

Registration number: 00163609

# Amec Foster Wheeler (Holdings) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020



**Amec Foster Wheeler (Holdings) Limited**  
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# **Amec Foster Wheeler (Holdings) Limited**

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

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

### **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 £2,108,000 (2019: £34,461,000) of income from shares in group undertakings.

The loss for the year, after taxation, amounted to £14,416,000 (2019: £23,769,000 profit).

During the year the company impaired investments in subsidiaries and joint ventures by £17,451,000 (2019: £8,400,000). Further details of the impairment are detailed in note 10 to the financial statements.

In 2020, the company received 18 claims, of which 1 related to public liability claims and 17 related to employer liability claims. Employer liability claims are fully insured, and all of the employer liability claims received in 2020 were handed over to the appropriate insurance companies in line with the process in place.

### **Key performance indicators (KPI's)**

The company has not identified any key performance indicators due to the nature of its operations as a company which only holds assets and liabilities.

### **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.

**Amec Foster Wheeler (Holdings) Limited**  
**Strategic Report for the Year Ended 31 December 2020 (continued)**

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.

**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](http://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.

**Amec Foster Wheeler (Holdings) Limited**  
**Strategic Report for the Year Ended 31 December 2020 (continued)**

**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 2020.

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 2020, operational leaders across the business sponsored campaigns to raise awareness of behavioural expectations.

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.

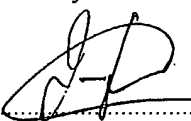
Compliance with the Code of Conduct and supporting policies and procedures is mandatory for all directors, officers and employees as well as contractors, consultants, representatives, intermediaries and agents retained by Wood. Any reports of non-compliance are investigated and appropriate action taken, 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 2020 Annual Report and Financial Statements for details of how the Group act fairly between members of the company.

Approved by the Board on 14 April 2022 and signed on its behalf by:

  
.....

IA Jones  
Company secretary

**Amec Foster Wheeler (Holdings) 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**

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

AS McLean

WG Setter

**Results and dividends**

The loss for the year, after taxation, amounted to £14,416,000 (2019: £23,769,000 profit).

The directors do not recommend the payment of a dividend for the year ended 31 December 2020 (2019: £33,250,000).

**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**

The company had net assets of £23,927,000 and net current assets of £3,968,000 as at 31 December 2020 and made a loss for the year then ended of £14,416,000. As at the date of approval of these financial statements, the company has net assets of £40,834,000 and net current assets of £6,029,000. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company did not carry out any trading activities in the current year and is not expected to trade during the forecast period. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

The forecasts reflect how 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. and for the public liability claims, the company will have sufficient funds to meet its unsettled liabilities.

Those forecasts are dependent on John Wood Group PLC not seeking repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £50,346,000. John Wood Group PLC has indicated that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**Amec Foster Wheeler (Holdings) Limited**  
**Directors' Report for the Year Ended 31 December 2020 (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.

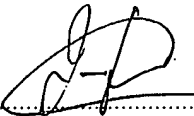
**Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

**Reappointment of auditors**

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.

Approved by the Board on 14 April 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'IA Jones', written over a dotted line.

IA Jones  
Company secretary

## **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**  
**Independent Auditor's Report to the Members of Amec Foster Wheeler (Holdings) Limited**

**Opinion**

We have audited the financial statements of Amec Foster Wheeler (Holdings) Limited (the 'Company') for the year ended 31 December 2020 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including the significant accounting policies in note 2.

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 loss 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.

**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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation.

**Amec Foster Wheeler (Holdings) Limited**  
**Independent Auditor's Report to the Members of Amec Foster Wheeler (Holdings)**  
**Limited (continued)**

**Fraud and breaches of laws and regulations – ability to detect**

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the John Wood Group PLC’s policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations:

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Amec Foster Wheeler (Holdings) Limited**  
**Independent Auditor's Report to the Members of Amec Foster Wheeler (Holdings)**  
**Limited (continued)**

**Strategic report and Directors' report**

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

Our responsibility is to read the Strategic report and 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 Strategic report and the Directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion the directors' report has 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.

We have nothing to report in these respects.

**Other matter - prior period financial statements**

We note that the prior period financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

**Responsibilities of directors**

As explained more fully in their Statement of Directors' Responsibilities set out on page 6, 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 directors 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**

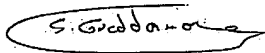
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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](http://www.frc.org.uk/auditorsresponsibilities).

**Amec Foster Wheeler (Holdings) Limited**  
**Independent Auditor's Report to the Members of Amec Foster Wheeler (Holdings)**  
**Limited (continued)**

**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

1 Marischal Square  
Broad Street  
Aberdeen  
AB10 1DD

Date: 20 April 2022

**Amec Foster Wheeler (Holdings) Limited**  
**Income Statement for the Year Ended 31 December 2020**

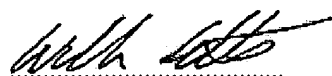
|  |      | 2020                   | Unaudited<br>2019    |
|--|------|------------------------|----------------------|
|  | Note | £ 000                  | £ 000                |
| Other operating expense                  |      | (18)                   | (58)                 |
| Loss on disposal of subsidiary           |      | -                      | (564)                |
| Impairment of investments                | 10   | (17,451)               | (8,400)              |
| Income from shares in group undertakings |      | <u>2,108</u>           | <u>34,461</u>        |
| Operating (loss)/profit                  |      | (15,361)               | 25,439               |
| Finance income                           | 4    | 829                    | 529                  |
| Finance expense                          | 5    | <u>(1,146)</u>         | <u>(2,160)</u>       |
| (Loss)/profit before tax                 |      | (15,678)               | 23,808               |
| Taxation                                 | 9    | <u>1,262</u>           | <u>(39)</u>          |
| (Loss)/profit for the year               |      | <u><u>(14,416)</u></u> | <u><u>23,769</u></u> |

The notes on pages 14 to 28 form an integral part of these financial statements.

**Amec Foster Wheeler (Holdings) Limited**  
**(Registration number: 00163609)**  
**Balance Sheet as at 31 December 2020**

|                                |    | 31 December<br>2020<br>£ 000 | Unaudited<br>31 December<br>2019<br>£ 000 |
|--------------------------------|----|------------------------------|---|
| <b>Assets</b>                  |    |                              |   |
| <b>Non-current assets</b>      |    |                              |   |
| Investments                    | 10 | 67,425                       | 84,873                                    |
| Trade and other receivables    | 11 | 7,295                        | 12,098                                    |
|                                |    | <u>74,720</u>                | <u>96,971</u>                             |
| <b>Current assets</b>          |    |                              |   |
| Trade and other receivables    | 11 | 4,705                        | 1,797                                     |
| Cash and cash equivalents      |    | 5,124                        | 3,934                                     |
|                                |    | <u>9,829</u>                 | <u>5,731</u>                              |
| Total assets                   |    | <u>84,549</u>                | <u>102,702</u>                            |
| <b>Equity and liabilities</b>  |    |                              |   |
| <b>Equity</b>                  |    |                              |   |
| Called up share capital        | 15 | 1,000                        | 1,000                                     |
| Profit and loss account        |    | 22,927                       | 37,343                                    |
|                                |    | <u>23,927</u>                | <u>38,343</u>                             |
| <b>Non-current liabilities</b> |    |                              |   |
| Provisions                     | 12 | 8,710                        | 11,190                                    |
| Trade and other payables       | 13 | 46,051                       | 47,615                                    |
|                                |    | 54,761                       | 58,805                                    |
| <b>Current liabilities</b>     |    |                              |   |
| Trade and other payables       | 13 | 5,861                        | 5,554                                     |
| Total liabilities              |    | <u>60,622</u>                | <u>64,359</u>                             |
| Total equity and liabilities   |    | <u>84,549</u>                | <u>102,702</u>                            |

Approved by the Board on 14 April 2022 and signed on its behalf by:



WG Setter  
Director

The notes on pages 14 to 28 form an integral part of these financial statements.

**Amec Foster Wheeler (Holdings) Limited**  
**Statement of Changes in Equity for the Year Ended 31 December 2020**

|                               | Share<br>capital<br>£ 000 | Retained<br>earnings<br>£ 000 | Total<br>£ 000 |
|-------------------------------|---------------------------|-------------------------------|----------------|
| At 1 January 2020 (Unaudited) | 1,000                     | 37,343                        | 38,343         |
| Loss for the year             | -                         | (14,416)                      | (14,416)       |
| Total comprehensive income    | -                         | (14,416)                      | (14,416)       |
| At 31 December 2020           | <u>1,000</u>              | <u>22,927</u>                 | <u>23,927</u>  |

|                                 | Share<br>capital<br>£ 000 | Retained<br>earnings<br>£ 000 | Total<br>£ 000 |
|---------------------------------|---------------------------|-------------------------------|----------------|
| At 1 January 2019 (Unaudited)   | 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 (Unaudited) | <u>1,000</u>              | <u>37,343</u>                 | <u>38,343</u>  |

The notes on pages 14 to 28 form an integral part of these financial statements.

## **Amec Foster Wheeler (Holdings) 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 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 Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Going concern**

The company had net assets of £23,927,000 and net current assets of £3,968,000 as at 31 December 2020 and made a loss for the year then ended of £14,416,000. As at the date of approval of these financial statements, the company has net assets of £40,834,000 and net current assets of £6,029,000. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

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Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

##### **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 2020 have had a material effect on the financial statements.

## **Amec Foster Wheeler (Holdings) Limited**

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

#### **2 Accounting policies (continued)**

##### **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.

##### **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.

## **Amec Foster Wheeler (Holdings) Limited**

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

#### **2 Accounting policies (continued)**

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.

#### **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.

#### **Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

The company recognises loss allowances for Expected Credit Losses ('ECLs') on trade receivables and gross amounts due from customers, measured at an amount equal to lifetime ECLs. ECLs are a profitability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes a customer being in significant financial difficulty or a breach of contract such as a default. The gross carrying amount of a financial asset is written off when the company has no reasonable expectation of recovering a financial asset in its entirety or a proportion thereof. For individual customers, the company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

#### **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.

## **Amec Foster Wheeler (Holdings) Limited**

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

#### **2 Accounting policies (continued)**

##### **Trade and other payables**

Trade and other 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 0.78% (2019: 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.

##### **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.

## Amec Foster Wheeler (Holdings) Limited

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

#### 3 Critical accounting judgements and key sources of estimation uncertainty (continued)

##### Asbestos provisions and insurance recoveries (estimate and judgement)

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 types 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.

There is a high degree of uncertainty in the assumptions above and the final number, quantum, and outcome of future claims may be significantly different from the provisions. The directors engage professional actuaries to prepare the estimations above based on the company claims and exposures data, and market projections. The range of reasonable actuarial estimates is highly material. The directors have consistently used a cautious estimate point within that actuarial range.

##### 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

|  | 2020       | Unaudited<br>2019 |
|--|------------|-------------------|
|  | £ 000      | £ 000             |
| Interest income on bank deposits                       | 13         | 47                |
| Other interest income                                  | 639        | -                 |
| Unwinding of discount relating to asbestos receivables | 80         | 354               |
| Interest received from group undertakings              | 97         | 128               |
|  | <u>829</u> | <u>529</u>        |

#### 5 Finance expense

|  | 2020         | Unaudited<br>2019 |
|--|--------------|-------------------|
|  | £ 000        | £ 000             |
| Other interest expense                                 | -            | 163               |
| Unwinding of discount relating to asbestos liabilities | 111          | 383               |
| Interest paid to group undertakings                    | 1,035        | 1,614             |
|  | <u>1,146</u> | <u>2,160</u>      |

#### 6 Staff costs

The average number of persons employed by the company (including directors) during the year was nil (2019: nil).

# Amec Foster Wheeler (Holdings) Limited

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

### 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

|                                   | 2020<br>£ 000 | Unaudited<br>2019<br>£ 000 |
|-----------------------------------|---------------|----------------------------|
| Audit of the financial statements | <u>17</u>     | <u>-</u>                   |

### 9 Taxation

Tax (credited)/charged in the income statement

|  | 2020<br>£ 000  | Unaudited<br>2019<br>£ 000 |
|--|----------------|----------------------------|
| <b>Current taxation</b>                        |                |                            |
| UK corporation tax                             | 21             | -                          |
| UK corporation tax adjustment to prior periods | <u>(1,320)</u> | <u>39</u>                  |
|  | (1,299)        | 39                         |
| Foreign tax                                    | <u>37</u>      | <u>-</u>                   |
| Tax (receipt)/expense in the income statement  | <u>(1,262)</u> | <u>39</u>                  |

## Amec Foster Wheeler (Holdings) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (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% (2019 - 19%).

The differences are reconciled below:

|  | 2020<br>£ 000 | Unaudited<br>2019<br>£ 000 |
|--|---------------|----------------------------|
| (Loss)/profit before tax   | (15,678)      | 23,808                     |
| Corporation tax at standard rate   | (2,979)       | 4,524                      |
| (Decrease)/increase in current tax from adjustment for prior periods           | (1,320)       | 19                         |
| Increase from effect of revenues exempt from taxation                          | (401)         | (6,548)                    |
| Increase from effect of expenses not deductible in determining taxable profit  | 3,316         | 1,709                      |
| Increase arising from group relief tax reconciliation                          | 180           | 274                        |
| Controlled foreign company tax charge  | 21            | 41                         |
| Deferred tax asset not recognised  | (116)         | -                          |
| Increase from effects of double taxation relief                                | 37            | -                          |
| Other tax effects for reconciliation between accounting profit and tax expense | -             | 20                         |
| Total tax (credit)/charge  | (1,262)       | 39                         |

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016), however, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%. Deferred taxes on the balance sheet have been measured at 19% (2019: 17%) which represents the future corporation tax rate that was enacted at the balance sheet date.

In addition, the UK Budget 2021 announcements on 3 March 2021 included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end. It is not anticipated that these changes will have a material impact on the company's deferred tax balances as at 31 December 2020.

There is an unrecognised deferred tax asset of £645,000 as at 31 December 2020 (2019: £682,000) in relation to other temporary timing differences. This asset has not been recognised as the directors of the company consider that it is unlikely that the asset will crystallise in the foreseeable future.

## Amec Foster Wheeler (Holdings) Limited

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

#### 10 Investments

|                                 | £ 000          |
|---------------------------------|----------------|
| <b>Cost or valuation</b>        |                |
| At 1 January 2020               | 223,453        |
| Additions                       | <u>3</u>       |
| At 31 December 2020             | <u>223,456</u> |
| <b>Impairment</b>               |                |
| At 1 January 2020               | 138,580        |
| Impairment                      | <u>17,451</u>  |
| At 31 December 2020             | <u>156,031</u> |
| <b>Carrying amount</b>          |                |
| At 31 December 2020             | <u>67,425</u>  |
| At 31 December 2019 (Unaudited) | <u>84,873</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 £17,451,000 (2019: £8,400,000) were recorded, this principally related to Amec Foster Wheeler Properties (PTY) Limited, £16,732,000 and Process Plants Suppliers Limited, £715,000.

#### Direct investments

| Name  | % interest | Registered office |
|---|------------|-------------------|
| Amec Foster Wheeler Energy Limited                | 100%       | (a)               |
| Amec Foster Wheeler Properties (PTY) Limited      | 100%       | (b)               |
| Foster Wheeler (G.B.) Limited                     | 100%       | (a)               |
| Foster Wheeler (Process Plants) Limited           | 100%       | (a)               |
| Foster Wheeler Adibi Engineering                  | 4.9%       | (c)               |
| Foster Wheeler E&C Limited                        | 100%       | (a)               |
| Foster Wheeler Environmental (UK) Limited         | 100%       | (a)               |
| Foster Wheeler Europe B.V.                        | 100%       | (d)               |
| Foster Wheeler Kentz Energy Services DMCC         | 50%        | (e)               |
| Foster Wheeler Petroleum Services S.A.E.          | 5%         | (f)               |
| Foster Wheeler World Services Limited             | 100%       | (a)               |
| Process Plants Suppliers Limited                  | 100%       | (a)               |
| Wood India Engineering & Projects Private Limited | 8.98%      | (g)               |



## Amec Foster Wheeler (Holdings) Limited

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

#### 10 Investments (continued)

##### Indirect investments

| Name  | % interest | Registered office |
|---|------------|-------------------|
| Amec Foster Wheeler Energy and Partners Engineering Company | 75%        | (h)               |
| Amec Foster Wheeler Mozambique Limitada                     | 49.09%     | (i)               |
| Foster Wheeler (London) Limited                             | 100%       | (a)               |
| Foster Wheeler (Nigeria) Limited                            | 100%       | (j)               |
| Foster Wheeler (Philippines) Corporation                    | 100%       | (k)               |
| Foster Wheeler Environmental Company Nigeria Limited        | 87%        | (l)               |
| Foster Wheeler Kazakhstan LLP                               | 100%       | (m)               |
| Global Mining Projects and Engineering S.A. de C.V.         | 100%       | (n)               |
| MDM Engineering Investments Ltd                             | 100%       | (o)               |
| MDM Engineering Projects Ltd                                | 100%       | (o)               |
| MDM Engineering SPRL  | 100%       | (p)               |
| MDM Projects-Tanzania Limited                               | 100%       | (q)               |
| Mossel Bay Energy IPP (Proprietary) Limited (RF)            | 45%        | (b)               |
| Rider Hunt International South Africa (Pty) Ltd             | 48.14%     | (r)               |
| Wood BEE Holdings (Proprietary) Ltd                         | 58%        | (b)               |
| Wood Mining South Africa (PTY) Ltd                          | 100%       | (s)               |
| Wood South Africa (PTY) Ltd                                 | 48.58%     | (b)               |

## **Amec Foster Wheeler (Holdings) Limited**

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

#### **10 Investments (continued)**

##### **Registered office addresses**

- (a) Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, United Kingdom.
- (b) Second Road, Halfway House, PO Box 76, Midrand 1685, South Africa.
- (c) 9th Floor Aluminum Building, Avenue Shah, Tehran.
- (d) Naritaweg 165, 1043 BW Amsterdam, Netherlands.
- (e) PO Box 26593, Unit 3601, Tiffany Tower, Cluster W, Jumeirah Lakes Towers, Dubai, United Arab Emirates.
- (f) Al-Amerya General Free Zone, Alexandria, Egypt.
- (g) 6th Floor, Zenith Building, Ascendas IT Park, CSIR Road, Taramani, Chennai 600 113, India.
- (h) Majd Business Center, Tower B, PO Box 30920, King Faisal Road, Al-khobar, 31952, Saudi Arabia.
- (i) 81 Eduardo Mondlane Avenue, Vilanculos District, Province of Inhambane, Mozambique.
- (j) 1 Murtala Muhammed Drive, Ikoyi, Lagos, Nigeria.
- (k) U -7A, 7/F PDCP Bank Centre, V A Rufino St, Corner L P Leviste St, Salcedo Village, Makati City, 1227 Philippines.
- (l) c/o Nwokedi & Co, 21 Ajasa Street, Onikan, Nigeria.
- (m) app 27, h 64, Bostandykskiy district, Abaya Ave, Almaty City, Kazakhstan.
- (n) Calle Coronado 124, Zona Centro, Chihuahau, 31000, Mexico.
- (o) 1st Floor, Felix House, 24 Dr Joseph Street, Port Louis, Mauritius.
- (p) 32 Avenue 3Z, Commune de Kasuku, Ville de Kindu, Democratic Republic of Congo.
- (q) Plot No 483, Garden Road, Mikocheni Ward, Kinondoni District, Dar es Salaam, 14112, Tanzania.
- (r) Building No. 2, Silver Stream Business Park, No. 10 Muswell Road South, Bryanston, South Africa.
- (s) Zeelie Office Park, 381 Ontdekkers Road, Floida Park Ext 3, Roodepoort, 1709, South Africa.

## Amec Foster Wheeler (Holdings) Limited

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

#### 11 Trade and other receivables

|   | 31 December<br>2020<br>£ 000 | Unaudited<br>31 December<br>2019<br>£ 000 |
|---|------------------------------|---|
| Amounts due from group undertakings                         | 3,699                        | 3,648                                     |
| Other debtors   | 10                           | 14  |
| Asbestos receivables  | 8,291                        | 10,227                                    |
| Amounts due from joint ventures and associated undertakings | -                            | 6   |
|   | <u>12,000</u>                | <u>13,895</u>                             |

Asbestos receivables of £8,291,000 (2019: £10,227,000) include £7,295,000 (2019: £9,808,000) 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 0.78% (2019: 2.2%). The discount rate has been derived with reference to a 30 year government bond.

Amounts due from group undertakings comprise loans to group undertakings which are unsecured, interest free and repayable on demand.

#### 12 Provisions

|                                 | Total<br>£ 000 |
|---------------------------------|----------------|
| At 1 January 2020 (Unaudited)   | 11,190         |
| Provisions used                 | (122)          |
| Unwind of discount              | 110            |
| Decrease arising from transfers | <u>(2,468)</u> |
| At 31 December 2020             | <u>8,710</u>   |

The transfer relates to the change in the allocation of asbestos exposures between the entity and Foster Wheeler (London) Limited.

## Amec Foster Wheeler (Holdings) Limited

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

#### 12 Provisions (continued)

Provisions relate to asbestos claims on the company, which, with the exception of public liability claims, have a corresponding receivable in respect of amounts recoverable through the company's insurance cover. 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 0.78% (2019: 2.2%). The discount rate has been derived with reference to a 30 year government bond.

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 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.

The provision range relating to the company is between a low of £4,518,000 and a high of £10,001,000, of which £4,231,000 to £8,400,000 is insured. The provision range includes both current and non-current exposures.

In terms of accounting for claims as current or non-current, the total provision range is outlined by the company's advisors. The total of the insurer's reserves being amounts set aside by insurers to pay legitimate claims is then allocated to form the current portion.

The current portion of asbestos related payables is included in Trade and other payables (note 13).

#### 13 Trade and other payables

|                                   | 31 December<br>2020<br>£ 000 | Unaudited<br>31 December<br>2019<br>£ 000 |
|-----------------------------------|------------------------------|---|
| Trade payables                    | 5                            | 5   |
| Amounts due to group undertakings | 50,346                       | 50,237                                    |
| Asbestos related payables         | 993                          | 419                                       |
| Income tax liability              | 371                          | 1,670                                     |
| Other creditors                   | 197                          | 838                                       |
|                                   | <u>51,912</u>                | <u>53,169</u>                             |

Amounts due to group undertakings includes loans from group undertakings of £45,854,000 (2019: £46,777,000) which are non-current liabilities. These loans are unsecured and interest is charged at the normal market rate.

Other creditors of £197,000 (2019: £838,000) are included in non-current liabilities.

## **Amec Foster Wheeler (Holdings) Limited**

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

#### **15 Share capital**

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

|                                      | <b>31 December<br/>2020</b> |              | <b>Unaudited<br/>31 December<br/>2019</b> |              |
|--------------------------------------|-----------------------------|--------------|---|--------------|
|                                      | <b>No. 000</b>              | <b>£ 000</b> | <b>No. 000</b>                            | <b>£ 000</b> |
| 1,000,000 Ordinary shares at £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**

There are no events requiring recognition or disclosure after the reporting period.