

**Registered number: 04550265**

## **COP HOLDINGS LIMITED**

**Annual report and financial statements  
for the year ended 31 December 2015**

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# **COP HOLDINGS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS 2015**

### **Board of directors:**

D E Macklon  
R G Stalker  
A D Hastings  
N D Allen

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### **Strategic report**

The directors present their strategic report for the year ended 31 December 2015.

#### **Review of the business**

The company is a wholly owned subsidiary of ConocoPhillips Holdings Limited. The company's ultimate parent company is ConocoPhillips, an international, integrated energy company listed on the New York Stock Exchange.

The company is an intermediate holding company and does not trade.

The company also holds the group's shareholding in ConocoPhillips (U.K.) Limited, a company registered in England.

The directors are not aware, at the date of this report, of any likely major changes in the company's principal activities in the next year.

It is the intention that the principal activities of the company will continue for the foreseeable future.

The profit for the year was £4.5 million (2014: £73.7 million). The company did not declare an ordinary dividend during the year (2014: £70 million).

The company's statement of financial position, on page 9, of the financial statements, shows the company has net assets of £547.3 million (2014: £542.8 million). The movements on the company's reserves comprise the loss for the year.

The company has many performance indicators in place measuring Health, Safety and Environment to ensure that it continues to build on a legacy of strong commitment and performance. Safety of personnel, coupled with a responsible pro-active approach to managing the environment is core to the company's business. The ultimate financial impact arising from environmental policies, laws and regulations is difficult to determine as current and new standards continue to evolve.

Under s414C of the Companies Act 2006, the directors are required to disclose the company's financial and non financial Key Performance Indicators. ConocoPhillips manages its operations at a divisional and geographical level. For this reason the company's directors believe that the disclosure of Key Performance Indicators for this company is not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the ConocoPhillips group, which includes this company, is discussed within the annual report of the ultimate parent undertaking, ConocoPhillips.

Consolidated group financial statements are prepared separately for the ConocoPhillips Holdings Limited Group. As a result the company has not prepared an Enhanced Business Review, including a review of principal risks and uncertainties under s147 of the Companies Act 2006 for this company as it is contained within the consolidated financial statements.

#### **Principal risks and uncertainties**

The risks and uncertainties facing the ConocoPhillips group, which includes this company, are discussed within the annual report of the ultimate parent undertaking, ConocoPhillips.

## **COP HOLDINGS LIMITED**

### **Strategic report (continued)**

Approved by the Board and signed on its behalf by:



R G Stalker  
**Director**

14 September 2016

Registered office:  
Portman House  
2 Portman Street  
London  
W1H 6DU

## **COP HOLDINGS LIMITED**

### **Directors' report**

The directors present their report for the year ended 31 December 2015.

#### **Directors**

The directors, who served throughout the year, except as noted, were as follows:

A D Hastings  
N D Allen  
D E Chenier (resigned 1 August 2015)  
D E Macklon (appointed 1 August 2015)  
M D Wright (resigned 31 October 2015)  
R G Stalker (appointed 31 October 2015)

#### **Dividends**

The company did not pay dividends to ordinary shareholders during the year. (2014: £70.0 million).

The directors did not recommend a final dividend for the year ended 31 December 2015.

#### **Events which have occurred since the end of the financial year**

There have been no significant events arising since the end of the financial year.

#### **Going concern**

There are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

The company has adequate financial resources together with the responsibility to manage its cash flow. The company participates in the group's centralised cash pooling arrangements and so shares banking arrangements with other ConocoPhillips affiliates. The liquidity of the cash pool is underwritten by ConocoPhillips Company.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **Auditors**

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

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

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

Pursuant to s386 of the Companies Act 1985 and continuing under the Companies Act 2006, an elective resolution was passed dispensing with the requirement to appoint auditors annually. This election was in force immediately before 1 October 2007, therefore Ernst & Young LLP are deemed to continue as auditors.

## **COP HOLDINGS LIMITED**

### **Directors' report (continued)**

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'R G Stalker', written over a horizontal line.

R G Stalker  
**Director**

14 September 2016

Registered office:  
Portman House  
2 Portman Street  
London  
W1H 6DU

## **COP HOLDINGS LIMITED**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)". 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 the affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COP HOLDINGS LIMITED**

We have audited the financial statements of COP Holdings Limited for the year ended 31 December 2015 which comprise the Income statement, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), FRS 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland".

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

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, set out on page 5, 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 and the financial statements 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 the 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 United Kingdom Generally Accepted Accounting Practice, FRS 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COP HOLDINGS LIMITED (continued)**

### **Matters on which we are required to report on by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Ernst & Young LLP*

Kevin Weston  
Senior Statutory Auditor  
For and on behalf of Ernst & Young LLP  
Statutory Auditor  
Aberdeen

14 September 2016



## COP HOLDINGS LIMITED

### Income Statement

For the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Administration expenses		<u>(75)</u>	<u>(150)</u>
<b>Operating Loss</b>		(75)	(150)
Income from shares in group undertakings		21	70,021
Interest receivable and similar income	6	<u>3,835</u>	<u>3,619</u>
<b>Profit on ordinary activities before taxation</b>		3,781	73,490
Tax on profit on ordinary activities	7	<u>729</u>	<u>203</u>
<b>Profit for the financial year</b>		<u><u>4,510</u></u>	<u><u>73,693</u></u>

All activities related to continuing operations.

The results for the current and prior year are equal to the total comprehensive income and accordingly a statement of comprehensive income has not been presented.

**COP HOLDINGS LIMITED**

Registered number: 04550265

**Statement of financial position**

At 31 December 2015

	<b>Note</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
<b>Fixed Assets</b>			
Investments	9	<u>460,866</u>	<u>460,866</u>
<b>Current Assets</b>			
Debtors			
- due within one year	10	1,686	255,809
- due out with one year	10	263,100	73,000
Cash at bank and in hand		<u>11,766</u>	<u>7,379</u>
		<u>276,552</u>	<u>336,188</u>
<b>Creditors</b> – amounts falling due within one year	11	<u>(190,100)</u>	<u>(254,246)</u>
Net current assets		<u>86,452</u>	<u>81,942</u>
<b>Net assets</b>		<u>547,318</u>	<u>542,808</u>
<b>Capital and reserves</b>			
Called up share capital	12	251	251
Capital contribution		460,000	460,000
Retained earnings		<u>87,067</u>	<u>82,557</u>
<b>Shareholder's funds</b>		<u>547,318</u>	<u>542,808</u>

The financial statements were approved by the Board of Directors and authorised for issue on 14 September 2016 and signed on its behalf by:



R G Stalker  
**Director**

14 September 2016

## COP HOLDINGS LIMITED

### Statement of changes in equity

For the year ended 31 December 2015

	<b>Called up capital £'000</b>	<b>Capital contribution £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>At 1 January 2014</b>	251	460,000	78,864	539,115
Profit for the year	-	-	73,693	73,693
Dividends	-	-	(70,000)	(70,000)
<b>At 31 December 2014</b>	251	460,000	82,557	542,808
Profit for the year	-	-	4,510	4,510
<b>At 31 December 2015</b>	<u>251</u>	<u>460,000</u>	<u>87,067</u>	<u>547,318</u>

## **COP HOLDINGS LIMITED**

### **Notes to the financial statements**

For the year ended 31 December 2015

#### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year, unless otherwise stated.

##### **General information**

COP Holdings Limited is a company incorporated in the United Kingdom under the Companies Act. The address of its registered office is Portman House, 2 Portman Street, London, W1H 6DU. The nature of the company's operations and its principal activities are set out in the Directors Report on page 1.

##### **Statement of compliance**

The individual financial statements of the company have been prepared in compliance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The company has also early adopted the Amendments to FRS 102 (issued in July 2015).

##### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost convention. This is the first year in which the company has presented its results under FRS 102. The company transitioned from previously extant UK GAAP to FRS 102 at 1 January 2014. Details of how the transition has affected the company are explained in detail in Note 15.

##### **Basis of consolidation**

The company is exempt from preparing consolidated financial statements by virtue of section 400 of the Companies Act 2006.

##### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the company's shareholders. The company meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the following disclosure exemptions available to it in respect of its individual financial statements:

- i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the statement of cash flows presented in the consolidated financial statements of ConocoPhillips Holdings Limited, includes the company's cash flows;
- ii) from disclosing the financial instruments disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv); and
- iv) from disclosing the company key management personnel compensation in total, as required by FRS 102 paragraph 33.7.

The shareholders have been notified and have not objected to the use of the above exemptions by the company.

##### **Future amendments to FRS 102**

Amendments to FRS 102 were issued in July 2015 as a result of changes to the EU-directives and UK Companies Regulations. The amendments are mandatory for periods beginning on or after 1 January 2016, with early adoption permitted for periods beginning on or after 1 January 2015. Entities will have to adopt and comply with all amendments if they elect to early adopt the Amendments to FRS 102 (issued in July 2015). The company has decided to early adopt the amendments in this financial statements. None of these are expected to have a significant effect on the financial statements of the company.

## **COP HOLDINGS LIMITED**

### **Notes to the financial statements (continued)**

For the year ended 31 December 2015

#### **1. Accounting policies (continued)**

##### **Investments**

Fixed asset investments are stated at cost less provisions for diminution in value.

Investments are assessed for impairment whenever changes in the facts and circumstances indicate a loss in value has occurred.

##### **Impairment of non-financial assets**

Assets are assessed for impairment at each reporting date or whenever changes in facts and circumstances indicate a possible significant deterioration in the future cash flows expected to be generated. Where there are indicators of impairment, the company estimates the recoverable amount of the asset or the cash generating unit to which the asset belongs. The recoverable amount is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying value, the carrying value is impaired and an impairment loss is recognised in the income statement. An impairment loss is reversed in a subsequent period if the reasons for the loss no longer apply.

##### **Financial instruments**

###### **Financial assets**

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

###### **Financial liabilities**

Basic financial liabilities, including trade creditors and other creditors and short term loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current creditors. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

## **COP HOLDINGS LIMITED**

### **Notes to the financial statements (continued)**

For the year ended 31 December 2015

#### **1. Accounting policies (continued)**

##### **Offsetting**

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts, when applicable, are shown within creditors in current liabilities.

##### **Taxation**

Current taxation, comprising UK corporation tax, is provided at amounts expected to be paid (or recovered) using tax rates and law that have been enacted or substantively enacted by the year end date.

##### **Foreign currency**

The company's functional and reporting currency is the pound sterling.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the year end date. All differences are taken to the income statement.

##### **Related party transactions**

The company has taken advantage of the exemption by paragraph 33.1A of FRS 102 on the grounds that it is a wholly owned subsidiary of a group headed by ConocoPhillips, whose financial statements are publicly available. The company discloses transactions with related parties which are not wholly owned with the same group.

#### **2. Critical judgements and estimates in applying the accounting policies**

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

*Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.*

The following are the critical judgements that the directors have made in the process of applying the company's accounting policies and that have the most significant effects on the amounts recognised in the financial statements:

##### **Impairment of non-financial assets**

The company assesses at each reporting date whether there is any indication that an asset might be impaired. Whenever changes in facts and circumstances indicate a possible significant deterioration in the future cash flows expected to be generated. Where there are indicators of impairment, the company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less cost to sell calculation is based on a post-tax discounted cash flow model incorporating an external market participants view of the asset less the incremental costs for disposing of the asset. The value in use calculation is based on a pre-tax discounted cash flow model which is based on cash flows derived from the company's corporate planning assumptions, excluding any significant future investments that will enhance the assets performance of the cash generating unit being tested. The recoverable amount is sensitive to the discount rate used in the model as well as the expected future cash flows which include a growth rate assumption.

## COP HOLDINGS LIMITED

### Notes to the financial statements (continued)

For the year ended 31 December 2015

#### 3. Operating loss

Operating loss is stated after crediting:

	2015 £'000	2014 £'000
Foreign exchange gain	<u>8</u>	<u>6</u>

#### 4. Information regarding directors' and employees

##### a. Directors' emoluments

No emoluments were paid to the directors for their qualifying services in respect of COP Holdings Limited in the current or preceding year. All directors' contracts of employment are held with another group company.

ConocoPhillips manages its operations at a divisional and geographical level. For this reason the company's directors believe that it is not practicable to apportion their remuneration between qualifying services for this company and other group companies in which they hold office.

##### b. Employees

The company had no employees in the current or preceding year. All contracts of employment are held with another group company.

#### 5. Auditors' remuneration

	2015 £'000	2014 £'000
Fees payable to the company's auditors for the audit of the company's annual accounts	<u>4</u>	<u>4</u>

Fees paid to the company's auditor, Ernst & Young LLP, for services other than the statutory audit of the company are not disclosed within this company's accounts as the consolidated accounts of the company's parent, ConocoPhillips Holdings Limited, are required to disclose non-audit fees on a consolidated basis.

The auditors' remuneration is borne by another group company.

#### 6. Interest receivable and similar income

	2015 £'000	2014 £'000
Bank interest	9	5
Interest received from group companies	<u>3,826</u>	<u>3,614</u>
	<u>3,835</u>	<u>3,619</u>

## COP HOLDINGS LIMITED

### Notes to the financial statements (continued)

For the year ended 31 December 2015

#### 7. Tax on profit on ordinary activities

	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
Current tax		
UK corporation tax at 20.25% (2014: 21.5%)	762	746
Group relief – current year	(745)	-
Adjustments in respect of prior periods (including group relief)	(746)	(949)
Total tax	<u>(729)</u>	<u>(203)</u>

The following table provides a reconciliation of the UK statutory corporation tax at the standard rate to the effective tax of the company on its profit before taxation. The differences are explained below:

Factors affecting total tax credit:

	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
Profit on ordinary activities before taxation	<u>3,781</u>	<u>73,490</u>

	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 20.25% (2014: 21.5%)	766	15,800
Adjustments in respect of previous periods	(524)	(614)
Group relief – prior year	(222)	(335)
Group relief – current year	(745)	-
Dividends received from subsidiary undertakings	(4)	(15,054)
Total tax credit	<u>(729)</u>	<u>(203)</u>

Income from shares in group undertakings of £nil million (2014: £70.0 million) is not subject to UK corporation tax, as the income represents dividends paid to the company by its subsidiary undertaking.

Legislation was enacted on 18 November 2015 to reduce the non ring fence corporation tax rate from 20% to 19% effective 1 April 2017 and to 18% effective 1 April 2020. Following the Budget 2016, on 16 March 2016, it is anticipated that the non ring fence corporation tax rate will be reduced to 17% effective 1 April 2020. These changes are expected to have no material impact.



## COP HOLDINGS LIMITED

### Notes to the financial statements (continued)

For the year ended 31 December 2015

#### 8. Dividends on equity shares

Amounts recognised as distributions to equity holders in the year:

	2015 £'000	2014 £'000
Interim dividend for the year ended 31 December 2015 of £nil (2014: £13.94) per ordinary share	-	70,000
	-	70,000

There are no proposed final dividends for the year ended 31 December 2015 (2014: £nil).

#### 9. Fixed asset investments

Cost	Subsidiary undertakings £'000
At 1 January 2015 and 31 December 2015	460,866

##### Particulars of principal subsidiary undertakings:

	Principal activities
ConocoPhillips (U.K.) Limited	Exploration, development, production & sale of crude oil, natural gas & natural gas liquids
ConocoPhillips (U.K.) Theta Limited (v)	Crude oil, natural gas & natural gas liquids production
ConocoPhillips (U.K.) Lambda Limited (ii)	Dormant
ConocoPhillips (U.K.) Alpha Limited (i)	Natural gas & natural gas liquids production
ConocoPhillips (U.K.) Beta Limited (iii)	Natural gas & natural gas liquids production
ConocoPhillips Developments Limited (i)	Natural gas & natural gas liquids production
ConocoPhillips Petroleum Limited (i)	Crude Oil, natural gas & natural gas liquids production
ConocoPhillips Treasury Limited (i)	Provision of treasury management services
Cliffe Storage Limited (i)	Dormant
ConocoPhillips Investments Limited (i)	Dormant
Conoco Limited (i)	Dormant
Continental Oil Company Limited (i)	Dormant
Glen Petroleum Limited (i)	Dormant
ConocoPhillips DC Plan Trustee Limited (i)	Dormant
ConocoPhillips (Glen) Limited (i)	Dormant
ConocoPhillips (U.K.) Sigma Limited (i)	Dormant
ConocoPhillips (U.K.) Delta Limited (i)	Exploration, development, production & sale of crude oil, natural gas & natural gas liquids
ConocoPhillips (U.K.) Zeta Limited (i)	Non-trading intermediate holding company
ConocoPhillips (U.K.) Eta Limited (iv)	Non-trading intermediate holding company
ConocoPhillips (U.K.) Psi Limited (v)	Non-trading
ConocoPhillips (U.K.) Chi Limited (v)	Dormant
ConocoPhillips (U.K.) Phi Limited (v)	Dormant

## COP HOLDINGS LIMITED

### Notes to the financial statements (continued)

For the year ended 31 December 2015

#### 9. Fixed asset investments (continued)

- (i) Held by ConocoPhillips (U.K.) Limited
- (ii) Held by ConocoPhillips (U.K.) Theta Limited
- (iii) Held by ConocoPhillips (U.K.) Alpha Limited
- (iv) Held by ConocoPhillips (U.K.) Zeta Limited
- (v) Held by ConocoPhillips (U.K.) Sigma Limited

The company holds 100% of the shares and voting rights in each of the above companies except where noted.

All shares held are Ordinary and all subsidiaries are registered in England and Wales, with the exception of ConocoPhillips (U.K.) Lambda Limited which is registered in Ireland. All subsidiaries operate principally in the United Kingdom.

On 14 February 2014 ConocoPhillips (U.K.) Sigma Limited incorporated a new subsidiary, ConocoPhillips (U.K.) Phi Limited. The initial investment consisted of 1 ordinary share of £1 each.

On 18 February 2014 ConocoPhillips (U.K.) Sigma Limited incorporated two new subsidiaries, ConocoPhillips (U.K.) Chi Limited, and ConocoPhillips (U.K.) Psi Limited. The initial investment, in each of the subsidiaries, consisted of 1 ordinary share of £1 each.

On 25 November 2014 the company increased its investment in its subsidiary undertaking, ConocoPhillips (U.K.) Limited. The additional investment comprised 18 ordinary shares of £0.05 each and 41,000 preference shares of £1.00 each, purchased from its fellow group company ConocoPhillips Petroleum Company U.K. Limited.

The company is exempt from preparing consolidated financial statements by virtue of section 400 of the Companies Act 2006, as the company is a wholly owned subsidiary of ConocoPhillips Holdings Limited, for which consolidated financial statements are prepared.

#### 10. Debtors

	2015		2014	
	Within one year £'000	After one year £'000	Within one year £'000	After one year £'000
Amounts owed by group companies	1,201	263,100	255,454	73,000
Other debtors	2	-	1	-
Corporation tax	483	-	354	-
	<u>1,686</u>	<u>263,100</u>	<u>255,809</u>	<u>73,000</u>

Amounts owed by group companies represents interest bearing loans of £263.1 million (2014: £328.4 million) which are now repayable between June 2018 and July 2020. The interest rates are variable and linked to LIBOR.

## COP HOLDINGS LIMITED

### Notes to the financial statements (continued)

For the year ended 31 December 2015

#### 11. Creditors

	2015 £'000	2014 £'000
Bank overdraft	-	64,132
Accruals and deferred income	-	-
Amounts owed to group companies	<u>190,100</u>	<u>190,114</u>
	<u>190,100</u>	<u>254,246</u>

Amounts owed to group companies of £190.1 million (2013: £190.1 million) represent an Interest Free Advance with no specified repayment terms.

#### 12. Called up share capital

Allotted, called up and fully paid	2015 £'000	2014 £'000
5,023 ordinary shares of £0.05 each	<u>251</u>	<u>251</u>

The company has a single class of ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital on either class of share.

#### 13. Related party transactions

During the year the company did not enter into any related party transactions with directors of the company.

The company is exempt from disclosing other related party transactions on the basis that the transactions are with other companies that are wholly owned within the ConocoPhillips group.

#### 14. Ultimate controlling party

ConocoPhillips, a company registered in Delaware, USA, which the directors regard as the company's ultimate parent undertaking with respect to the year to 31 December 2014, is the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member. Copies of the 2014 Annual Report may be obtained from 600 North Dairy Ashford, Houston, TX 77079, USA.

ConocoPhillips Holdings Limited, a company registered in England is the parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the company is a member. Copies of the financial statements may be obtained from Portman House, 2 Portman Street, London, W1H 6DU.

## **COP HOLDINGS LIMITED**

### **Notes to the financial statements (continued)**

For the year ended 31 December 2015

#### **15. Transition to FRS 102**

This is the first year that the company has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. The effect of the transition from UK GAAP to FRS 102 is immaterial, and no reconciliations of equity and total comprehensive income have been disclosed. The company has also early adopted the Amendments to FRS 102 (issued in July 2015).

#### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. COP Holdings Limited is a qualifying entity as its results are consolidated into the financial statements of ConocoPhillips which are publicly available.

As a qualifying entity, the company has taken advantage of the following exemptions:

- i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows of ConocoPhillips Holdings Limited, included in these financial statements, includes the company's cash flows;
- ii) from disclosing the financial instruments disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv); and
- iv) from disclosing the company key management personnel compensation in total, as required by FRS 102 paragraph 33.7.

The shareholders have been notified and have not objected to the use of the above exemptions by the company.