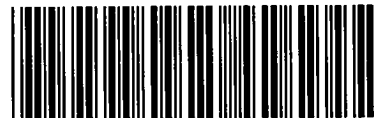


AMEC FOSTER WHEELER (HOLDINGS) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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AMEC FOSTER WHEELER (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	WG Setter AS McLean (appointed 9 December 2019)
Company secretary	IA Jones
Registered number	00163609
Registered office	Booths Park Chelford Road Knutsford Cheshire WA16 8QZ
Independent auditors	KPMG LLP 37 Albyn Place Aberdeen AB10 1JB

AMEC FOSTER WHEELER (HOLDINGS) LIMITED

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AMEC FOSTER WHEELER (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

The Directors are responsible 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 judgments and accounting 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

Principal activity

The Company's principal activity is to act as a holding company. The Company has unsettled obligations in respect of asbestos claims which, with the exception of public liability claims, are considered recoverable under the Company's insurance arrangements. The details are disclosed in notes 10, 12 and 14 to these financial statements.

Results and dividends

The profit for the year, after taxation, amounted to £2,120,000 (2017 - £404,000). During the year the Company received dividends of £6,950,000 (2017: £2,029,000) from its fixed asset investments.

The Directors do not recommend the payment of a dividend (2017: £nil).

Directors

The Directors who served during the year were:

WG Setter
CA Chatfield (resigned 9 December 2019)

AS McLean was appointed as a director on 9 December 2019.

AMEC FOSTER WHEELER (HOLDINGS) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Going concern

The Company continues to trade profitably and has net current assets of £4,115,000, including cash of £6,416,000. The Company's forecasts and projections suggest that the Company has adequate resources to meet its obligations as they fall due. The directors therefore believe that it remains appropriate for the financial statements to be prepared on a going concern basis.

Future developments

The Company is expected to remain as a holding company.

Matters covered in the strategic report

The Company is entitled to the small companies' exemption from the requirement to prepare a strategic report.

Qualifying third party indemnity provisions

The Company maintains Directors' and Officers' liability insurance cover. In addition, throughout the financial year and at the date of this report, qualifying third party indemnity provisions within the meaning of Sections 232-234 of the Companies Act 2006 were in place for all of the directors.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed 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 the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

During the year KPMG LLP replaced EY LLP following a tender. Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor 28 days after the circulation of these financial statements to the Company's shareholders or 28 days after the latest date allowed for sending out copies of these financial statements, whichever is earlier.

This report was approved by the board and signed on its behalf by.



IA Jones
Secretary

Date: 12 December 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMEC FOSTER WHEELER (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Amec Foster Wheeler (Holdings) Limited for the year ended 31 December 2018 which comprise the Income Statement, the Balance Sheet, the Statements of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the Directors, such as impairment of fixed asset investments and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMEC FOSTER WHEELER (HOLDINGS) LIMITED

Directors' Report

The Directors are responsible for the Directors' Report. Our opinion on the financial statements does not cover this report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' Report;
- in our opinion the information given in this report for the financial year is consistent with the financial statements; and
- in our opinion this report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors are not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 1, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

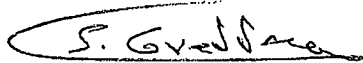
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMEC FOSTER WHEELER (HOLDINGS)
LIMITED**

The purpose of our audit work and to whom we owe our responsibilities

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.



Slim Gueddana (Senior statutory auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
37 Albyn Place
Aberdeen
AB10 1JB
16 December 2019

AMEC FOSTER WHEELER (HOLDINGS) LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £000	2017 £000
Administrative expenses		-	(2)
Other operating income		71	-
Operating profit/(loss)	3	71	(2)
Impairment of investments in subsidiaries and joint ventures	9	(3,096)	-
Income from other fixed asset investments	9	6,950	2,209
Interest receivable and similar income	6	432	331
Interest payable and similar expenses	7	(2,239)	(2,134)
Profit before tax		2,118	404
Tax on profit	8	2	-
Profit for the financial year		2,120	404

All amounts relate to continuing operations.

There is no other comprehensive income in either 2018 or 2017.

AMEC FOSTER WHEELER (HOLDINGS) LIMITED
REGISTERED NUMBER:00163609

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Non-current assets			
Long-term receivables	10	16,709	16,946
Investments	9	91,337	94,433
		<u>108,046</u>	<u>111,379</u>
Current assets			
Debtors	10	1,676	1,844
Cash at bank and in hand	11	6,416	1,379
		<u>8,092</u>	<u>3,223</u>
Creditors: amounts falling due within one year	12	(3,977)	(3,254)
Net current assets/(liabilities)		<u>4,115</u>	<u>(31)</u>
Total assets less current liabilities		<u>112,161</u>	<u>111,348</u>
Creditors: amounts falling due after more than one year	13	(47,398)	(48,843)
		<u>64,763</u>	<u>62,505</u>
Provisions for liabilities			
Other provisions for liabilities	14	(16,939)	(16,801)
		<u>(16,939)</u>	<u>(16,801)</u>
Net assets		<u><u>47,824</u></u>	<u><u>45,704</u></u>
Capital and reserves			
Called up share capital	15	1,000	1,000
Retained earnings		46,824	44,704
		<u>47,824</u>	<u>45,704</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

12 December 2019



WG Setter
Director

AMEC FOSTER WHEELER (HOLDINGS) LIMITED

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

	Called up share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 January 2018	1,000	44,704	45,704
Comprehensive income for the year			
Profit for the year	-	2,120	2,120
At 31 December 2018	1,000	46,824	47,824

AMEC FOSTER WHEELER (HOLDINGS) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 January 2017	1,000	44,300	45,300
Comprehensive income for the year			
Profit for the year	-	404	404
At 31 December 2017	<u>1,000</u>	<u>44,704</u>	<u>45,704</u>

The notes on pages 10 to 20 form part of these financial statements.

AMEC FOSTER WHEELER (HOLDINGS) LIMITED

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

1. Accounting policies

1.1 Basis of preparation of financial statements

Amec Foster Wheeler (Holdings) Limited is a private company, limited by shares and is incorporated and domiciled in the United Kingdom.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The results of the Company are included in the consolidated accounts of John Wood Group PLC which are available from 15 Justice Mill Lane, Aberdeen, AB11 6EQ.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

As set out in note 1.11 in the year the Company has adopted IFRS 9: Financial instruments.

1.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures 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
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

1.3 Going concern

The Company continues to trade profitably and has net current assets of £4,115,000, including cash of £6,416,000. The Company's forecasts and projections suggest that the Company has adequate resources to meet its obligations as they fall due. The directors therefore believe that it remains appropriate for the financial statements to be prepared on a going concern basis.

1.4 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

AMEC FOSTER WHEELER (HOLDINGS) LIMITED

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

1. Accounting policies (continued)

1.5 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.6 Current and deferred taxation

Income tax expense comprises the sum of the current tax charge and the movement in deferred tax.

Current tax payable or recoverable is based on taxable profit for the year using tax rates and laws that have been enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or deductible.

Tax is recognised in the Income Statement except to the extent that it relates to items recognised in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity as appropriate.

A current tax 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 that obligation and a reliable estimate can be made of the amount of the obligation. The provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account risks and uncertainties surrounding the obligation. Separate provisions for interest and penalties are also recorded if appropriate. Movements in interest and penalty amounts in respect of tax provisions are not included in the tax charge, but are disclosed within profit/(loss) before income tax.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities in the accounts and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted to apply when the deferred tax asset is realised or the liability is settled.

1.7 Valuation of investments

Investments in subsidiary undertakings, joint ventures and other fixed asset investments are stated at cost less any provision for impairment.

1.8 Dividend income

Dividend income is recognised when the right to receive payment is established.

1.9 Group financial statements

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

AMEC FOSTER WHEELER (HOLDINGS) LIMITED

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

1. Accounting policies (continued)

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.11 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets, other than cash and cash equivalents, as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to group undertakings, but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company has adopted IFRS 9: Financial Instruments (IFRS 9) with a date of initial application of 1 January 2018 using the cumulative effect method, by recognising the cumulative effect by initially applying IFRS 9 as an adjustment to the opening balance of equity at 1 January 2018. On transition to IFRS 9, comparative periods have not been restated and no restatement of the opening balance sheet at 1 January 2018 has been required as the impact is not material.

Under IFRS 9, for trade and other receivables and other non-current assets, the Company applies a simplified approach in calculating Estimated Credit losses (ECLs) which uses a lifetime expected loss allowance.

To measure the ECL, receivables have been grouped based on shared risk characteristics and the days past due. The Company makes an estimate of the recoverable value of trade and other receivables. When assessing the impairment of trade and other receivables, management considers factors including the credit rating of the receivable, maturity date, the ageing profile and historical experience.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

AMEC FOSTER WHEELER (HOLDINGS) LIMITED

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

1. Accounting policies (continued)

1.12 Provisions for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The Company has received asbestos-related claims in connection with work performed during a period which ended in the late 1980s and expects to receive additional such claims in the future. The liability recognised by the Company includes estimates of indemnity amounts and defence costs expected to be incurred in each year in the period to 2050, beyond which time management expects that there will no longer be a significant number of claims. The resulting cash flows are discounted using a nominal annual discount rate of 2.2% (2017: 2.2%) and the net present value is recorded as a provision. The cost of these claims, with the exception of public liability claims, is covered under the Company's insurance, and therefore, amounts which are recoverable are recorded in other debtors.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The Directors believe the most significant areas of judgement and estimation arise from:

Impairment of investments in subsidiaries

Investments in subsidiaries are considered to be impaired if their recoverable amount is less than the carrying value. Where recoverable amount is based on value in use, this is estimated on a discounted future cash flow basis. The value in use calculations require the entity to estimate future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values.

Asbestos provisions and insurance recoveries

Accounting for provisions for asbestos and the associated insurance recoveries requires estimations that may result in significant changes in the current estimates. Among these uncertainties are the ultimate number and type of claims filed, the amount of claim costs, the impact of bankruptcies of other companies with asbestos claims, uncertainties surrounding the litigation process from jurisdiction to jurisdiction and from case to case, as well as potential legislative changes.

Fluctuations in market interest rates could cause significant changes in the discounted amount of the asbestos-related liabilities and insurance recoveries.

3. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2018 £000	2017 £000
Exchange differences	36	-

AMEC FOSTER WHEELER (HOLDINGS) LIMITED

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

4. Directors' remuneration

None of the Directors received any remuneration in respect of their services to the Company during the current or preceding financial year. No Directors (2017: no Directors) received remuneration for their services to the Company's subsidiaries. This remuneration is reported in the table above.

5. Auditors' remuneration

Auditors' remuneration for the audit of the financial statements of £6,308 (2017: £16,000) was borne by another group company.

6. Interest receivable and similar income

	2018 £000	2017 £000
Interest receivable from group companies	60	54
Bank interest receivable	18	-
Foreign exchange gains	-	2
Unwinding of discount relating to asbestos receivable	354	275
	<u>432</u>	<u>331</u>

7. Interest payable and similar expenses

	2018 £000	2017 £000
Other interest payable	-	82
Interest payable to group undertakings	1,855	1,744
Unwinding of discount relating to asbestos liability (note 14)	384	308
	<u>2,239</u>	<u>2,134</u>

8. Taxation

	2018 £000	2017 £000
Current tax		
Current tax on profits for the year	(2)	-
Total current tax	<u>(2)</u>	<u>-</u>

AMEC FOSTER WHEELER (HOLDINGS) LIMITED

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

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	<u>2,118</u>	<u>404</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	402	78
Effects of:		
Expenses not deductible for tax purposes	610	22
Adjustments to tax charge in respect of prior periods	(2)	-
Non-taxable income	(1,321)	(425)
Group relief for nil consideration	309	325
Total tax credit for the year	<u>(2)</u>	<u>-</u>

There is an unrecognised deferred tax asset of £630,000 (2017: £640,000).

Factors that may affect future tax charges

As at 31 December 2018, the reduction in the rate of corporation tax to 17% had been enacted. The reduction in the rate of corporation tax to 17% is forecast not to have a significant impact on future tax charges to the Income Statement.

AMEC FOSTER WHEELER (HOLDINGS) LIMITED

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

9. Fixed asset investments

	Investments in subsidiary companies £000	Other fixed asset investments £000	Investment in joint ventures £000	Total £000
Cost				
At 1 January 2018	222,196	1,494	17	223,707
At 31 December 2018	222,196	1,494	17	223,707
Impairment				
At 1 January 2018	128,690	584	-	129,274
Charge for the period	3,079	-	17	3,096
At 31 December 2018	131,769	584	17	132,370
Net book value				
At 31 December 2018	90,427	910	-	91,337
At 31 December 2017	93,506	910	17	94,433

During the year, the Directors undertook a review of the carrying value of the Company's investments by reference to their values in use. Following this review impairment charges of £3,096,000 (2017: £nil) were recorded, this principally related to FW Properties (Pty) Limited, £3,029,000 and the entity's joint venture, Foster Wheeler Kentz Energy Services DMCC, £17,000.

During the year the Company received dividends of £6,950,000 (2017: £2,209,000) from its fixed asset investments. This amount is disclosed as 'Income from other fixed asset investments' on the Income Statement.

AMEC FOSTER WHEELER (HOLDINGS) LIMITED

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

9. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Holding
Amec Foster Wheeler Energy Limited	(a)	100%
Foster Wheeler (G.B.) Limited	(a)	100%
Foster Wheeler World Services Limited	(a)	100%
Process Industries Agency Limited	(a)*	100%
Attric Limited	(a)	100%
Foster Wheeler Europe B.V.	(b)	100%
Amex Foster Wheeler Properties (PTY) Limited	(c)	100%
Process Plants Suppliers Limited	(a)	100%
Foster Wheeler (Process Plants) Limited	(a)	100%
Foster Wheeler Environmental (UK) Limited	(a)	100%
Foster Wheeler E&C Limited	(a)	100%
Foster Wheeler South Africa (PTY) Limited	(c)	70%
Amec Foster Wheeler Mozambique Limitada	(g)	99%
Amec Foster Wheeler Energy and Power Engineering Company	(d)	75%
MDM Technical Africa (PTY) Limited	(e)	100%
Foster Wheeler Environmental Company Nigeria Limited	(f)	87%
Foster Wheeler (London) Limited	(a)	100%
Wood BEE Holdings (Proprietary) Limited	(c)	58%
Wood Group (South Africa) Pty Ltd	(c)	100%
Foster Wheeler (Nigeria) Limited	(h)	100%
Foster Wheeler Kazakhstan LLP	(i)	100%
Foster Wheeler (Philippines) Corporation	(j)	100%
MDM Engineering Investments Limited	(k)	100%
MDM Engineering Projects Limited	(k)	100%
MDM Engineering SPRL	(l)	99%
MDM Projects Tanzania Limited	(m)	99%
Global Mining Projects and Engineering S.A. de C.V.	(n)	99%
MDM Engineering Group Limited	(o)	100%
MDM UK Finance Limited	(a)	100%
MDM Projects-Ghana Limited	(p)	100%

AMEC FOSTER WHEELER (HOLDINGS) LIMITED

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

9. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Registered address

- (a) Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, United Kingdom
- (b) Naritaweg 165, 1043 BW Amsterdam, Netherlands
- (c) 88, 2nd Street, Halfway House, Midrand, Gauteng, 1685, South Africa
- (d) Karawan Towers, South Block, King Faisal Road, Al-Khobar, Saudi Arabia
- (e) Zeelie Office Park, 381 Ontdekkers Road, Floida Park Ext 3, Roodepoort, 1709, South Africa
- (f) c/o Nwokedi & Co., 21 Ajasa Street, Onikan, Nigeria
- (g) Mocambique, Maputo Cidade, Distrito Urbano 1, Bairro Sommerscheild II Av. Julius Nyerere, No 3412, Maputo, Mozambique
- (h) 1 Murtala Muhammed Drive (formerly Bank Road), Ikoyi, Lagos, Nigeria
- (i) App. 27, h. 64, Bostandykskiy district, Abaya Ave., Almaty City, Kazakhstan
- (j) 7/F PDCP Bank Centre, Herrera St., Corner Alfaro St., Salcedo Village, Makati City, Philippines
- (k) 1st Floor, Felix House, 24 Dr Joseph Street, Port Louis, Mauritius
- (l) 32 Avenue 3Z, Commune de Kasuku, Ville de Kindu, Democratic Republic of Congo
- (m) 11th Floor, PPF Towers, Gardens Avenue / Ohio Street, Dar es Salaam, Tanzania
- (n) Calle Coronado 124, Zona centro, Chihuahau, 31000, Mexico
- (o) Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands
- (p) 2nd Floor Cedar House, 13 Samora Machel Road, Asylum Down, Accram, Ghana

*Dissolved 29 January 2019

Joint Ventures

The Company has two joint ventures in which it has a 50% holding, Amec Foster Wheeler Energy and Partners Engineering Company (registered address: Karawan Towers, South Block, King Faisal Road, Al-Khobar, Saudi Arabia) and Foster Wheeler Kentz Energy Services DMCC (registered address: PO Box 26593, Unit 3601, Tiffany Tower, Cluster W, Jumeirah Lakes Towers, Dubai UAE.

10. Debtors

	2018	2017
	£000	£000
Due after more than one year		
Amounts owed by group undertakings	1,125	1,470
Asbestos- non current receivable	15,584	15,476
	<hr/> 16,709	<hr/> 16,946
Due within one year		
Amounts owed by group undertakings	1,171	1,186
Amounts owed by joint ventures and associated undertakings	6	6
Other debtors	6	6
Asbestos receivable	493	646
	<hr/> 18,385	<hr/> 18,790
	<hr/> <hr/>	<hr/> <hr/>

AMEC FOSTER WHEELER (HOLDINGS) LIMITED

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

10. Debtors (continued)

Debtors (falling due within one year plus falling due after more than one year) include amounts of £16,077,000 (2017: £16,122,000) recoverable under insurance arrangements in respect of the estimated value of non public liability asbestos related claims, discounted using a nominal discount rate of 2.2% (2017: 2.2%).

11. Cash and cash equivalents

	2018 £000	2017 £000
Cash at bank and in hand	6,416	1,379
	<u>6,416</u>	<u>1,379</u>

12. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	7	1
Amounts owed to group undertakings	1,849	942
Corporation tax	1,631	1,633
Asbestos related liability	490	646
Other creditors and accruals	-	32
	<u>3,977</u>	<u>3,254</u>

13. Creditors: Amounts falling due after more than one year

	2018 £000	2017 £000
Amounts owed to group undertakings	46,722	48,163
Other creditors	676	680
	<u>47,398</u>	<u>48,843</u>

AMEC FOSTER WHEELER (HOLDINGS) LIMITED

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

14. Provisions for liabilities - asbestos

	2018	2017
	£000	£000
At 1 January 2018	16,801	13,753
Charged to profit or loss	384	308
Transfer to creditors	155	(426)
Utilised in year	(401)	(273)
Transfers	-	3,439
At 31 December 2018	16,939	16,801

The above provisions relate to asbestos claims on the Company, which, with the exception of public liability claims, are offset by a receivable in respect of amounts recoverable through the Company's insurance. The amounts provided are the estimated liabilities required to resolve pending and future claims over a period to 2050 discounted using a nominal discount rate of 2.2% (2017: 2.2%).

Each year the Company records its estimated asbestos liability at a level consistent with its advisors' reasonable best estimate. The Company has worked with its advisors with respect to projecting these asbestos liabilities. The estimate takes account of the following information and/or assumptions: number of open claims, forecasted number of future claims and estimated average cost per claim.

15. Share capital

	2018	2017
	£000	£000
Authorised, allotted, called up and fully paid		
1,000,000 (2017 - 1,000,000) Ordinary shares of £1.00 each	1,000	1,000

16. Related party transactions

	2018	2017
	£000	£000
Amounts owed by joint ventures	6	6

17. Controlling party

The immediate parent company is Foster Wheeler Europe, which is incorporated in England and Wales.

The Directors consider the Company's ultimate parent company to be John Wood Group PLC, a company incorporated in Scotland.

The largest group in which the results of the Company were consolidated for the year ended 31 December 2018 was John Wood Group PLC.