

Tenenge UK Limited

Registered number: 02594490

Annual Report

For the year ended 31 December 2020

TENENGE UK LIMITED

COMPANY INFORMATION

Directors	Jayme Gomes Da Fonseca Junior Marco Aurelio Benito Juarez Gimenes Siqueira
Registered number	02594490
Registered office	The St Botolph Building 138 Houndsditch London EC3A 7AR
Independent auditors	BDO LLP Chartered Accountants and Statutory Auditors 55 Baker Street London W1U 7EU

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11 - 18

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Principal activity

The principal activity of Tenenge UK Limited continued to be that of winding down the residual activity of its original business. Previously Tenenge UK Limited was an investment holding company for Odebrecht Oil and Gas Services Limited.

Results and dividends

The directors do not recommend the payment of a dividend (2019: £nil). The loss for the year, after taxation, amounted to £1,794,000 (2019: loss of £1,907,000).

Directors

The directors who served during the year and to the date of this report were:

Marcos De Cerqueira Lima Machado (resigned 4 August 2021)
Jayme Gomes Da Fonseca Junior
Marcus Paulo Machado Weyll (resigned 14 October 2020)
Marco Aurelio Benito Juarez Gimenes Siqueira (appointed 5 August 2021)

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Going concern

The Company is reliant on the ultimate parent Odebrecht Engenharia e Construção S.A. for financial support and has received a letter of support from its ultimate parent indicating for a period of at least 12 months from the date of approval of these financial statements, it will provide the financial support that the company requires for its continued operations, and no such amounts owed by the Company to the immediate and intermediate parent will be called for repayment unless the Company is in a position to make payments without adversely affecting its ability to continue to trade and settle any future obligations. However, the wider group is undergoing a restructure including its debts as a result of slowdown in growth which would affect the ultimate parent's ability to provide the required financial support to the Company. If the company is unable to receive the financial support it requires then it will seek such financing from other group entities. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

Economic and Financial Effects of Covid-19 on the Financial Statements

The COVID-19 pandemic continues to affect the UK and global economies adversely. At the time of signing this report, the government has lifted the social restrictions which have suppressed economic activity during 2020 and 2021. Therefore, the directors expect to see the UK and global economies return to growth in due course, but it is not possible to predict how quickly and to what degree this may happen. The priority of the directors remains to comply with all regulatory requirements to the fullest extent possible.

The withdrawal of the United Kingdom from the European Union

New trading arrangements between the United Kingdom and the European Union took effect on 31 December 2020. In general, tariffs and quotas on trade have not been introduced, although administrative complications and regulatory restrictions have reduced the freedom of cross-border trade. The directors are carefully monitoring the practical application of the new trading arrangements by regulatory authorities, to better understand what the eventual impact on its business will be. The process of determining these effects is ongoing, and has also been delayed by the suspension of certain sectors of economic activity in response to the COVID-19 pandemic.

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

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

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

Marco Aurelio Benito Juarez Gimenes Siqueira
Director

Date: 20 October 2021

Jayme Gomes Da Fonseca Junior
Director

Date: 20 October 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TENENGE UK LIMITED

Opinion on the financial statements

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 United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Tenenge UK Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1.4 to the financial statements, which indicates that to continue as a going concern, the company is reliant on its ultimate parent undertaking for financial support, however, the wider group is undergoing a restructure which would affect the ultimate parent's ability to provide the required financial support to the company. As stated in note 1.4, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TENENGE UK LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TENENGE UK LIMITED

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Agreement of the financial statement disclosures to underlying supporting documentation to assess compliance with those laws and regulations having an impact on the financial statements;
- Review of minutes of board meetings throughout the period;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations and performing our own checks of compliance with relevant requirements, including the Companies Act 2006; and
- In relation to the risk of management override of internal controls, by undertaking procedures to review journal entries processed during the year and evaluating whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TENENGE UK LIMITED

Use of the audit report

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

Alexander Tapp (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory Auditor
London

22 October 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
Administrative expenses		(1,804)	(1,907)
Other operating income	3	10	-
Operating loss	4	(1,794)	(1,907)
Tax on loss	6	-	-
Loss for the financial year		<u>(1,794)</u>	<u>(1,907)</u>
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(1,794)</u>	<u>(1,907)</u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 11 to 18 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	£000	2020 £000	£000	2019 £000
Current assets					
Debtors: amounts falling due within one year	7	57,148		59,135	
Cash at bank and in hand	8	73		84	
		57,221		59,219	
Creditors: amounts falling due within one year	9	(8,810)		(9,014)	
Net current assets			48,411		50,205
Total assets less current liabilities			48,411		50,205
Net assets			48,411		50,205
Capital and reserves					
Called up share capital	10		95,399		95,399
Profit and loss account	11		(46,988)		(45,194)
Total equity			48,411		50,205

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

Marco Aurelio Benito Juarez Gimenes Siqueira
Director

Jayme Gomes Da Fonseca Junior
Director

Date: 20 October 2021

Date: 20 October 2021

The notes on pages 11 to 18 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2019	95,399	(43,287)	52,112
Comprehensive income for the year			
Loss for the year	-	(1,907)	(1,907)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(1,907)	(1,907)
At 1 January 2020	95,399	(45,194)	50,205
Comprehensive income for the year			
Loss for the year	-	(1,794)	(1,794)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(1,794)	(1,794)
At 31 December 2020	<u>95,399</u>	<u>(46,988)</u>	<u>48,411</u>

The notes on pages 11 to 18 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies

1.1 General Information

Tenenge UK Limited is a private company limited by shares incorporated in England and Wales. The company registration number is 02594490. The address of its registered office is The St Botolph Building, 138 Houndsditch, London, EC3A 7AR.

The principal activity of Tenenge UK Limited continued to be that of winding down the residual activity of its original business. Previously Tenenge UK Limited was an investment holding company for Odebrecht Oil and Gas Services Limited.

The financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest thousand pound.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Odebrecht Engenharia e Construção S.A. as at 31 December 2020 and these financial statements may be obtained from Rua Lemos Monteiro, 120 – Butantã – CEP: 05501-050 – São Paulo – SP – Brazil.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)

1.4 Going concern

The Company is reliant on the ultimate parent Odebrecht Engenharia e Construção S.A. for financial support and has received a letter of support from its ultimate parent indicating for a period of at least 12 months from the date of approval of these financial statements, it will provide the financial support that the company requires for its continued operations, and no such amounts owed by the Company to the immediate and intermediate parent will be called for repayment unless the Company is in a position to make payments without adversely affecting its ability to continue to trade and settle any future obligations. However, the wider group is undergoing a restructure including its debts as a result of slowdown in growth which would affect the ultimate parent's ability to provide the required financial support to the Company. If the company is unable to receive the financial support it requires then it will seek such financing from other group entities. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

1.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1 Cash and cash equivalents

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

1 Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are recognised at transaction price.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, are recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)

1.9 Government grants

The UK government has offered a range of financial support packages to help companies, including government backed financing arrangements, furlough schemes, deferment of VAT payments and, for some sectors, business rates holidays. Of the offered schemes, the company used the Small business grant scheme. The income from the small business grant scheme has been recognised within 'Other operating income'. The income is recognised when the company has reasonable assurance that they will comply with the conditions attaching the grant, and that the grant will be received.

1 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement except when deferred in other comprehensive income.

All other foreign exchange gains and losses are presented in the Statement of Comprehensive income.

1.11 Taxation

Corporation tax payable is provided on taxable profits at the current rate.

The taxation liabilities of certain Group undertakings are reduced wholly or in part by the surrender of losses by fellow Group companies. The tax benefits arising from Group relief are recognised in the financial statements of the surrendering and recipient companies.

Deferred taxation arises as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. The deferred tax liability that is the result of timing differences is recognised in full. Deferred tax assets are only recognised to the extent that, on the basis of all available evidence, they are recoverable. Deferred tax assets and liabilities recognised are not discounted.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

The company establishes a provision for debts that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the debts, past experience of recoverability, and the credit profile of individual or groups of customers.

3. Other operating income

	2020	2019
	£000	£000
Government grants receivable	10	-
	<u>10</u>	<u>-</u>

Government grants receivable relate to a small business grant from Harrogate Borough Council in relation to the Covid-19 pandemic.

4. Operating loss

The operating loss is stated after charging:

	2020	2019
	£000	£000
Lease rentals expensed	5	5
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	14	13
Exchange differences on foreign currency intra group loans	<u>1,765</u>	<u>1,847</u>

The audit fee for 2020 is £13,500 (2019: audit fee £12,500).

5. Employees

The company has no employees other than the directors, who did not receive any remuneration (2019 - £0).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Taxation

	2020	2019
	£000	£000
Current tax on profits for the year	-	-
Total current tax	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020	2019
	£000	£000
Loss on ordinary activities before tax	<u>(1,794)</u>	<u>(1,907)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(341)	(362)
Effects of:		
Adjust deferred tax to average rate of 19%	-	39
Adjustments to tax charge in respect of prior periods - deferred tax	-	32
Remeasurement of deferred tax for changes in tax rates	(1,410)	-
Deferred tax not recognised	1,751	291
Total tax charge for the year	<u>-</u>	<u>-</u>

There is a deferred tax asset of £13,734,188 (2019: £11,947,315) that relate to the items above. These deferred tax assets are fully not recognised due to the uncertainty of the future profitability.

Factors that may affect future tax charges

There are no significant changes to the UK tax rate anticipated in the foreseeable future.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Debtors

	2020	2019
	£000	£000
Amounts owed by group undertakings	57,148	59,135
	<u>57,148</u>	<u>59,135</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of payment and are payable on demand.

8. Cash and cash equivalents

	2020	2019
	£000	£000
Cash at bank and in hand	73	84
	<u>73</u>	<u>84</u>

9. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	9	17
Amounts owed to group undertakings	8,772	8,978
Accruals and deferred income	29	19
	<u>8,810</u>	<u>9,014</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Share capital

	2020	2019
	£000	£000
Authorised		
	150,000	150,000
150,000,000 ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>
Allotted, called up and fully paid		
	95,399	95,399
95,399,369 ordinary shares of £1 each	<u>95,399</u>	<u>95,399</u>

The company has one class of ordinary shares; each share carries one voting right per share but no right to fixed income.

11. Reserves**Profit & loss account**

This reserve represents cumulative profits and losses.

12. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£000	£000
Not later than 1 year	5	5
Later than 1 year and not later than 5 years	5	5
	<u>10</u>	<u>10</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Related party transactions

The Company is a wholly owned member of Odebrecht Engenharia e Construção S.A. and as such has taken advantage of the exemption permitted by FRS 102 Section 33 'Related party disclosures' not to provide disclosures of transactions entered into with other wholly owned members of the group.

At the year end the company was owed £246,048 (2019: £254,706) by Aqueduct Trading Services, a fellow subsidiary company. The amount is shown in amounts owed by group undertakings.

At the year end the company was owed £56,901,671 (2019: £58,879,912) by Odebrecht Overseas Limited, a fellow subsidiary. The amount is shown in amounts owed by group undertakings.

At the year end the company owed £3,101,153 (2019: £3,105,108) to Tenenge Limited, the immediate parent company. The amount is shown in amounts due to group undertakings.

At the year end the company owed £5,672,785 (2019: £5,872,404) to CBPO Overseas Limited, the intermediate parent company. The amount is shown in amounts due to group undertakings.

14. Post balance sheet events

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

15. Controlling party

The immediate parent undertaking is Tenenge Limited.

In the opinion of the directors the ultimate parent company and controlling party is Odebrecht Engenharia e Construção S.A., a company incorporated in Brazil.

Odebrecht Engenharia e Construção S.A. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2020. The consolidated financial statements of Odebrecht Engenharia e Construção S.A. are available from Odebrecht Engenharia e Construção S.A., Rua Lemos Monteiro, 120 – Butantã – CEP: 05501-050 – São Paulo – SP – Brazil.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.