

Registration number: 2586435

# Apache UK Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

## **Apache UK Limited**

### **Contents**

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 7
Statement of Profit or Loss	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 to 16

**Apache UK Limited**

**Company Information**

<b>Directors</b>	J W Sauer S Greig K H Neupert T R Custer R Littlewood
<b>Company secretary</b>	Cargil Management Services Limited
<b>Registered office</b>	27/28 Eastcastle Street London W1W 8DH
<b>Auditors</b>	Ernst & Young LLP 4th Floor 2 Marischal Square Broad Street Aberdeen AB10 1BL

## Apache UK Limited

### Strategic Report for the Year Ended 31 December 2020

The directors present their report for the year ended 31 December 2020.

#### **Fair review of the business**

The company made a profit for the year of A\$392 (2019 - A\$1,372). The company did not pay nor did it receive dividends during the twelve month period ending 31 December 2020 (2019 - nil).

#### **Key performance indicators**

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

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

As it is the directors' intention that the company will be dissolved in 2021, the principal risk of the company is that it may not have the ability to pay funds when due. However, should any liabilities arise, another group company will make available such funds as are needed by the company.

Approved by the Board on 9 June 2021 and signed on its behalf by:



J W Sauer  
Director

## Apache UK Limited

### Directors' Report for the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

#### Directors' of the company

The directors who were appointed to, resigned from, or served in office during the year were as follows:

J W Sauer

J A Graham (resigned 1 April 2020)

S Greig (appointed 1 April 2020)

K H Neupert (appointed 1 April 2020)

R J J Chelte (appointed 1 April 2020 and resigned 17 May 2021)

T R Custer (appointed 1 April 2020)

The following director was appointed after the year end:

R Littlewood (appointed 17 May 2021)

#### Going concern

Towards the end of the financial year the directors of the company announced their intention to cease operations and liquidate the company by the end of 2021. The business will continue to operate whilst preparations are made to transfer net assets of the company to another group company in an orderly fashion. Apache Corporation, the company's parent, has agreed to support the company throughout this period to ensure that all external creditors are paid.

In these circumstances it is not appropriate to prepare the financial statements on a going concern basis. As the company would continue its operations for a period of time to realise its assets in an orderly fashion, the directors have determined that the accounting policies applied to individual items should be consistent with those adopted in the prior year.

#### Disclosure of information to the auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

#### Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 9 June 2021 and signed on its behalf by:



J W Sauer  
Director

## **Apache UK Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 they consider that to be inappropriate.

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.

## Apache UK Limited

### Independent Auditor's Report to the Members of Apache UK Limited

#### Opinion

We have audited the financial statements of Apache UK Limited (the 'company') for the year ended 31 December 2020, which comprise the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and the related notes 1 to 9, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter - financial statements prepared on the break-up basis

We draw attention to Note 2 to the financial statements which explains that the directors intend to transfer the trade and assets of the company to another group company and dissolve the company and therefore do not consider it to be appropriate to adopt a going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on the break-up basis as described in Note 2. Our opinion is not modified in respect of this matter.

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Apache UK Limited

### Independent Auditor's Report to the Members of Apache UK Limited (continued)

#### Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

#### Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## Apache UK Limited

### Independent Auditor's Report to the Members of Apache UK Limited (continued)

#### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006).
- We understood how the company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved incorporating unpredictability into our testing of manual journals. We tested specific transactions back to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

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

*Ernst & Young LLP*

.....  
Gemma Noble (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
Aberdeen

10 June 2021

## Apache UK Limited

### Statement of Profit or Loss for the Year Ended 31 December 2020

	Note	2020 AS 000	2019 AS 000
Operating result	4	-	-
Finance income	5	<u>1</u>	<u>1</u>
Profit before tax		<u>1</u>	<u>1</u>
Profit for the year		<u>1</u>	<u>1</u>

The above results were derived from continuing operations.

**Apache UK Limited**

**Statement of Comprehensive Income for the Year Ended 31 December 2020**

	<b>2020</b>	<b>2019</b>
	<b>AS 000</b>	<b>AS 000</b>
Profit for the year	<u>1</u>	<u>1</u>
Total comprehensive income for the year	<u>1</u>	<u>1</u>

**Apache UK Limited**

**(Registration number: 2586435)**

**Statement of Financial Position as at 31 December 2020**

	Note	2020 AS 000	2019 AS 000
<b>Current assets</b>			
Due from related party		<u>80</u>	<u>79</u>
<b>Net assets</b>		<u>80</u>	<u>79</u>
<b>Capital and reserves</b>			
Retained earnings		<u>80</u>	<u>79</u>
Total shareholders' funds		<u>80</u>	<u>79</u>

Approved by the Board on 9 June 2021 and signed on its behalf by:



J W Sauer  
Director

**Apache UK Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2020**

	<b>Retained earnings</b>	<b>Total</b>
	<b>AS 000</b>	<b>AS 000</b>
At 1 January 2020	79	79
Profit for the year	1	1
Total comprehensive income	1	1
At 31 December 2020	80	80
	<b>Retained earnings</b>	<b>Total</b>
	<b>AS 000</b>	<b>AS 000</b>
At 1 January 2019	78	78
Profit for the year	1	1
Total comprehensive income	1	1
At 31 December 2019	79	79

The notes on pages 12 to 16 form an integral part of these financial statements.

## Apache UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 1 General information

The company is a private company limited by share capital, incorporated and domiciled in the United Kingdom. These financial statements were authorised for issue by the Board on 9 June 2021.

#### 2 Accounting policies

##### Summary of significant accounting policies and key accounting estimates

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

##### Basis of preparation

The financial statements of the company have been prepared in accordance with United Kingdom Accounting Standards – in particular Financial Reporting Standard (“FRS”) 101 and the Companies Act 2006 (“the Act”). FRS 101 sets out a reduced disclosure framework for a “qualifying entity”, as defined in the Standards, which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards (“IFRS”).

The company is a qualifying entity for the purposes of FRS 101. Note 8 gives details of the company’s ultimate parent and from where consolidated financial statements within which the company is included may be obtained.

The accounts have been prepared in Australian dollars as the directors consider this to be the company’s functional currency.

The rate of exchange used for 31 December 2020 is A\$:GBP 0.5635 (2019 – A\$:GBP 0.5284).

##### Summary of disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of: (i) paragraph 79 (a) (iv);
- (b) the requirement of paragraphs 10(d), 10(f), 16, 38A, 38B-38D, 111 and 134-136 of IAS 1;
- (c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- (d) the requirements of IAS 7 Statement of Cash Flows;
- (e) the requirement of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- (f) the requirement in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (g) the requirement of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- (h) the requirements of IFRS 7 Financial Instruments: Disclosures

The notes on pages 12 to 16 form an integral part of these financial statements.

## Apache UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 2 Accounting policies (continued)

##### Going concern

The company's business activities, together with the factors likely to affect its future development and performance, are set out in the Strategic Report. Towards the end of the financial year the directors of the company announced their intention to cease operations and liquidate the company by the end of 2021. The business will continue to operate whilst preparations are made to transfer net assets of the company to another group company in an orderly fashion. Apache Corporation, the company's parent, has agreed to support the company throughout this period to ensure that all external creditors are paid.

In these circumstances it is not appropriate to prepare the financial statements on a going concern basis. As the company would continue its operations for a period of time to realise its assets in an orderly fashion, the directors have determined that the accounting policies applied to individual items should be consistent with those adopted in the prior year.

##### Basis of consolidation

As a wholly owned subsidiary of Apache Corporation, the company has taken exemption from the requirement to prepare consolidated financial statements in accordance with Companies Act 2006 section 401.

##### Finance income

Intercompany interest income is recognised on the basis of the effective interest method and is included in the Statement of Profit or Loss.

##### Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

##### Tax

Tax is recognised in the Statement of Profit or Loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### Receivables

Receivables are recognised initially at the transaction price. A provision for the impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The accounting policy on Financial Instruments contains details of impairment of receivables.

The notes on pages 12 to 16 form an integral part of these financial statements.

## Apache UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 2 Accounting policies (continued)

##### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### Financial instruments

###### Initial recognition

The company recognises financial assets in the Statement of Financial Position when, and only when, the company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. After initial recognition, financial assets are measured at amortised cost, fair value through Other Comprehensive Income or fair value through the Statement of Profit or Loss.

###### Classification

The company's financial assets consist of a loan and balances receivable from another group company.

###### Derecognition

###### *Financial assets*

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or the company transfers these rights or the company does not retain control of the financial asset.

###### Impairment of financial assets

###### *Measurement of Expected Credit Losses*

Impairment is based on an expected credit loss model. Under the expected credit loss model an allowance for losses is calculated based on a 12-month expected credit loss or a lifetime expected credit loss. The company has chosen to make allowance for expected losses on a lifetime basis.

For the current accounting period the financial assets are not impaired.

#### 3 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future however the actual results may differ from those estimates.

The key source of estimation for the company relates to the receivable due from another group company and if any expected credit losses should be recognised.

The notes on pages 12 to 16 form an integral part of these financial statements.



## Apache UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 4 Operating profit

Audit remuneration fees are borne by an Apache group undertaking.

None of the directors received any fees or remuneration for services as directors of the company during the financial year. All directors' contracts of employment are held with another group company. The directors also hold office in other group undertakings. Emoluments paid to directors by other group companies are disclosed within their financial statements.

The company has no employees.

#### 5 Finance income

	2020 AS 000	2019 AS 000
Other finance income	<u>1</u>	<u>1</u>

#### 6 Income tax

Tax charged/(credited) in the statement of profit or loss is nil.

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 AS 000	2019 AS 000
Profit before tax	<u>1</u>	<u>1</u>
Corporation tax at standard rate	<u>-</u>	<u>-</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

#### 7 Share capital

##### Allotted, called up and fully paid shares

	31 December 2020		31 December 2019	
	No.	AS	No.	AS
Ordinary shares of \$1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The notes on pages 12 to 16 form an integral part of these financial statements.

## **Apache UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **8 Parent and ultimate parent undertaking during the financial reporting period**

The company's immediate parent is Apache Corporation.

The ultimate parent is Apache Corporation.

The name of the parent of the group in whose consolidated financial statements the Company's financial statements are consolidated is Apache Corporation.

The most senior parent entity producing publicly available financial statements is Apache Corporation. These financial statements are available upon request from One Post Oak Central, 2000 Post Oak Boulevard, Suite 100, Houston, Texas - 77056-4400, USA

The ultimate controlling party is Apache Corporation.

#### **9 Non adjusting events after the financial period**

On January 4, 2021, Apache Corporation announced that its Board of Directors authorized the Company to proceed with the implementation of a holding company reorganization, in connection with which, Apache will create APA Corporation, a new holding company (APA). Upon completion of the holding company reorganization, Apache Corporation will be a wholly-owned subsidiary of APA. The holding company reorganization was completed during the first quarter of 2021.