated and provided its obligation to the joint venture at year end.

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Total non-current assets	<b>3,172,388</b>	2,899,787
Total current assets	<b>1,157,076</b>	438,996
Total current liabilities	<b>(363,535)</b>	(542,665)
Total non-current liabilities	<b>(3,397,062)</b>	(3,948,670)
Net assets/(liabilities)	<b>568,817</b>	(1,152,552)
Investment in / (provision to fund) joint venture (49%)	<b>278,720</b>	(564,750)
Movement of the obligation in the year	<b>843,470</b>	173,616

# ADDAX PETROLEUM UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The following table summarises movement of the Company's obligation to fund joint venture:

	2018 \$'000	2017 \$'000
<b>At 1 January 2018</b>	<b>(564,750)</b>	(738,366)
Cash injection	-	90,650
Investment gains in joint venture (note 9)	<u>843,470</u>	<u>82,966</u>
<b>At 31 December 2018</b>	<u><b>278,720</b></u>	<u>(564,750)</u>

The following information presented are the amounts included in the financial statements of the joint venture adjusted for fair value adjustments made at the time of acquisition, as appropriate. The fair value adjustments relate to property, plant and equipment, provisions, assets impairments and goodwill.

	2018 \$'000	2017 \$'000
Cash and cash equivalents	759,494	63,963
Revenue	1,519,294	1,023,884
Depreciation	839,026	574,316
Finance income	8,177	10,921
Interest expense	1,024	1,913
Tax expense/(credit) for the year	(8,490)	332,048
Other comprehensive income / (loss)	33,889	18,622
Profit / (Loss) after tax credit	1,687,480	150,697

### 13 Trade and other receivables

	2018 \$'000	2017 \$'000
Amount due from participating interest (Note 20)	<u>1,063</u>	<u>-</u>
Prepayments	13	
Recoverable VAT	<u>33</u>	<u>38</u>
	<u><b>46</b></u>	<u><b>38</b></u>

The carrying values of the other receivables are equal to their fair value at the end of the reporting period.

Amount due from participating interest represents the unpaid invoices, recharged to RSRUK.

### 14 Cash and cash equivalents

The Company's cash and cash equivalents of \$443K (2017: \$903K) consist of a non-restricted cash balance held in US dollars and Sterling accounts.



# ADDAX PETROLEUM UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 15 Trade and other payables

	2018 \$'000	2017 \$'000
Trade payables	-	49
Accrued expenses	889	73
Amount due to group undertakings (Note 20)	80,170	77,523
Other payables	111	215
	<u>81,170</u>	<u>77,860</u>

Trade and other payables are non-interest bearing and are normally settled within 30-60 days terms. Amounts due to group undertakings are non-interest bearing and payable on demand. The carrying values of the trade and other payables are equal to their fair value at the end of the reporting period.

### 16 Long term borrowings

	2018 \$'000	2017 \$'000
APHL (Note 20)	<u>3,406,000</u>	<u>3,409,484</u>

APHL has confirmed that it will make no repayment demand with respect to the amount owing to it by APUK, amounting to \$3,406million, for minimum twelve months from the date of this report.

The amount owing to APHL is non-interest bearing with no set repayment date.

Although the Company does not have an unconditional right to defer settlement of this balance for more than 12 months from the balance sheet date, the Directors have decided to present this amount as a long term loan due to AHPL, and not as a current liability, in order to reflect the substance of the financing and to show a true and fair view.

### 17 Share capital and reserves

#### *Share capital*

The total number of issued and fully paid ordinary shares at 31 December 2018 is 1,000 (2017: 1,000) shares at \$1 each at nominal value.

#### *Reserves*

The other reserves are recorded the Company's share of the actuarial gains and losses incurred in the joint venture in relation to the defined benefit pension fund, the defined benefit pension scheme has been ceased subsequently. Those actuarial gains and losses are items that will not be reclassified to profit and loss.

# ADDAX PETROLEUM UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 18 Commitments

#### 49% commitment in RSRUK

At the statement of financial positions date, APUK's has commitments related to RSRUK for the future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018		2017	
	Land & buildings	Other	Land & buildings	Other
	\$'000	\$'000	\$'000	\$'000
Within 1 year	1,767	19,617	1,689	34,967
In 1 to 5 years	6,125	4,570	6,457	13,202
After 5 years	1,529	-	3,229	-
	<b>9,421</b>	<b>24,180</b>	<b>11,375</b>	<b>48,169</b>

These commitments are included in Shareholders' Agreement (Note 12), guaranteed by China Petrochemical Corporation, then the ultimate beneficial owners, three State owned entities of the People's Republic of China.

#### Long Term Incentive Plan (LTIP) and Deferred Compensation Plan (DCP)

In 2017, LTIP was replaced with a discretionary cash based DCP. A transition payment was paid in August 2017 to bridge the gap between the LTIP and DCP plans. The remaining vested LTIP was fully paid in August 2018. Subsequently, the LTIP scheme is terminated.

Awards under the DCP to the Company's employees shall be purely discretionary, do not form part of the employees' contractual remuneration and are not pensionable. The DCP allocates an Award which vests two years after the Award is made. The grant date is 1st August.

As at 31 December 2018, the estimated accrued award is as follows:

	Vesting date	Estimated award to vest	Estimated non-vested award
		\$'000	\$'000
DCP	August 2019	<b>182</b>	-

As at 31 December 2017, the estimated accrued award is as follows:

	Vesting date	Estimated award to vest	Estimated non-vested award
		\$'000	\$'000
LTIP	August 2018	109	-
Transition plan	August 2018	-	-
DCP	August 2018	-	268
		<b>109</b>	<b>268</b>

# ADDAX PETROLEUM UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 19 Contingencies

RSRUK is required to provide letters of credit as security in relation to certain decommissioning obligations in the United Kingdom pursuant to contractual arrangements under Decommissioning Security Agreements (DSAs). At 31 December 2018, RSRUK has provided letters of credit in the amount of £1,123million (2017: £1,026million) as security for the costs of future dismantlement, site restoration and abandonment costs for certain North Sea fields.

In 2018, 49% of the letters of credit issued on behalf of RSRUK were secured by back to back letters of credit from facilities entered into either by APHL or SIPC. This arrangement allows APUK to meet its obligations under the Shareholders' Agreement.

### 20 Related party transactions

The transactions took place in between APUK and its related parties:

	2018 \$'000	2017 \$'000
<b>Management service fees:</b>		
Addax Petroleum Holdings Limited – immediate parent	27,119	30,801
Repsol Sinopec Resources (UK) Limited – joint venture	910	640
<b>Charges:</b>		
Addax Petroleum Limited - fellow subsidiary	(2,677)	(19,576)
Repsol Sinopec Resources (UK) Limited	(22)	(30)

All transactions with these related parties are recorded at amounts agreed to by parties.

Amounts due from/(to) related parties are included in accounts receivable and accounts payable in the statement of financial positions are as follows:

	2018 \$'000	2017 \$'000
Addax Petroleum Holdings Ltd (Note 16)	(3,406,000)	(3,409,484)
Addax Petroleum Ltd (Note 15)	(80,710)	(77,493)
Repsol Sinopec Resources (UK) Limited - accruals	-	(15)
Repsol Sinopec Resources (UK) Limited (Note 13)	1,063	(15)

The amount due to Addax Petroleum Holdings Limited includes the following items:

	2018 \$'000	2017 \$'000
Loan to acquire shares in RSRUK in December 2012	(1,075,464)	(1,075,464)
Interest on loan to acquire above shares in RSRUK	(79,148)	(79,148)
Additional issued shares in RSRUK	(1,138,383)	(1,138,383)
Cash injection to fund issue of shares in RSRUK	(1,220,100)	(1,220,100)
Cash from RSRUK - BG settlement in 2017	18,599	18,599
Transfer pricing from APUK to APHL - recharges	140,746	113,628
Funding to APUK and covering recharges	(52,250)	(28,616)
	<u>3,406,000</u>	<u>3,409,484</u>

A Deposit Agreement was entered on 22 September 2017, to enable RSRUK to deposit excess cash proportionately with Addax Petroleum Holdings Limited and Repsol Tesoreria y Gestion Financiera, S.A. on a short-term basis until the funds are required to meet cash flow requirements. Based on the agreement, APHL has received a cash deposit of total \$359million from RSRUK since 22 September 2017 up to 31 December 2018.

# ADDAX PETROLEUM UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 21 Financial Instruments

#### Capital Management

APUK manages its capital to ensure it will be able to continue as a going concern.

The capital structure of APUK consists of net debt (shareholder advance offset by cash and cash equivalents) and equity. APUK is not subject to externally imposed capital requirements.

APUK may issue new debt or equity or similar instruments, reduce debt levels, or make adjustments to its capital expenditure program.

#### Categories of financial instruments

	2018 \$'000	2017 \$'000
<b>Financial Assets</b>		
<i>Held for trading</i>		
Cash and cash equivalent	443	903
<i>Loans and receivables</i>		
Trade and receivables and other current assets	1,109	38
	<u>1,552</u>	<u>941</u>
<b>Financial Liabilities</b>		
<i>Other liabilities</i>		
Trade and other payables	81,170	77,860
Long term borrowings	3,406,000	3,409,484
	<u>3,487,170</u>	<u>3,487,344</u>

The carrying value of the financial assets and liabilities approximates their fair value.

#### Financial risk management objectives

The Directors manage the financial risks relating to the Company in conjunction with those of the Group of which it is part of and steps are taken where necessary to ensure these risks are appropriately managed. The Company does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

#### Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The Company is primarily exposed to financial risk of change in foreign currency exchange rates and in the interest rates.

##### Foreign exchange risk

APUK is exposed to foreign exchange risk because its joint venture undertakes transactions in foreign currencies, primarily with respect to the British pound ("GBP"). There are no hedging policies in place or hedged transactions, as the majority of financial flows are denominated in USD.

##### Interest rate risk

APUK is no longer exposed to interest rate risk on its outstanding borrowings as the amounts due to group undertaking are non-interest bearing.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

APUK manages this risk through regular review of market conditions and interest rates, for which, if considered necessary, recommendations for changes to existing financing or new arrangements are presented to the board of directors or management committee for approval.

**Credit risk**

Credit risk is the risk of economic loss arising when counterparty fails to meet its obligations as they become due. Credit risk encompasses both the direct risk of default and the risk of a deterioration of creditworthiness and the respective concentration risk.

The credit risk on receivables is limited because the counterparties are related parties which are closely monitored by the management.

**Liquidity risk**

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full.

The Company is able to obtain financing from APHL and ultimate parents as required. These funds are primarily used to finance working capital and administrative expenses. APUK manages its liquidity risk by regularly monitoring its cash flows, holding adequate amounts of cash.

**Liquidity and interest risk tables (\$000)**

At 31 December 2018	Interest rate %	Less than 1 year	Year 1 -5	Over 5 Years	Total
<i>Financial Assets</i>					
Cash and cash equivalents	-	443	-	-	443
Loan and receivables	-	1,109	-	-	1,109
<i>Financial Liabilities</i>					
Trade and other payables	-	81,170	-	-	81,170
Long term borrowings	-	-	3,406,000	-	3,406,000
At 31 December 2017	Interest rate %	Less than 1 year	Year 1 -5	Over 5 Years	Total
<i>Financial Assets</i>					
Cash and cash equivalents	-	903	-	-	903
Loan and receivables	-	38	-	-	38
<i>Financial Liabilities</i>					
Trade and other payables	-	77,860	-	-	77,860
Long term borrowings	-	-	3,409,484	-	3,409,484