

Company Registration No. 01568950

Perenco Holdings

Report and Financial Statements

31 December 2015

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Officers and professional advisers

Directors

N J Fallows
A P Eager
J B Parr

Secretary

A P Eager

Registered office

Anchor House
15-19 Britten Street
London SW3 3TY

Bankers

The Royal Bank of Scotland
5-10 Great Tower Street
London

Solicitors

Herbert Smith
London

Auditor

Deloitte LLP
Chartered Accountants
London

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Strategic report For the year ended 31 December 2015

The objectives of Perenco Holdings (the "Company") are to provide services to various related companies under common control, principally technical support in oil and gas, contract administration and provision of office space and services.

Business review

The Company's turnover has decreased by £5,825k since 2014.

The profit after tax for year ended 31 December 2015 amounted to £2,945k (2014: £2,177k)

Subsequent events

There are no significant subsequent events that have occurred after 31 December 2015.

Future developments

The Company will continue to provide services to related companies under common control for the foreseeable future.

Principal risks and uncertainties

The Company's operations expose it to a variety of financial risks that include credit risk, foreign currency risks and liquidity risk. The Company is not exposed to interest rate risk or price risk.

Credit risk

The Company's principal financial assets are cash and cash equivalents and intercompany receivables. The Company's counterparty risks in relation to its cash and cash equivalents are considered to be limited because counterparties are financial institutions with high credit ratings assigned by international credit-rating agencies. The credit risk on intercompany receivables is monitored by the Company's parent, there is no impairment of intercompany receivables in 2015.

Foreign currency risk

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates. The Company considers that movements in foreign exchange are a regular part of its business environment. The Company accepts this foreign exchange risk and does not use foreign currency derivative instruments.

Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial debts and liabilities.

Approved by the Board of Directors and signed on behalf of the Board:



N J Fallows
Director
25 April 2016

Perenco Holdings
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Directors' report
For the year ended 31 December 2015

The directors present their annual report on the affairs of the Company, together with the audited financial statements and auditor's report for the year ended 31 December 2015.

Directors

The directors who held office during the year were as follows:

N J Fallows

A P Eager

J B Parr

Going concern

The Company's business activities, key financial risks and position are set out in this Report. The financial position of the Company is set out in the financial statement and related notes.

The Company is largely self-funding and therefore meets its day-to-day working capital requirements through net proceeds received from intercompany recharges. The Company's projections, taking into account reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current financial position.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Political donations

No political donations were made in the year ended 31 December 2015 (2014: £nil).

Information to auditor

Each of the directors at the date of approval of this report confirms that:

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

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

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board:



N J Fallows

Director

25 April 2016

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Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Perenco Holdings Report and Financial Statements 2015

Independent auditor's report to the members of Perenco Holdings

We have audited the financial statements of Perenco Holdings for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

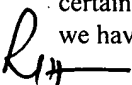
Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, by the Company 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.


Ross Howard (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
25 April 2016

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Statement of comprehensive income
Year ended 31 December 2015

	Notes	<u>2015</u> £'000	<u>2014</u> £'000
Revenue	4	44,966	50,792
Administrative expenses		<u>(41,561)</u>	<u>(47,184)</u>
Operating profit	5	3,405	3,608
Finance costs	6	(12)	(22)
Other financial gains and losses	7	377	(571)
Profit before taxation		<u>3,770</u>	<u>3,015</u>
Taxation	9	<u>(825)</u>	<u>(838)</u>
Total profit for the year		<u>2,945</u>	<u>2,177</u>
Total comprehensive income for the year		<u>2,945</u>	<u>2,177</u>

All results are derived from continuing operations.

Total profit and total comprehensive income for the years presented are attributable to the owners of the Company.


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Balance sheet
31 December 2015

	Notes	<u>2015</u> £'000	<u>2014</u> £'000
Non-current assets			
Property, plant and equipment	10	4,022	4,916
Other non-current assets		-	233
Long Term receivables	12	11,181	-
Deferred tax asset	11	<u>1,005</u>	<u>979</u>
		<u>16,208</u>	<u>6,128</u>
Current assets			
Trade and other receivables	13	15,007	26,745
Cash and cash equivalents		<u>14,205</u>	<u>8,860</u>
		<u>29,212</u>	<u>35,605</u>
Total assets		<u>45,420</u>	<u>41,733</u>
Current liabilities			
Trade and other payables	15	<u>(14,365)</u>	<u>(23,749)</u>
		<u>(14,365)</u>	<u>(23,749)</u>
Non-current liabilities			
Borrowings	14	(11,212)	-
Long-term liability	16	<u>(2,109)</u>	<u>(3,196)</u>
		<u>(13,321)</u>	<u>(3,196)</u>
Total liabilities		<u>(27,686)</u>	<u>(26,945)</u>
Net assets		<u>17,733</u>	<u>14,788</u>
Equity			
Share capital	21	6,910	6,910
Retained earnings		<u>10,823</u>	<u>7,878</u>
Total equity		<u>17,733</u>	<u>14,788</u>

These financial statements for Perenco Holdings (UK company registration number 01568950) were approved by the Board of Directors on 25 April 2016

Signed on behalf of the Board of Directors


 N J Fallows

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Statement of changes in equity
Year ended 31 December 2015

	Share capital	Retained earnings	Total equity
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
At 31 December 2013	6,910	5,701	12,611
Total comprehensive income for the year	<u>-</u>	<u>2,177</u>	<u>2,177</u>
At 31 December 2014	6,910	7,878	14,788
Total comprehensive income for the year	<u>-</u>	<u>2,945</u>	<u>2,945</u>
At 31 December 2015	<u>6,910</u>	<u>10,823</u>	<u>17,733</u>

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Cash flow statement
Year ended 31 December 2015

	Note	<u>2015</u> £'000	<u>2014</u> £'000
Cash generated by operations	18	4,657	7,021
Income taxes received/(paid)		<u>490</u>	<u>(671)</u>
Net cash from operating activities		<u>5,147</u>	<u>6,350</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(403)	(667)
Purchase of other non-current assets		-	(233)
Interest received		1	-
Sale of other non-current assets		<u>233</u>	<u>-</u>
Net cash used in investing activities		<u>(169)</u>	<u>(900)</u>
Cash flows from financing activities			
Bank charges and interest		<u>(12)</u>	<u>(20)</u>
Net cash used in financing activities		<u>(12)</u>	<u>(20)</u>
Net increase in cash and cash equivalents		4,968	5,430
Cash and cash equivalents at the beginning of the year		8,860	4,002
Effect of foreign exchange rate changes		<u>378</u>	<u>(572)</u>
Cash and cash equivalents at the end of the year		<u>14,205</u>	<u>8,860</u>

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Notes to the financial statements

Year ended 31 December 2015

1. General Information

Perenco Holdings (the "Company") is an unlimited company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is: Anchor House, 15-19 Britten Street, London, SW3 3TY. The nature of the Company's operations and its principal activities are set out in the Directors' Report.

2. Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, International Financial Reporting Interpretation Committee (IFRIC) interpretations and the Companies Act 2006.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective and therefore not adopted:

IFRS 9	Financial Instruments (effective 1 January 2018)
IFRS 10 (amended)	Consolidated Financial Statements (effective 1 January 2016)
IFRS 11 (amended)	Joint Arrangements (effective 1 January 2016)
IFRS 12 (amended)	Disclosure of Interests in Other Entities (effective 1 January 2016)
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers (effective 1 January 2018)
IFRS 16	Leases (effective 1 January 2019)
IAS 1 (amended)	Presentation of Financial Statements
IAS 7 (amended)	Statement of Cash Flows (1 January 2017)
IAS 12 (amended)	Recognition of Deferred Tax Assets for Unrealised Losses (1 January 2017)
IAS 27 (amended)	Reinstating Equity Method and an Accounting Option
IAS 28 (amended)	Application of the Consolidation exception
IAS 38 (amended)	Clarification of Acceptable methods of Depreciation and Amortisation

The directors do not expect that the adoption of the Standards or Interpretations listed above, which are all effective from 1 January 2016 (unless stated), will have a material impact on the financial statements of the Company in future periods, except for IFRS 9, which will impact both the measurement and disclosures of items within the financial statements, though we are yet to evaluate the impact of IFRS 15 Revenue or IFRS 16 Leases.

The financial statements are prepared under the historical cost convention and have been prepared under a going concern basis as set out in the Directors' Report. The accounting policies have been applied consistently in all years presented.

(b) Revenue recognition

Revenue represents amounts charged for technical and administration services provided to other Perenco group companies net of VAT and other sales related taxes. Revenue from services is recognised in the period in which services are rendered.

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Notes to the financial statements (continued)

(c) Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and provision for any impairment. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Depreciation is charged so as to write off the cost, less estimated residual value of assets, using the straight-line method over their estimated useful lives as follows:

Leasehold improvements	10 years or the life of the lease if shorter
Equipment, vehicles, computers and other office equipment	3 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

(d) Foreign currencies

Transactions denominated in foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rate of exchange ruling on the balance sheet date, with exchange differences being reflected in the income statement.

(e) Provisions

A provision is recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

(f) Operating leasing

Rental income and rentals payable under operating leases are recognised on a straight-line basis over the lease term.

(g) Pensions

The Company makes defined contributions to certain money purchase personal pension plans which are expensed as incurred.

Perenco Holdings

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Notes to the financial statements (continued)

2. Accounting policies (continued)

(h) Taxation

The tax expense represents the sum of the charges and credits for current and deferred tax.

Current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are non-taxable or deductible. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

Deferred tax is recognised at acquisition as part of the assessment of fair value of assets and liabilities acquired.

(i) Financial instruments

Financial assets and liabilities are recognised on the Company's balance sheet when the Company becomes party to contractual provisions of the instrument. The Company has not entered into any derivative financial instruments during the years presented.

Cash and cash equivalents

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprises cash at bank.

Trade and other receivables

Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

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Notes to the financial statements (continued)

(i) Financial instruments (continued)

Trade and other payables

Trade payables principally comprise amounts outstanding for trade purchase and ongoing costs. The carrying amounts of trade payables, which is their nominal value, approximates to their fair value.

3. Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources.

The following are the critical judgements and estimates that management 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:

(a) Long-term incentive scheme ("LTIS")

The Company operates a LTIS available to certain employees. In determining the carrying value of units awarded management makes assumptions for the profitability of the Perenco SA Group. The carrying value of the LTIS liability at 31 December 2015 is shown in note 16.

(b) Deferred tax

Deferred tax assets relating to certain temporary differences are recognised when management considers it is probable that the future taxable profit will be available against which the temporary differences or tax losses can be utilised. The Company recognised deferred tax assets for £1,005k as at 31 December 2015 (2014: asset £979k).

4. Revenue

Revenue comprises amounts charged for technical and administration services provided in the UK.

	<u>2015</u>	<u>2014</u>
	<u>£'000</u>	<u>£'000</u>
Amounts charged to related companies	<u>44,966</u>	<u>50,792</u>

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Notes to the financial statements (continued)

5. Operating profit

	<u>2015</u>	<u>2014</u>
	<u>£'000</u>	<u>£'000</u>
The operating profit is stated after charging/(crediting):		
Depreciation	1,285	1,501
Operating lease rentals	1,642	1,554
Rents receivable under operating leases	(1,151)	(1,010)
Auditor's remuneration		
• fees payable for the audit of the Company's annual accounts	<u>18</u>	<u>21</u>

During the year ended 31 December 2015, fees payable by the Company to Deloitte LLP for audit related services rendered to related companies (which are subsequently recharged to them) amounted to £101k (2014: £74k).

6. Finance costs

	<u>2015</u>	<u>2014</u>
	<u>£'000</u>	<u>£'000</u>
Bank charges	<u>12</u>	<u>22</u>

7. Other financial gains and losses

	<u>2015</u>	<u>2014</u>
	<u>£'000</u>	<u>£'000</u>
Foreign exchange gains/(losses)	<u>377</u>	<u>(571)</u>

No gains or losses have been recognised in respect of loans and receivables (including cash and bank balances) and financial liabilities measured at amortised cost.

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Notes to the financial statements (continued)

8. Staff costs

	2015	2014
	£'000	£'000
(a) Directors' emoluments		
Total emoluments	999	1,012
Amounts receivable under long-term incentive schemes	379	392
Company contributions to money purchase pension schemes	70	68
	<u>1,448</u>	<u>1,472</u>
Remuneration of the highest paid director		
Emoluments	487	551
Amounts receivable under long-term incentive schemes	223	222
Company contributions to money purchase pension schemes	24	25
	<u>734</u>	<u>798</u>

At the end of the year an amount of £183.4k (2014: £261.8k) was owed to directors (senior management personnel), with respect to long term benefits.

(b) Employees

	2015	2014
	£'000	£'000
Employee costs, including directors, during the year were as follows:		
Wages and salaries	22,968	25,099
Social security costs	3,141	3,372
Other pension costs	821	819
	<u>26,930</u>	<u>29,290</u>

Other pension costs comprise the cost of contributions made to employees' individual personal pension plans. All three directors accrued benefits under pension schemes in the current and prior year.

The average monthly number of persons employed by the Company, including directors, was 92 (2014: 108), all within administration.

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Notes to the financial statements (continued)

9. Taxation

(a) Analysis of corporation tax charge for the year

	<u>2015</u>	<u>2014</u>
	<u>£'000</u>	<u>£'000</u>
Current taxation:		
Overseas tax	56	73
Inter-company Group Relief received	(513)	-
Current taxation – UK	<u>1,315</u>	<u>-</u>
	858	73
Adjustment in respect of prior years:		
UK	(8)	598
Total current taxation	<u>850</u>	<u>671</u>
Deferred taxation:		
Origination and reversal of timing differences	(440)	167
Adjustment in respect of prior years	<u>414</u>	<u>-</u>
Tax charge for the year	<u>825</u>	<u>838</u>

(b) Factors affecting corporation tax charge for the year

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	<u>2015</u>	<u>2014</u>
	<u>£'000</u>	<u>£'000</u>
Profit on ordinary activities before tax	3,770	3,015
Profit on ordinary activities multiplied by average 2015 UK corporation tax rate of 20.25% (2014: 21.49%)	763	648
Effects of:		
Fixed assets ineligible depreciation	28	29
Expenses not deductible for tax	-	1
Deduction for foreign tax expensed	(6)	(16)
Group relief surrendered / (claimed)	(513)	67
Effect of changes in average tax rate on deferred tax balances	118	(50)
Movement in unrecognised temporary timing differences	-	(512)
	<u>390</u>	<u>167</u>
Overseas withholding taxes	27	73
Under-provision of tax in prior years	<u>407</u>	<u>598</u>
	<u>825</u>	<u>838</u>

Tax rate changes

The reduction in the tax rate from 20% to 18% effective from 1 April 2015 as announced in the March 2015 Budget and substantively enacted in June 2015. Re-measurement of the opening deferred tax balance at 18% increased the deferred tax charge in the current year by £56k

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Notes to the financial statements (continued)

10. Property, plant and equipment

	Leasehold improvements £'000	Office equipment £'000	Vehicles £'000	Total £'000
Cost				
At 1 January 2014	7,401	5,548	62	13,011
Additions	89	502	76	667
Disposals	-	-	-	-
At 1 January 2015	7,490	6,050	138	13,678
Additions	357	42	4	403
Disposals	(6)	(1,344)	-	(1,350)
At 31 December 2015	7,841	4,748	142	12,731
Depreciation				
At 1 January 2014	3,266	3,933	62	7,261
Charge for the year	486	1,010	5	1,501
At 1 January 2015	3,752	4,943	67	8,762
Charge for the year	488	771	27	1,285
Disposals	-	(1,340)	-	(1,340)
At 31 December 2015	4,241	4,374	94	8,707
Net book value				
At 31 December 2014	3,738	1,107	71	4,916
At 31 December 2015	3,600	374	48	4,022

11. Deferred taxation

	2015 £'000	2014 £'000
Accelerated capital allowances	182	127
Losses and other deductions	-	176
Other timing differences	823	676
	<u>1,005</u>	<u>979</u>
	2015 £'000	2014 £'000
The movement in the deferred tax asset is outlined below:		
At 1 January	979	1,146
(Charge)/credit to profit or loss	26	(167)
At 31 December	<u>1,005</u>	<u>979</u>

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Notes to the financial statements (continued)

12. Long Term receivables

	<u>2015</u>	<u>2014</u>
	<u>£'000</u>	<u>£'000</u>
Receivables from related parties	<u>11,181</u>	<u>-</u>

A facility of \$420m was given to a related party (Petrovarao). A total of £15,893k was utilised on 12th March 2015 and the amount receivable as at 31st December 2015 is £11,181k. The loan accumulates interest at a rate of Libor + 1Y and the interest is paid on a quarterly basis. The loan's first repayment date of 1/12 of the aggregate principal is the 30th September 2018 and the last repayment date is 31 December 2025.

13. Trade and other receivables

	<u>2015</u>	<u>2014</u>
	<u>£'000</u>	<u>£'000</u>
Trade receivables (related parties)	13,643	23,405
Other receivables	232	166
VAT recoverable	27	380
Corporation tax recoverable	-	537
Accrued income (related parties)	18	1,097
Prepayments	1,087	1,160
	<u>15,007</u>	<u>26,745</u>

Ageing of past due but not impaired receivables

	<u>2015</u>	<u>2014</u>
	<u>£'000</u>	<u>£'000</u>
30-60 days	-	988
60-90 days	482	749
90-120 days	32	410
More than 120 days	201	3,603
Total	<u>715</u>	<u>5,750</u>

14. Borrowings

Loans from a related party (Perenco SA) are non-interest bearing totalling £11,212k (2014: £nil).

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Notes to the financial statements (continued)

15. Trade and other payables

	<u>2015</u>	<u>2014</u>
	<u>£'000</u>	<u>£'000</u>
Trade payables	107	2,200
Amounts owed to related companies under common control	2,315	6,632
Taxation and social security	3,081	4,955
Corporation Tax payable	802	
Long-term incentive scheme (Note 16)	2,090	3,808
Other accruals	5,970	6,153
	<u>14,365</u>	<u>23,749</u>

16. Non-current liabilities

	<u>2015</u>	<u>2014</u>
	<u>£'000</u>	<u>£'000</u>
Long-term incentive scheme	<u>2,109</u>	<u>3,196</u>

The Group operates a long term incentive scheme ("LTIS") that rewards certain employees based on the performance of the Perenco SA Group. Under the terms of the LTIS, which is accounted for in accordance with IAS 19 'Employee Benefits', employees are awarded units which vest after 3 years, the value of which are linked to the profitability of the Group. Perenco Holdings have recorded a provision for LTIS of £4,199k (2014: £7,004k), of which £2,109k (2014: £3,196k) is disclosed within non-current liabilities and £2,090k (2014: £3,808k) is disclosed within trade and other payables.

17. Financial instruments

Financial risk management

The Company monitors and manages the financial risks relating its operations on a continuous basis. These include interest, credit, foreign exchange and liquidity risks. The Company's significant financial instruments are cash and cash equivalents, trade and other receivables and trade payables. The Company is not exposed to interest rate risk or price risk.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern whilst maximising return to shareholders. The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital and retained earnings.

The Company had no external borrowings, from entities not within the PSA Group, as at 31 December 2015 (2014: £nil). The Company was not subject to any externally imposed capital requirements as at 31 December 2015 (2014: none).

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Notes to the financial statements (continued)

17. Financial instruments (continued)

Foreign currency risk

The Company's activities expose it to the risks of changes in foreign currency exchange rates. The Company considers that movements in foreign exchange are a regular part of its business environment and therefore accepts this risk and does not use foreign currency derivative instruments.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
USD	49	612	913	1,106
EUR	1,667	18	8,913	7,720
	<u>1,716</u>	<u>630</u>	<u>9,826</u>	<u>8,826</u>

A possible change in foreign exchange rates of 10% would result in a gain/(loss) of £735k (2014: £745k) to the Company's results.

Credit risk

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

Credit risk is not considered to be a significant risk to the Company as the Company provides services to various related companies under common control and therefore the majority of financial assets are held with these companies.

The credit risk on cash and cash equivalents is considered to be limited because the counterparties are financial institutions with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

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Notes to the financial statements (continued)

17. Financial instruments (continued)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial debts and liabilities.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Less than 1 month £'000	1-3 months £'000	3 months to 1 year £'000	1 to 5 years £'000	2014 £'000
31 December 2015					
Non-interest bearing	<u>1,635</u>	<u>-</u>	<u>-</u>	<u>11,212</u>	<u>12,847</u>
31 December 2014					
Non-interest bearing	<u>3,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,201</u>

Categories of financial instruments

The Company's financial instruments, grouped according to the categories defined in IAS 39 'Financial instruments: Recognition and Measurement', were as follows:

	2015 £'000	2014 £'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	28,080	30,792
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(12,847)</u>	<u>(3,201)</u>
	<u>15,233</u>	<u>27,591</u>

Fair value of financial assets and liabilities

At 31 December 2015 and 2014 the carrying amounts of cash and cash equivalents, trade and other receivables (notes 13) and trade and other payables (note 15) approximated their fair values due to the short-term maturities of these assets and liabilities.

There were no financial instruments measured subsequent to initial recognition at fair value and accordingly no analysis of the level of the degree to which the fair value is observable has been provided.

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Notes to the financial statements (continued)

18. Notes to the cash flow statement

Reconciliation of operating profit to cash generated by operations

	2015	2014
	<u>£'000</u>	<u>£'000</u>
Cash flows from operation activities:		
Operating profit	3,405	3,608
Adjustments for:		
Depreciation	1,285	1,501
Loss on disposal of fixed assets	10	-
Operating cash flow prior to working capital changes	<u>4,700</u>	<u>5,109</u>
Decrease in receivables	577	(2,025)
Decrease in payables	(599)	3,937
Net cash from operating activities	<u>4,657</u>	<u>7,021</u>

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term liquid investments with a maturity of three months or less.

19. Capital commitments

At 31 December 2015 the Company had no capital commitments (2014: £nil).

20. Lease commitments

The Company's minimum annual rental commitments under operating leases at 31 December 2015, all of which are for leases on land and buildings, expiring between one and five years, amounted to £25,615k (2014: £21,561k).

	2015	2014
	<u>£'000</u>	<u>£'000</u>
Minimum lease payments		
Due within one year	1,899	1,923
Between two and five years	23,716	19,638
	<u>25,615</u>	<u>21,561</u>

21. Share capital

	2015	2014
	<u>£'000</u>	<u>£'000</u>
Authorised		
155,228,040 (2014: 155,228,040) ordinary shares of £0.10 each	<u>15,523</u>	<u>15,523</u>
Allotted, called up and fully paid		
69,101,970 (2014: 69,101,970) ordinary shares of £0.10 each	<u>6,910</u>	<u>6,910</u>

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Notes to the financial statements (continued)

22. Related parties

During the year the Company:

- (a) Recognised income of £44,966k (2014: £50,792k) in respect of recharged salaries, associated overhead, office space and office services to other related companies under common control;
- (b) Recognised £1,151k (2014: £1,010k) in respect of rents receivable under operating leases;
- (c) Incurred £6,750k (2014: £4,417k) of reimbursable expenditure on behalf of connected persons, of which £457k was included in debtors at 31 December 2015 (2014: £2,448k).

Amounts owed by (trade receivables and accrued income) and amounts owed to related parties (trade payables and borrowings) under common control are disclosed in notes 13 and 15 respectively.

Details of transactions with directors and its senior and key management personnel are disclosed in note 8.

23. Ultimate parent company

Lorinser Limited, a company incorporated in The Bahamas, is the immediate parent company of Perenco Holdings, but does not prepare consolidated financial statements.

Perenco SA, a company incorporated in The Bahamas, is the smallest group of undertakings, of which Perenco Holdings is a member, for which consolidated financial statements are prepared.

Perenco International Limited, a company incorporated in The Bahamas, is the largest group of undertakings for which consolidated financial statements are prepared. It is controlled by the Perrodo family and trusts for their benefit.

The financial statements of both these companies are not available to the public.

24. Subsequent events

There are no significant subsequent events that have occurred after 31 December 2015.