

Registration number: 00163609

Amec Foster Wheeler (Holdings) Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2019



Amec Foster Wheeler (Holdings) Limited
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Amec Foster Wheeler (Holdings) Limited
Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

Principal activities

The principal activity of the company during the year was 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.

Fair review of the business

The results for the year include £34,461,000 (2018: £6,950,000) of income from shares in group undertakings.

The profit for the year, after taxation, amounted to £23,769,000 (2018: £2,120,000 profit).

During the year the company impaired investments in subsidiaries and joint ventures by £8,400,000 (2018: £3,096,000). Further details of the impairment are detailed in note 10 to the financial statements.

Principal risks and uncertainties

The company is a group holding company, however its principal activity relates to historic asbestos claims. Accounting for these provisions and the associated insurance recoveries requires estimations including the ultimate number, value and type of claims filed. This is managed at Group level and more detailed disclosure is available in the financial statements of John Wood Group PLC, the company's ultimate holding company.

Section 172(1) statement

a) The likely consequences of any decisions in the long term;

The company's main activity relates to historic asbestos claims and it is also a group holding company.

The company consistently considers the long term impact of its decisions as can be noted from the following examples:

- Our clearly defined purpose and strategy, underpinned by our culture, is fundamental to sustaining value over the longer-term; and
- Our robust risk governance and operations assurance policies and processes ensure the long term sustainability for all our stakeholders.

b) The interest of the company's employees;

The company does not have employees.

c) The need to foster the company's business relationships with suppliers, clients and others;

Clients

The company does not have clients.

Suppliers

The company does not have suppliers.

Amec Foster Wheeler (Holdings) Limited
Strategic Report for the Year Ended 31 December 2019 (continued)

Lenders

The company does not have lenders.

d) The impact of the company's operations on the environment and the community;

Environment

Further information on our environmental performance and ongoing strategy is contained in the Wood Group's annual sustainability report which is available at: woodplc.com/sustainability.

Managing, protecting and enhancing our environment is imperative to the sustainability of our business and the standards we set and help shape the performance, profitability and the reputation of the Company.

How we engage

Wood Group has an integrated HSSEA management system which provides the framework for how we manage environmental risks and how we align our business to ISO14001:2015.

Areas of engagement and outcomes

Wood Group engage with regulators throughout the jurisdictions we operate in to ensure a close working relationship on our projects related to operational permits and licences, greenhouse gas emissions, discharges and waste management. Engagement ensures best practice and learning is shared and embedded into the projects we undertake.

Community

Our activities put us at the heart of local communities and we recognise that by actively supporting our local communities we:

- Develop closer ties based on mutual respect, trust and understanding;
- Bring long-term sustainability to the locations where we do business; and
- Form lasting relationships with local communities.

How we engage

We have taken a three-tiered approach to community engagement:

- (1) Supporting employee personal choice charities;
- (2) Uniting Wood Group's business behind one global cause that demonstrates we are stronger together; and
- (3) Volunteering to support our communities at a local level.

Areas of engagement and outcomes

We recognise that our employees are best placed to understand the needs of the communities we operate in and we support their volunteering efforts to benefit local communities.

e) The desirability of the company maintaining a reputation for high standards of business conduct;

Our commitment to sustaining a visible, continually improving ethical culture remained strong throughout 2019.

Leaders across the organisation play a key role in delivering Wood's Ethics & Compliance (E&C) programme by emphasising ethical behaviour to our workforce and embedding Wood's E&C policies and procedures into our operations. In 2019, operational leaders across the business sponsored campaigns to raise awareness of behavioural expectations.

Amec Foster Wheeler (Holdings) Limited
Strategic Report for the Year Ended 31 December 2019 (continued)

The importance of doing the right thing is reinforced in Wood Group's Code of Conduct which sets clear expectations for ethical business practices and guides employees how to respond if faced with ethical decisions. It also provides several "speak up resources" and encourages employees to report anything they feel does not reflect Wood Group's values, policies or the law. A number of E&C training and communication initiatives, including leadership webinars and face to face engagement sessions, both for targeted populations and the wider workforce, were used to further embed key concepts from the Code of Conduct, the importance of speaking up and Wood's zero-tolerance policy on retaliation.

Compliance with the Code of Conduct and supporting policies and procedures is mandatory for all directors, officers and employees as well as contractors, consultants, representatives, intermediaries and agents retained by Wood. Any reports of non-compliance are investigated and appropriate action taken, up to and including termination of the business relationship.

f) The need to act fairly as between members of the company;

The company has only one shareholder, Foster Wheeler Europe. The ultimate parent company is John Wood Group PLC.

Refer to the John Wood Group PLC 2019 Annual Report and Financial Statements for details of how the Group act fairly between members of the company.

Approved by the Board on 8 July 2021 and signed on its behalf by:



AS McLean
Director

Amec Foster Wheeler (Holdings) Limited
Directors' Report for the Year Ended 31 December 2019

The directors present their report and the unaudited financial statements for the year ended 31 December 2019.

Directors

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

AS McLean (appointed 9 December 2019)

WG Setter

CA Chatfield (resigned 9 December 2019)

Results and dividends

The profit for the year, after taxation, amounted to £23,769,000 (2018: £2,120,000 profit).

The company paid dividends for the year ended 31 December 2019 of £33,250,000 (2018: nil).

Future developments

The directors do not anticipate any significant changes to the activities of the company in the medium to long term.

Engagement with employees, suppliers, customers and others

Relationships with stakeholders are of strategic importance to the company and these matters are therefore dealt with in the strategic report (under section 172 obligations).

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Important non adjusting events after the financial period

The COVID-19 outbreak developed rapidly in 2020, with a significant number of infections. Measures that have been taken by Governments around the world, including the UK Government, to contain the virus have had a significant impact on economic activity. Measures to prevent the transmission of the virus include, but not limited to:

- Limiting the movement of people, including working from home;
- Restricting flights and other travel; and
- Temporarily closing businesses, schools and cancelling events.

These actions have had an impact on businesses across a wide range of industries, who are facing unique and unparalleled challenges. To date, the business has not suffered any material impact from the actions taken by Government in response to COVID-19 or oil price volatility. Management have a proven track order of leveraging our flexible, asset light model in response to changing market conditions.

Amec Foster Wheeler (Holdings) Limited
Directors' Report for the Year Ended 31 December 2019 (continued)

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013, a strategic report and the company's results, activities, objectives, policies and risks has been included on pages 1 to 3 of the financial statements.

Approved by the Board on 8 July 2021 and signed on its behalf by:


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AS McLean
Director

Amec Foster Wheeler (Holdings) Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 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 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 to 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for such internal control, determined as 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.

Amec Foster Wheeler (Holdings) Limited
Income Statement for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Other operating (expense)/ income		(58)	71
Loss on disposal of subsidiary	10	(564)	-
Impairment of investments	10	(8,400)	(3,096)
Income from shares in group undertakings		<u>34,461</u>	<u>6,950</u>
Operating profit		25,439	3,925
Finance income	4	529	432
Finance expense	5	<u>(2,160)</u>	<u>(2,239)</u>
Profit before tax		23,808	2,118
Taxation	9	<u>(39)</u>	<u>2</u>
Profit for the year		<u><u>23,769</u></u>	<u><u>2,120</u></u>

The notes on pages 10 to 22 form an integral part of these financial statements.

Amec Foster Wheeler (Holdings) Limited
(Registration number: 00163609)
Balance Sheet as at 31 December 2019

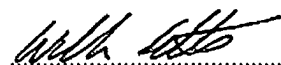
	Note	31 December 2019 £ 000	31 December 2018 £ 000
Assets			
Non-current assets			
Investments	10	84,873	91,337
Trade and other receivables	11	12,098	16,709
		<u>96,971</u>	<u>108,046</u>
Current assets			
Trade and other receivables	11	1,797	1,676
Cash and cash equivalents		3,934	6,416
		<u>5,731</u>	<u>8,092</u>
Total assets		<u>102,702</u>	<u>116,138</u>
Equity and liabilities			
Equity			
Called up share capital	15	1,000	1,000
Profit and loss account		37,343	46,824
		<u>38,343</u>	<u>47,824</u>
Non-current liabilities			
Provisions	12	11,190	16,939
Trade and other payables	13	47,615	47,398
		<u>58,805</u>	<u>64,337</u>
Current liabilities			
Trade and other payables	13	5,554	3,977
Total liabilities		<u>64,359</u>	<u>68,314</u>
Total equity and liabilities		<u>102,702</u>	<u>116,138</u>

For the financial year ending 31 December 2019 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.

Approved by the Board on 8 July 2021 and signed on its behalf by:



WG Setter
Director

The notes on pages 10 to 22 form an integral part of these financial statements.

Amec Foster Wheeler (Holdings) Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2019	1,000	46,824	47,824
Profit for the year	-	23,769	23,769
Total comprehensive income	-	23,769	23,769
Dividends paid	-	(33,250)	(33,250)
At 31 December 2019	1,000	37,343	38,343

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2018	1,000	44,704	45,704
Profit for the year	-	2,120	2,120
Total comprehensive income	-	2,120	2,120
At 31 December 2018	1,000	46,824	47,824

The notes on pages 10 to 22 form an integral part of these financial statements.

Amec Foster Wheeler (Holdings) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated and domiciled in England and Wales.

The address of its registered office is:

Booths Park
Chelford Road
Knutsford
Cheshire
WA16 8QZ

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 have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities measured at fair value through the income statement, and in accordance with the Companies Act 2006.

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

Summary of disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement'.
- Paragraphs 10(d), 10(f), 16, 38A, 38B to D, 40A to D, 111 and 134 to 136 of IAS 1, 'Presentation of financial statements'.
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors'.
- Paragraphs 17 and 18A of IAS 24, 'Related party disclosures', to disclose key management compensation.
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.
- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets'.

Amec Foster Wheeler (Holdings) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Exemption from preparing group accounts

The company is a wholly owned subsidiary of Foster Wheeler Europe and of its ultimate parent, John Wood Group PLC. It is included in the consolidated financial statements of John Wood Group PLC, which are publicly available. Therefore, the company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is 15 Justice Mill Lane, Aberdeen, AB11 6EQ.

These financial statements are separate financial statements.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2019 have had a material effect on the financial statements.

Finance income and costs policy

Interest income and expense is recorded in the same income statement in the period to which it relates.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial assets; or
- The amortised cost of the financial liability.

Income from shares in group undertakings

Income from shares in group undertakings is recognised when the right to receive payment is established.

Foreign currency transactions and balances

Transactions in foreign currencies are translated into the relevant functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the balance sheet date. Any exchange differences are taken to the income statement.

Amec Foster Wheeler (Holdings) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Tax

The tax charge represents the sum of tax currently payable and deferred tax. Tax currently payable is based on the taxable profit for the year. Taxable profit differs from the profit reported in the income statement due to items that are not taxable or deductible in any period and also due to items that are taxable or deductible in a different period. The company's liability for current tax is calculated using tax rates enacted or substantively enacted at the balance sheet date.

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. In line with IFRIC 23, depending on the circumstances, the provision is either the single most likely outcome, or a probability weighted average of all potential outcomes. The provision incorporates tax and penalties where appropriate. Separate provisions for interest are also recorded. Interest in respect of the tax provisions is not included in the tax charge, but disclosed within profit before tax.

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 tax is provided, using the full liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on PP&E, tax losses carried forward and, in relation to acquisitions, the difference between the fair values of the net assets acquired and their tax base. Tax rates enacted, or substantively enacted, at the balance sheet date are used to determine deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and it is intended that they will be settled on a net basis.

Investments

Investments in subsidiaries and joint ventures are measured at cost less accumulated impairment.

Impairment

The company performs impairment reviews in respect of investments in subsidiaries and joint ventures whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than its carrying amount. Impairment losses are recognised in profit or loss.

Amec Foster Wheeler (Holdings) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand and other short-term bank deposits with original maturities of three months or less. Bank overdrafts are included within borrowings in current liabilities. The company presents balances that are part of a pooling arrangement on a gross basis in both cash and short-term borrowings.

Asbestos related receivables

Asbestos related receivables represents management's best estimate of insurance recoveries relating to liabilities for pending and estimated future asbestos claims through to 2050. They are only recognised when it is virtually certain that the claim will be paid. Asbestos related assets under executed settlement agreements with insurers due in the next 12 months are recorded within Trade and other receivables and beyond 12 months are recorded within Long term receivables. The company's asbestos related assets have been discounted using an appropriate rate of interest.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Provisions

Provisions are recognised where the company is deemed to have a legal or constructive obligation, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate of the obligation can be made. Where amounts provided are payable after more than one year the estimated liability is discounted using an appropriate rate of interest.

The company has taken internal and external advice in considering known and reasonably likely legal claims made by or against the company. It carefully assesses the likelihood of success of a claim or action. Appropriate provisions are made for legal claims or actions against the company on the basis of likely outcome, but no provisions are made for those which, in the view of management, are unlikely to succeed.

The provisions relate to asbestos related litigation. The company has received asbestos-related claims in connection with work performed during a period which ended in the late 1980's 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 each year in the period to 2050, beyond which time management expects that there will be no longer be a significant number of claims. The resulting cash flows are discounted using a nominal discount rate of 2.2% (2018: 2.2%) and the net present value is recorded as a provision. As explained in more detail in a separate accounting policy 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 trade and other receivables. See note 12 for further details.

Share capital

The company has one class of ordinary shares and these are classified as equity. Dividends on ordinary shares are not recognised as a liability or charged to equity until they have been approved by shareholders.

Dividends payable

Dividends to the company's shareholders are recognised as a liability in the period in which the dividends are approved by shareholders. Interim dividends are recognised when paid. See note for further details.

Amec Foster Wheeler (Holdings) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Rounding of amounts

All amounts in the financial statements and notes have been rounded off to the nearest thousand Sterling Pound, unless otherwise stated.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. These estimates and judgements are based on management's best knowledge of the amount, event or actions and actual results ultimately may differ from those estimates. Company management believe that the estimates and assumptions listed below have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities.

Provisions and contingent liabilities (judgement and estimate)

The company records provisions where it has a present obligation (legal and constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the obligation can be made. Where the outcome is less than probable, but more than remote, or a reliable estimate cannot be made, no provision is recorded but a contingent liability is disclosed in the financial statements, if material. The recording of provisions is an area which the exercise of management judgement relating to the nature, timing and probability of the liability and typically the company's balance sheet includes contract provisions and provisions for pending legal issues.

Impairment of investments in subsidiaries (estimate)

Determining whether the company's investments in subsidiaries have been impaired, if an indicator of impairment is identified, requires estimations of the investments' values in use. 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.

4 Finance income

	2019	2018
	£ 000	£ 000
Interest income on bank deposits	47	18
Unwinding of discount relating to asbestos receivables	354	354
Interest received from group undertakings	128	60
	<u>529</u>	<u>432</u>

Amec Foster Wheeler (Holdings) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

5 Finance expense

	2019 £ 000	2018 £ 000
Other interest expense	163	-
Unwinding of discount relating to asbestos liabilities	383	384
Interest paid to group undertakings	<u>1,614</u>	<u>1,855</u>
	<u>2,160</u>	<u>2,239</u>

6 Staff costs

The average number of persons employed by the company (including directors) during the year was nil (2018: nil).

7 Directors' remuneration

No remuneration was paid to, or waived by, the directors during the current or prior year in respect of services provided to the company.

8 Auditors' remuneration

In the prior year auditors' remuneration of £6,000 was borne by another group company.

9 Taxation

Tax charged/(credited) in the income statement

	2019 £ 000	2018 £ 000
Current taxation		
UK corporation tax	-	(2)
UK corporation tax adjustment to prior periods	<u>39</u>	<u>-</u>
	<u>39</u>	<u>(2)</u>

Amec Foster Wheeler (Holdings) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

9 Taxation (continued)

The tax on profit before tax for the year differs from the standard rate of corporation tax in the UK of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Profit before tax	23,808	2,118
Corporation tax at standard rate	4,524	402
Increase/(decrease) in current tax from adjustment for prior periods	19	(2)
Increase from effect of revenues exempt from taxation	(6,548)	(1,321)
Increase from effect of expenses not deductible in determining taxable profit	1,709	610
Increase arising from group relief tax reconciliation	274	309
Increase in current tax from unrecognised tax loss or credit	41	-
Other tax effects for reconciliation between accounting profit and tax expense	20	-
Total tax charge/(credit)	39	(2)

£41,000 included in the tax reconciliation as 'Other tax effects for reconciliation between accounting profit and tax expense' is attributable to controlled foreign company tax.

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset/(liability) as at 31 December 2019 has been calculated based on this rate.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly.

Amec Foster Wheeler (Holdings) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

10 Investments

	£ 000
Cost or valuation	
At 1 January 2019	223,707
Additions	2,500
Disposals	<u>(2,754)</u>
At 31 December 2019	<u>223,453</u>
Impairment	
At 1 January 2019	132,370
Provision	8,400
Eliminated on disposals	<u>(2,190)</u>
At 31 December 2019	<u>138,580</u>
Carrying amount	
At 31 December 2019	<u>84,873</u>
At 31 December 2018	<u>91,337</u>

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 £8,400,000 (2018: £3,096,000) were recorded, this principally related to Amec Foster Wheeler Properties (PTY) Limited, £5,720,000 and Foster Wheeler Europe B.V., £2,500,000. The company disposed of its holding in Attric Limited during the year with a loss on disposal of £564,000.

Name	% interest	Registered office
Amec Foster Wheeler Energy Limited	100%	(a)
Foster Wheeler (G.B.) Limited	100%	(a)
Foster Wheeler World Services Limited	100%	(a)
Foster Wheeler Europe B.V.	100%	(b)
Amec Foster Wheeler Properties (PTY) Limited	100%	(c)
Process Plants Suppliers Limited	100%	(a)
Foster Wheeler (Process Plants) Limited	100%	(a)
Foster Wheeler Environmental (UK) Limited	100%	(a)
Foster Wheeler E&C Limited	100%	(a)

Amec Foster Wheeler (Holdings) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

10 Investments (continued)

	% interest	Registered office
Wood South Africa (PTY) Limited (formerly Foster Wheeler South Africa (PTY) Limited	70%	(d)
Wood Mining South Africa (PTY) Limited (formerly MDM Technical Africa (PTY) Limited	100%	(e)
Amec Foster Wheeler Mozambique Limitada	99%	(f)
Amec Foster Wheeler Energy and Partners Engineering Company	75%	(g)
Foster Wheeler Environmental Company Nigeria Limited	87%	(h)
Foster Wheeler (London) Limited	100%	(a)
Wood BEE Holdings (Proprietary) Limited	58%	(d)
Foster Wheeler (Nigeria) Limited	100%	(i)
Foster Wheeler Kazakhstan LLP	100%	(j)
Foster Wheeler (Philippines) Corporation	100%	(k)
MDM Engineering Investments Limited	100%	(l)
MDM Engineering Projects Limited	100%	(l)
MDM Engineering SPRL	99%	(m)
MDM Projects - Tanzania Limited	99%	(n)
Global Mining Projects and Engineering SA de CV	99%	(o)
MDM Engineering Group Limited	100%	(p)
MDM Projects Ghana Limited	100%	(q)
Foster Wheeler Kentz Energy Services DMCC	50%	(r)

Amec Foster Wheeler (Holdings) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

10 Investments (continued)

Registered office address

Registered addresses of the subsidiary undertakings are as follows:

- a) Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, United Kingdom.
- b) Naritaweg 165, 1043 BW Amsterdam, Netherlands.
- c) Second Road, Halfway House, PO Box 76, Midrand 1685, South Africa.
- d) 88, 2nd Street, Halfway House, Midrand, Gauteng, 1685, South Africa.
- e) Zeelie Office Park, 381 Ontdekkers Road, Floida Park Ext 3, Roodepoort, 1709, South Africa.
- f) 81 Eduardo Mondlane Avenue, Vilanculos District, Province of Inhambane, Mozambique.
- g) Majd Business Center, Tower B, PO Box 30920, King Faisal Road, Al-khobar, 31952, Saudi Arabia.
- h) c/o Nwokedi & Co, 21 Ajasa Street, Onikan, Nigeria.
- i) 1 Murtala Muhammed Drive, Ikoyi, Lagos, Nigeria.
- j) app 27, h 64, Bostandykskiy district, Abaya Ave, Almaty City, Kazakhstan.
- k) U -7A,7/F PDCP Bank Centre, V A Rufino St, Corner L P Leviste St, Salcedo Village, Makati City, 1227 Philippines.
- l) 1st Floor, Felix House, 24 Dr Joseph Street, Port Louis, Mauritius.
- m) 32 Avenue 3Z, Commune de Kasuku, Ville de Kindu, Democratic Republic of Congo.
- n) Plot No 483, Garden Road, Mikocheni Ward, Kinondoni District, Dar es Salaam, 14112, Tanzania.
- o) Calle Coronado 124, Zona Centro, Chihuahau, 31000, Mexico.
- p) Commerce House, Wickhams Cay 1, PO Box 3140, Road Town, Tortola, British Virgin Islands.
- q) 2nd Floor Cedar House, 13 Samora Machel Road, Asylum Down, Accram, Ghana.
- r) PO Box 26593, Unit 3601, Tiffany Tower, Cluster W, Jumeirah Lakes Towers, Dubai, United Arab Emirates.

11 Trade and other receivables

	31 December 2019 £ 000	31 December 2018 £ 000
Amounts due from group undertakings	3,648	2,296
Other debtors	14	6
Asbestos receivables	10,227	16,077
Amounts due from joint ventures and associated undertakings	6	6
	<u>13,895</u>	<u>18,385</u>

Asbestos receivables of £10,227,000 (2018: £16,077,000) include £9,808,000 (2018: £15,584,000) of non-current assets. Asbestos receivables are amounts 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%.

Amounts due from group undertakings include loans of £2,290,000 (2018: £1,125,000) included within non-current assets. These loans are unsecured and interest is charged at the normal market rate.

Amec Foster Wheeler (Holdings) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

12 Provisions

	Total £ 000
At 1 January 2019	16,939
Charged to profit or loss	383
Change in estimate	(5,955)
Provisions used	(249)
Increase arising from transfers	72
At 31 December 2019	<u>11,190</u>

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%.

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.

13 Trade and other payables

	31 December 2019 £ 000	31 December 2018 £ 000
Trade payables	5	7
Amounts due to group undertakings	50,237	48,571
Asbestos related payables	419	490
Income tax liability	1,670	1,631
Other creditors	838	676
	<u>53,169</u>	<u>51,375</u>

Amounts due to group undertakings includes loans from group undertakings of £46,777,000 (2018: £46,722,000) which are non-current liabilities. These loans are unsecured and interest is charged at the normal market rate.

Other creditors of £838,000 (2018: £636,000) are included in non-current liabilities.

Amec Foster Wheeler (Holdings) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

14 Financial risk management and impairment of financial assets

The main risks relating to the company's financial instruments are detailed below:

Credit risk and impairment

With respect to credit risk from other financial assets, these primarily relate to insurance receivables, cash and cash equivalents and intercompany receivables. The company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Foreign exchange risk

The company is exposed to foreign currency risk on intercompany balances which are in currencies other than the company's functional currency. The company strives to maintain intercompany loans in the functional currency of the company, to eliminate the currency exposure wherever possible.

Interest rate risk

The company's exposure to the risk of changes in market interest rates relates primarily to intercompany borrowings.

Liquidity risk

The company monitors its risk to a shortage of funds by regular projected cash flow forecasts from operations which also consider the maturity of its financial assets and liabilities. Any additional funding required is supplied by fellow Wood companies.

Fair values of financial assets and liabilities

Financial instruments included in the financial statements have been reviewed and the carrying values per the financial statements are the same as the fair values of these financial instruments.

Amec Foster Wheeler (Holdings) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

15 Share capital

Allotted, called up and fully paid shares

	31 December 2019		31 December 2018	
	No. 000	£ 000	No. 000	£ 000
1,000,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

16 Parent and ultimate parent undertaking

The company's immediate parent is Foster Wheeler Europe.

The ultimate parent is John Wood Group PLC. These financial statements are available upon request from 15 Justice Mill Lane, Aberdeen, AB11 6EQ.

The ultimate controlling party is John Wood Group PLC.

17 Non adjusting events after the financial period

The COVID-19 outbreak developed rapidly in 2020, with a significant number of infections. Measures that have been taken by Governments around the world, including the UK Government, to contain the virus have had a significant impact on economic activity. Measures to prevent the transmission of the virus include, but not limited to:

- Limiting the movement of people, including working from home;
- Restricting flights and other travel; and
- Temporarily closing businesses, schools and cancelling events.

These actions will have an immediate impact on businesses across a wide range of industries. It will also begin to affect supply chains and production of goods throughout the world and lower economic activity is likely to result in reduced demand for many goods and services. To date, the business has not suffered any material impact from the actions taken by Government in response to COVID-19. Management have a proven track order of leveraging our flexible, asset light model in response to changing market conditions.