

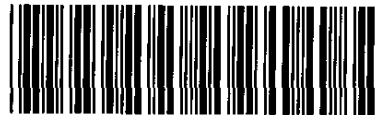
NP Offshore Holdings (UK) Limited

REGISTERED NO. 04993507

Annual Report and Unaudited Financial Statements

For the year ended 31 December 2018

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COMPANIES HOUSE

NP Offshore Holdings (UK) Limited

Directors

DIRECTORS

C J Airlie
P Mychalkiw

REGISTERED OFFICE

Riverbank House
2 Swan Lane
London
EC4R 3TT

Telephone: +44 (0)20 7469 2900
E-mail: info@cabot-energy.com

REGISTERED NO.

04993507

NP Offshore Holdings (UK) Limited

Strategic Report

STRATEGIC REVIEW

The Company's principal activity is the investment in, and to act as a holding Company for, oil and gas development and production opportunities. The Board has considered, and will continue to consider, production, exploration and downstream opportunities worldwide.

The Company has a 55.9% investment in a subsidiary company Northpet Investments Limited ("Northpet"), which held a 2.5% interest in an exploration licence offshore French Guiana.

The French Guiana drilling programme was completed in 2013 and the French Guiana offshore licence expired at the end of its term in 2016. The Directors of Northpet Investments Limited are considering ways to monetise the value of the exploration data owned by the Company, but it is uncertain how and when this might be achieved.

RISKS AND UNCERTAINTIES

Sources of risk and uncertainty include estimates relating to oil and gas reserves, future production rates, overall costs and oil and natural gas prices. In addition, the timing of regulatory approval, the general economic environment and the ability to finance future activities through the issuance of debt or equity are risks and uncertainties affecting the development of the Company. All these factors may impact the viability of future commercial production from developed and unproved properties, including major development projects.

PERFORMANCE REVIEW

The Company made a loss for the year of \$2,819 (2017: loss of \$14,682).

The Company tests fixed assets for impairment when there is an indication that assets might be impaired. Impairment losses of \$2,819 (2017: \$14,682) have been recognised against the investment in Northpet Investments Limited.

By order of the Board



P Mychalkiw
Director

27 September 2019

NP Offshore Holdings (UK) Limited

Directors' Report

The Directors present their report together with the Strategic Report and unaudited financial statements for the year ended 31 December 2018.

GOING CONCERN

Note 1 sets out the basis upon which the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. Note 1 also includes a statement regarding a material uncertainty over the ability of the Company's parent, Cabot Energy Plc, to provide future equity funding to the Company.

RESULTS AND DIVIDENDS

The Company incurred a loss for the year of \$2,819 (2017: loss of \$14,682).

The Directors do not recommend payment of a dividend (2017: \$Nil).

DIRECTORS

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

K R Bush (resigned 1 August 2018)
N T Morgan (resigned 1 August 2018)

The following Directors were appointed during the year:

C J Airlie (appointed 11 July 2018)
P Mychalkiw (appointed 11 July 2018)

DIRECTORS' INDEMNITY PROVISIONS

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

INDEPENDENT AUDITORS

For the financial year ending 31 December 2018, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies, and the Company being eligible, has not reappointed an auditor.

OTHER INFORMATION

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2.

FINANCIAL RISK MANAGEMENT

The Company's policies are to fund its activities from cash resources derived from shareholder subscriptions to the ultimate parent, to minimise its exposure to risks derived from financial instruments, not use complex financial instruments and to ensure that its cash resources are available to meet anticipated business needs. At the year end, the Company had minimal foreign exchange risk as its group payables were denominated in US Dollars.

By order of the Board

P Mychalkiw
Director



27 September 2019

REGISTERED OFFICE
Riverbank House
2 Swan Lane
London
EC4R 3TT

NP Offshore Holdings (UK) Limited

Statement of Directors' Responsibilities

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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 financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

NP Offshore Holdings (UK) Limited

Statement of Profit or Loss and Other Comprehensive Income or Loss

for the year ended 31 December 2018

		Year ended 31 December 2018 \$	Year ended 31 December 2017 \$
	Notes		
Administrative expenses		-	-
Loss from operations	2	-	-
Provisions against investments	6	(2,819)	(14,682)
Loss before tax		(2,819)	(14,682)
Tax on loss on ordinary activities	5	-	-
Loss for the year		(2,819)	(14,682)
Other comprehensive income:		-	-
Total comprehensive loss for the year		(2,819)	(14,682)

All amounts relate to continuing activities

The notes on pages 8 to 12 form part of these financial statements

NP Offshore Holdings (UK) Limited

Statement of Financial Position

at 31 December 2018

	Notes	2018 \$	2017 \$
Assets			
Fixed assets			
Investments	6	3	3
		3	3
Current assets			
Debtors	7	1,007	3,826
		1,007	3,826
Total assets		1,010	3,829
Liabilities			
Current liabilities			
Creditors	8	(2,500)	(2,500)
Total liabilities		(2,500)	(2,500)
Net (liabilities) / assets		(1,490)	1,329
Capital and reserves			
Called up share capital	9	1,054,652	1,054,652
Share premium account		18,858,709	18,858,709
Retained deficit		(19,914,851)	(19,912,032)
Shareholders' (deficit) / funds		(1,490)	1,329


The notes on pages 8 to 12 form part of these financial statements.

For the financial year ending 31 December 2018, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the Board of Directors and authorised for issue on 27 September 2019 and were signed on its behalf by:


P Mychalkiw
 Director

Company registration no: 04993507

NP Offshore Holdings (UK) Limited

Statement of Changes in Equity

at 31 December 2018

	Share capital \$	Share premium \$	Retained deficit \$	Total equity \$
At 1 January 2017	1,050,652	18,782,709	(19,897,350)	(63,989)
Total comprehensive loss for the year	-	-	(14,682)	(14,682)
<i>Contributions by and distributions to owners of the Company</i>				
Issue of shares during the year (Note 9)	4,000	76,000	-	80,000
Total contributions by and distributions to owners of the Company	4,000	76,000	-	80,000
At 1 January 2018	1,054,652	18,858,709	(19,912,032)	1,329
Total comprehensive loss for the year	-	-	(2,819)	(2,819)
At 31 December 2018	1,054,652	18,858,709	(19,914,851)	(1,490)

The notes on pages 8 to 12 form part of these financial statements.

NP Offshore Holdings (UK) Limited

Notes to the Accounts

at 31 December 2018

1. ACCOUNTING POLICIES

NP Offshore Holdings (UK) Limited is a private company limited by shares, incorporated and domiciled in the United Kingdom, and registered in England and Wales subject to the Companies Act 2006.

Accounting convention

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) as issued by the Financial Reporting Council and in accordance with applicable accounting standards and on a historical cost basis. The amendments to FRS 101 (2016/17 Cycle) issued in July 2017 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards ("IFRS") as adopted by the EU, but makes amendments where necessary to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Cabot Energy Plc ("Cabot") (formerly Northern Petroleum Plc) includes the Company in its consolidated financial statements. The consolidated financial statements of Cabot Energy Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 93-95 Gloucester Place, London W1U 6JQ.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes,
- Comparative period reconciliations for share capital and intangible assets
- The effects of new but not yet effective IFRSs
- Disclosures in respect of transactions with wholly owned subsidiaries

As the consolidated financial statements of Cabot Energy Plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures

Basis of preparation

The Company's exploration, development and production activities are generally conducted jointly with other companies. Since these arrangements do not constitute entities in their own right, the financial statements reflect the relevant proportion of costs, income, assets and liabilities applicable to the Company's interests.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent. These financial statements therefore present information about the Company as an individual undertaking and not about its Group. Under FRS 101 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent includes the Company in its own published consolidated accounts.

Going concern

The Company's ability to continue as a going concern is inherently entwined with the circumstances of its immediate parent company, Cabot. In particular, the Company does not generate any revenue and in order to meet its obligations as they fall due, and to continue as a going concern, generally the Company is reliant on new equity funding from Cabot as and when cash is required.

In regard to the ability of Cabot to provide such funding and regarding Cabot's ability to continue as a going concern generally the Directors have considered the immediate parent company's most recent annual report and financial statement. The directors note that the immediate parent company's most recent interim accounts for the six months ended 30 June 2019 were prepared on a going concern basis. Cabot's interim accounts noted that the company's board of directors have reviewed the Cabot group's cash flow forecasts for the period to 31 December 2019 and, whilst there is positive forecast operating cash flows from its Canada producing assets, the Cabot group will require additional external equity funding by the end of October 2019 in order to settle its creditors, fund its corporate costs and deliver Canada production growth. Whilst the Company has been successful in raising equity funding in the past and the directors are optimistic that Cabot will raise additional equity funding, only a proportion of the required new equity funding has been committed to date and it is not wholly within the Cabot group's control. As such, this represents a material uncertainty which casts a significant doubt upon the Cabot group's continued ability to operate as a going concern and it may be unable to realise its assets and discharge its liabilities in the normal course of business.

NP Offshore Holdings (UK) Limited

Notes to the Accounts

at 31 December 2018

1. ACCOUNTING POLICIES (continued)

Going Concern (continued)

These conditions constitute a material uncertainty that may cast significant doubt Cabot's ability to continue providing funding to the Company and therefore the Company's ability to continue as a going concern such that it may be unable to discharge its liabilities in the normal course of business.

Nevertheless, after making relevant enquiries and considering the uncertainties described above, the Directors believe Cabot will be able to continue providing funding to the Company and therefore have adopted the going concern basis of accounting in preparing these financial statements. These financial statements do not include any adjustments that might be required if they were to be prepared on a basis other than that of a going concern.

Investments

Fixed asset investments are included in the balance sheet at cost, less any amounts written off. Fixed asset investments are reviewed for indicators of impairment on at least an annual basis. Where the Company's ownership percentage of the net asset value of the investee company falls below the carrying value of the fixed asset investment on the balance sheet, the fixed asset investment is generally impaired and a provision made against the carrying value to reflect the net asset value of the investee.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange 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 balance sheet date and all differences are included in the profit and loss account.

Taxation

Current tax, including UK corporation tax and foreign 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 taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the exception that deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The resulting accounting estimates may, by definition, differ from the related actual results.

Details of the Company's significant accounting judgments and critical accounting estimates are set out in these financial statements and include:

Judgements

Carrying value of fixed asset investments (Note 6)

Valuation of petroleum and natural gas properties: judgements regarding timing of regulatory approval, the general economic environment and the ability to finance future activities through the issuance of debt or equity has an impact on impairment analysis of intangible exploration and evaluation assets, and hence on their carrying values. All these factors may impact the viability of the Company's exploration portfolio and therefore there may be a need to recognise an impairment. The timing of an impairment review and the judgement of when there could be a significant change affecting the carrying value of intangible exploration assets is a critical accounting judgement in itself.

The valuation of petroleum and natural gas properties described above underpins the reported value of fixed asset investments, which are subject to the same judgements

Estimates

Carrying value of fixed asset investments (Note 6)

Consideration of future cash flows used to assess impairment (see judgements above), includes estimates relating to oil and gas reserves, future production rates, overall costs, discount rates, and oil and natural gas prices.

NP Offshore Holdings (UK) Limited

Notes to the Accounts

at 31 December 2018

2. OPERATING LOSS

An audit of these statutory financial statements was not required for 2018 and 2017.

3. STAFF COSTS

The Company had no employees during the current or previous year other than its directors.

4. DIRECTORS' REMUNERATION

The Directors received no remuneration in respect of their services to this Company during the year (2017: \$Nil).

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	Year ended 31 December 2018 \$	Year ended 31 December 2017 \$
Total tax charge	-	-

a) Factors affecting tax charge

The tax on loss before tax differs from the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The difference is explained below:

	Year ended 31 December 2018 \$	Year ended 31 December 2017 \$
Loss on ordinary activities before taxation	(2,819)	(14,682)
Tax credit on loss before tax @ 19% (2017: 19.25%)	543	2,826
Effects of:		
Expenses not deductible for corporation tax	(543)	(2,826)
Current tax losses not recognised	-	-
Tax charge for the year	-	-

No UK corporation tax is payable for the year ended 31 December 2018 (2017: \$Nil).

b) Factors that may affect future tax charges

The Company has pre-trading expenses arising in the UK of approximately \$28,833 (2017: \$28,833) that are available indefinitely for offset against future taxable trading profits on the commencement of trade. Deferred tax assets have not been recognised in respect of losses in so far as they exceed deferred tax liabilities, as it is considered uncertain that there will be suitable future taxable profits to utilise such losses. The approximate value of the unrecognised deferred tax asset for the Company is \$4,902 (2017: \$4,902).

Corporate tax amendments:

The UK corporation tax rate reduced from 20% to 19% from 1 April 2017. Another reduction in UK corporate tax to 17% effective from 1 April 2020 was substantially enacted on 6 September 2016.

NP Offshore Holdings (UK) Limited

Notes to the Accounts

at 31 December 2018

6. FIXED ASSET INVESTMENTS

	Northern Petroleum Limited	Northpet Investments Limited	Total Investments
	\$	\$	\$
Cost:			
At 1 January 2018	3	19,185,423	19,185,426
Additions	-	2,819	2,819
At 31 December 2018	3	19,188,242	19,188,245
Provisions:			
At 1 January 2018	-	19,185,423	19,185,423
Impairment losses	-	2,819	2,819
At 31 December 2018	-	19,188,242	19,188,242
Net book value:			
At 31 December 2018	3	-	3
At 31 December 2017	3	-	3

Included in investments are the Company's interests at the year-end in the following subsidiary undertakings.

	Country of incorporation/ registration	Principal activity	Principal country of operation	Description and proportion of shares held
Northpet Investments Limited	England & Wales ⁽¹⁾	Oil and gas exploration	French Guiana	Ordinary shares of £1 – 55.9%
Northern Petroleum Limited (formerly Cabot Energy Limited)	England & Wales ⁽¹⁾	Oil and gas exploration	UK	Ordinary shares of £1 – 100%

⁽¹⁾ Riverbank House, 2 Swan Lane, London EC4R 3TT

The Company has accounted for its investments in subsidiaries at cost, less any amounts written off.

During the year the Company subscribed for an additional 20 shares in Northpet Investments at a price of \$140.94 each.

The Company tests fixed asset investments for impairment when there is an indication that investments might be impaired. An impairment loss of \$2,819 (2017: \$14,682) has been recognised against the Company's investment in Northpet Investments Limited. The French Guiana exploration permit expired in 2016, and the Directors are currently considering options for monetising the value of the data owned by Northpet.

7. DEBTORS

	2018	2017
	\$	\$
Amounts owed by parent undertaking	1,007	3,826

8. CREDITORS: amounts falling due within one year

	2018	2017
	\$	\$
Accruals and deferred income	2,500	2,500

NP Offshore Holdings (UK) Limited

Notes to the Accounts

at 31 December 2018

9. SHARE CAPITAL

	2018 \$	2017 \$
Allotted, called up and fully paid:		
715,500 (2017: 715,500) ordinary shares of £1 each	1,054,652	1,054,652

10. ULTIMATE PARENT UNDERTAKING

At the start of 2018, the Company's immediate parent undertaking was Cabot Energy Plc. The Company is included in the consolidated financial statements of Cabot Energy Plc, copies of which are available following publication by application to the Company Secretary at 93-95 Gloucester Place, London W1U 6JQ.

On 5 January 2018, High Power Petroleum LLC ("H2P"), Cabot Energy Plc's largest shareholder, subscribed to additional shares of Cabot, and subsequently became the parent company of Cabot. H2P is itself part of the I-Pulse Inc. ("I-Pulse") group and as such, the ultimate parent company of NP Offshore Holdings (UK) Limited is now I-Pulse Inc. Details of I-Pulse Inc. are available from the I-Pulse website www.i-pulse-group.com.