

Registered number: 02619408

AMEC PROJECT INVESTMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



AMEC PROJECT INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	AMEC Nominees Limited MN Plant
Company secretary	IA Jones
Registered number	02619408
Registered office	Booths Park Chelford Road Knutsford Cheshire WA16 8QZ
Independent auditors	KPMG LLP 1 St Peter's Square Manchester M2 3AE

AMEC PROJECT INVESTMENTS LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditor's Report	5 - 6
Income Statement	7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10 - 11
Notes to the Financial Statements	12 - 23

AMEC PROJECT INVESTMENTS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The Directors present their Strategic Report for the year ended 31 December 2018.

Principal activities and business review

The principal activities of the Company was project investment and to act as a holding company. The Company's trading activity in a branch in South Korea has ceased in October 2019. As the Directors do not intend to acquire a replacement trade they have not prepared the accounts on a going concern basis. The effect of this is explained in note 1.1.

Financial key performance indicators

The key financial and other performance indicators of the Company during the year were as detailed below. The prior year restatement is detailed at note 1.1.

	2018 £000	<i>Restated</i> 2017 £000
Revenue	511	6,660
Operating profit/(loss)	566	(1,923)
Loss after tax	<u>(1,398)</u>	<u>(3,743)</u>

Future developments

As the trading activities of the Company have ceased these financial statements have not been prepared on a going concern basis. It is anticipated that the assets and liabilities of the Company will be acquired by a fellow group undertaking in exchange for an intercompany loan.

Principal risks and uncertainties

The principal risks faced by the Company are as follows:

General Risks

Health, safety, security and environment

John Wood Group PLC is involved in activities and environments that have the potential to cause serious injury to personnel or damage to property or the environment and damage to our reputation.

These activities may involve operations such as design, construction, commissioning and decommissioning, which have potential to cause serious environmental damage, pollution and habitat destruction.

Financial risk management

The Company's operations expose it to a variety of financial risks, primarily foreign currency exchange risk and credit risk. To minimise risk, John Wood Group PLC, operates a system of globally applied policies and procedures. These, combined with comprehensive management oversight, the risk management process, project reviews, internal audit, peer reviews and customer feedback, mitigate the Company's risk.

AMEC PROJECT INVESTMENTS LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Foreign currency exchange risk

A significant proportion of the Company's foreign currency trading income is denominated in the local currency of the business operations which provides a natural hedge against the currency of its cost base.

Where commercial contracts are undertaken, which are denominated in foreign currencies, the Company seeks to mitigate the foreign exchange risk, when the cash flow giving rise to such exposure becomes certain or highly probable, through the use of forward currency arrangements, which may include the purchase of currency options.

There are currently no material transactional exposures which have been identified and remain unhedged. There is no reason to believe that any material outstanding forward contract will not be able to be settled from the underlying commercial transactions.

Credit risk

The Company is exposed to credit risk in relation to its customers. The credit risk associated with customers is considered as part of the tender review process and is addressed initially via contract payment terms. Where appropriate, payment security is sought. Credit control practices are applied thereafter during the project execution phase. A right to interest and suspension is normally sought in all contracts.

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



IA Jones
Secretary

28 February 2020

AMEC PROJECT INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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

Directors' responsibilities statement

The Directors are responsible for preparing the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so, as explained in note 1.1, the Directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £1,398,000 (2017 - loss £3,743,000).

No dividend was paid during the year (2017 nil).

Directors

The Directors who served during the year were:

AMEC Nominees Limited
MN Plant

Qualifying third party indemnity provisions

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

AMEC PROJECT INVESTMENTS LIMITED

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

Disclosure of information to auditors

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

- so far as 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

Following the cessation of trading activity in the Korean branch, the Directors have taken the decision to liquidate the Company. Further details are provided in note 1.1.

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.

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



IA Jones
Secretary

Date: 28 February 2020

AMEC PROJECT INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMEC PROJECT INVESTMENTS LIMITED

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its 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.

Emphasis of matter - non going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

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.

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 those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

AMEC PROJECT INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMEC PROJECT INVESTMENTS LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 3, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

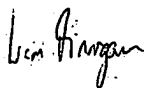
Auditor's responsibilities

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

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

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.



Liam Finnigan (Senior statutory auditor)
for and on behalf of KPMG LLP, Statutory auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

Date: 3 March 2020

AMEC PROJECT INVESTMENTS LIMITED

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

	Note	2018 £000	<i>Restated</i> 2017 £000
Turnover	3	511	6,660
Cost of sales		436	(6,382)
Gross profit		947	278
Other operating income/(expense)	4	339	(153)
Administrative expenses		(305)	(274)
Impairment of investment in joint venture	12	(415)	(1,774)
Operating profit/(loss)		566	(1,923)
Interest receivable and similar income	7	93	20
Interest payable and similar expenses	8	(2,038)	(1,799)
Loss before tax		(1,379)	(3,702)
Tax on loss	9	(19)	(41)
Loss for the financial year		(1,398)	(3,743)

All amounts relate to continuing operations.

The prior year restatement is detailed at note 1.1.

AMEC PROJECT INVESTMENTS LIMITED

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

	Note	2018 £000	2017 £000
Loss for the financial year		<u>(1,398)</u>	<u>(3,743)</u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Currency translation differences		<u>127</u>	<u>51</u>
		<u>127</u>	<u>51</u>
Total comprehensive loss for the year		<u><u>(1,271)</u></u>	<u><u>(3,692)</u></u>

AMEC PROJECT INVESTMENTS LIMITED
REGISTERED NUMBER:02619408

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	10	-	-
Investments	12	-	4,544
		<u>-</u>	<u>4,544</u>
Current assets			
Tangible assets	10	-	-
Debtors	11	1,823	2,426
Investments	12	6,509	-
Cash at bank and in hand		1,261	3,016
		<u>9,593</u>	<u>5,442</u>
Creditors: amounts falling due within one year	13	(54,905)	(5,342)
Net current (liabilities)/assets		<u>(45,312)</u>	<u>100</u>
Total assets less current liabilities		<u>(45,312)</u>	<u>4,644</u>
Creditors: amounts falling due after more than one year	14	-	(48,685)
Net liabilities		<u>(45,312)</u>	<u>(44,041)</u>
Capital and reserves			
Called up share capital	16	1,000	1,000
Retained loss		(46,312)	(45,041)
		<u>(45,312)</u>	<u>(44,041)</u>

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



WG Setter (on behalf of AMEC Nominees Limited)
Director

Date: 28 February 2020

AMEC PROJECT INVESTMENTS LIMITED

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

	Called up share capital	Retained loss	Total deficit
	£000	£000	£000
At 1 January 2018	1,000	(45,041)	(44,041)
Comprehensive loss for the year			
Loss for the year	-	(1,398)	(1,398)
Currency translation differences	-	127	127
At 31 December 2018	<u>1,000</u>	<u>(46,312)</u>	<u>(45,312)</u>

AMEC PROJECT INVESTMENTS LIMITED

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

	Called up share capital	Retained loss	Total deficit
	£000	£000	£000
At 1 January 2017	1,000	(41,349)	(40,349)
Comprehensive loss for the year			
Loss for the year	-	(3,743)	(3,743)
Currency translation differences	-	51	51
At 31 December 2017	1,000	(45,041)	(44,041)

The notes on pages 12 to 23 form part of these financial statements.

AMEC PROJECT INVESTMENTS LIMITED

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

1. Accounting policies

1.1 Basis of preparation of financial statements

AMEC Project Investments Limited is a private company, limited by shares and is incorporated and domiciled in England and Wales.

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

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

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

In previous years, the financial statements have been prepared on a going concern basis. However in October 2019, the Directors made the decision to close the Korean branch as existing contracts had been completed and hence these financial statements have not been prepared on a going concern basis. As a result of this basis of preparation all creditors and assets are disclosed as payable within one year. No other adjustments have been required to reflect this basis of accounting.

Restatement

It is John Wood Group's policy to recognise exchange gains and losses on trade and financing balances in operating profit or loss. As a result, exchange losses that were recognised in interest payable and similar charges in 2017 have been reclassified into operating loss. This has resulted in an increase in other operating expense of £153,000 and a decrease in interest payable and similar charges of £153,000. There is no impact to net profit or loss or on the balance sheet.

1.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

AMEC PROJECT INVESTMENTS LIMITED

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

1. Accounting policies (continued)

1.3 Group accounts

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

1.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Sterling.

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 as qualifying cash flow hedges.

All foreign exchange gains and losses are presented in the Income Statement within 'other operating income'

Trading results of overseas branches are translated using a monthly average exchange rate, and the net assets are translated at the closing exchange rate.

AMEC PROJECT INVESTMENTS LIMITED

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

1. Accounting policies (continued)

1.5 Revenue

Revenue comprises the fair value of the consideration specified in a contract with a customer and is stated net of sales taxes (such as VAT) and discounts.

The Company provides fixed-price engineering, procurement and construction services to customers.

The Company's contracts with customers for the provision of fixed-price engineering, procurement and construction services include a single performance obligation. The Company concluded that revenue from such services should be recognised over time given that the customer simultaneously receives and consumes the benefits provided by the Company.

Revenue on fixed-price or lump-sum contracts for services, construction contracts and fixed-price long-term service agreements is recognised over time according to the stage of completion reached in the contract by measuring the proportion of costs incurred for work performed to total estimated costs.

The Company applies the expected value method to assess / reassess variable consideration (e.g. variation orders, incentive income, claims and liquidated damages) at contract inception and at each reporting date. When assessing the likelihood of settlement with the customer, management considers all the relevant facts and circumstances available with reference to the contract, recent customer communication and other forms of documentary evidence available such that the amount of variable consideration assessed represents management's expected value and the estimated variable consideration is not expected to be constrained.

Advanced payments received from customers for fixed-price engineering, procurement and construction contracts are structured primarily for the reasons other than the provision of finance to the Company (e.g. mobilisation costs) and they do not provide customers with an alternative to pay in arrears. Also, the length of time between when the customer settles amounts to which the Company has the unconditional right to payment and the Company transfers goods and services to the customers is relatively short. Therefore, the Company concluded that there was not a significant financing component within such contracts.

The Company's contracts with customers for the provision of reimbursable engineering services include distinct performance obligations based on the assessment that the service is capable of being distinct both individually and within the context of the contract. The Company concluded that the revenue from such services should be recognised over time given that the customer simultaneously receives and consumes the benefits provided by the Company.

The Company has adopted IFRS 15 using the cumulative effect method from 1 January 2018. Accordingly, the information presented for 2017 has not been restated. Adoption of IFRS 15 has had no impact on the Company's financial statements in the current financial year or as at 1 January 2018.

1.6 Interest income

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

1.7 Finance costs

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

AMEC PROJECT INVESTMENTS LIMITED

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

1. Accounting policies (continued)

1.8. Pensions

Obligations for contributions to defined contribution pension plans are recognised in the Income Statement as incurred.

1.9 Current and deferred taxation

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

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

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

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

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

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

1.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

The estimated useful lives range as follows:

Plant and equipment	- 5 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

AMEC PROJECT INVESTMENTS LIMITED

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

1. Accounting policies (continued)

1.11 Investments

Investments in subsidiary undertakings and joint ventures are stated at cost less any provision for impairment.

1.12 Financial instruments

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

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

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

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

Under IFRS 9, for trade and other receivables and other non-current assets, the Company applies a simplified approach in calculating Estimated Credit losses (ECLs). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date, based on its historical credit loss experience.

Financial liabilities

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

At amortised cost

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

1.13 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.

AMEC PROJECT INVESTMENTS LIMITED

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

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

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

Impairment of investments

The Company holds on its balance sheet an investment in joint venture Lewis Wind Farm Holdings Limited which in turn owns Stornoway Wind Farm Limited. The carrying value of this investment is recognised based on the assessment that it will be recovered through sale. This assessment is based on a series of estimates and judgements which are made in respect of overall project viability and profitability, including those in respect of grid connectivity and electricity sales price contracts.

In September 2019, it was confirmed that the wind farm project will not be awarded a contract for difference (CfD) in the 2019 CfD round. Based on an ongoing review of alternative options for the project, the Directors do not consider any further impairment should be recorded at the date of approval of these financial statements. This is an area of significant judgment and estimation in the preparation of the financial statements.

3. Revenue

The company's revenue is largely derived from the provision of services over time, principally relating to technology and consulting services as well as charges to other group undertakings.

Revenue included £398,000 (2017: £6,507,000) for a lump-sum technology and consulting services contract and £113,000 (2017: £154,000) from charges to other group undertakings. While revenue from lump-sum contracts is calculated based on estimates across the contract life which could increase or decrease, the contract completed during the year ended 31 December 2018.

4. Other operating income/(expense)

Other operating income/(expense) comprises foreign exchange gains of £339,000 (2017: foreign exchange losses £153,000).

5. Auditors' remuneration

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company. Audit of overseas branch £12,000 (2017: £13,000) and tax compliance services of overseas branch £3,000 (2017: £1,000).

Auditors' remuneration for the audit of the financial statements of £500 (2017: £500) was borne by another group company.

AMEC PROJECT INVESTMENTS LIMITED

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

6. Employees

	2018 £000	2017 £000
Wages and salaries	145	151
Other pension costs	19	15
	<u>164</u>	<u>166</u>

The average monthly number of employees during the year was 3 (2017: 4).

None of the Directors received any remuneration in respect of their services to the Company during the current or preceding financial year. The Directors provided immaterial services to the Company.

7. Interest receivable and similar income

	2018 £000	2017 £000
Interest receivable from group companies	93	-
Bank interest receivable	-	20
	<u>93</u>	<u>20</u>

8. Interest payable and similar expenses

	2018 £000	<i>Restated</i> 2017 £000
Interest payable to group undertakings	2,038	1,799
	<u>2,038</u>	<u>1,799</u>

AMEC PROJECT INVESTMENTS LIMITED

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

9. Tax on loss on ordinary activities

	2018 £000	2017 £000
Foreign tax in respect of prior years	-	14
Foreign tax in respect of current year	21	23
Total current tax	21	37
Origination and reversal of timing differences - current year	(2)	2
Origination and reversal of timing differences - prior year	-	1
Effect of changes in tax rates	-	1
Total deferred tax	(2)	4
Taxation on loss on ordinary activities	19	41

Factors affecting tax charge for the year

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

	2018 £000	2017 £000
Loss on ordinary activities before tax	(1,379)	(3,702)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	(262)	(713)
Effects of:		
Adjustments to tax charge in respect of prior years	-	15
Expenses not deductible	80	360
Non-taxable income	(1)	(3)
Tax rate changes	-	1
Effects of overseas tax rates	16	23
Group relief for nil consideration	186	358
Total tax charge for the year	19	41

Factors that may affect future tax charges

As at 31 December 2018, the reduction in the rate of corporation tax to 17% on 1 April 2020 had been enacted. The reduction in the rate of corporation tax to 17% is forecast not to have a significant impact on future charges to the Income Statement.

AMEC PROJECT INVESTMENTS LIMITED

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

10. Tangible fixed assets

	Plant and equipment £000
Cost or valuation	
At 1 January 2018	311
Additions	1
Exchange adjustments	6
At 31 December 2018	<u>318</u>
Depreciation	
At 1 January 2018	311
Charge for the year on owned assets	1
Exchange adjustments	6
At 31 December 2018	<u>318</u>
Net book value	
At 31 December 2018	<u><u>-</u></u>
At 31 December 2017	<u><u>-</u></u>

AMEC PROJECT INVESTMENTS LIMITED

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

11. Debtors

	2018 £000	2017 £000
Due after more than one year		
Deferred tax asset (note 15)	-	12
	<hr/>	<hr/>
	-	12
Due within one year		
Trade debtors	147	1,262
Amounts owed by group undertakings	1,645	1,110
Other debtors	13	34
Prepayments and accrued income	3	8
Deferred tax asset (note 15)	15	-
	<hr/>	<hr/>
	1,823	2,426
	<hr/>	<hr/>

The trade debtors figures comprise the amounts invoiced to customers under lump-sum contracts.

12. Current asset investments

	2018 £000	2017 £000
Shares in joint venture	6,509	-
	<hr/>	<hr/>
	6,509	-
	<hr/>	<hr/>

As detailed at Note 1.1 the financial statements have not been prepared on a going concern basis. As a consequence investments that were disclosed as fixed assets in the prior year are disclosed as current assets in the balance sheet for 2018.

As at 1 January 2018 the investments were carried at cost £37,317,000 and there have been additions in the year of £2,380,000.

As at 1 January 2018 the investments had an accumulated impairment charge of £32,773,000. During the year an impairment charge of £415,000 has been made.

The registered address of both Lewis Wind Power Holdings Limited and Stornoway Wind Farm Limited is EDF Energy, GSO Business Park, East Kilbride, G74 5PG, Scotland.

AMEC PROJECT INVESTMENTS LIMITED

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

13. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	15	2,136
Amounts owed to group undertakings	54,456	2,795
Corporation tax	11	16
Other taxation and social security	4	284
Other creditors	312	-
Accruals and deferred income	107	111
	<u>54,905</u>	<u>5,342</u>

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

	2018 £000	2017 £000
Amounts owed to group undertakings	-	48,685
	<u>-</u>	<u>48,685</u>

15. Deferred taxation

	2018 £000	2017 £000
At beginning of year	12	16
Credited/(charged) to the Income Statement	2	(4)
Exchange adjustments	1	-
At end of year	<u>15</u>	<u>12</u>

The deferred tax asset is made up as follows:

	2018 £000	2017 £000
Temporary differences	15	12
	<u>15</u>	<u>12</u>

AMEC PROJECT INVESTMENTS LIMITED

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

16. Share capital

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

17. Contingent liabilities

The Company is party to cross-guarantee arrangements relating to overdrafts for certain group companies. The maximum gross exposure as at 31 December 2018 was £95 million (2017: £95 million).

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

18. Related party transactions

During the year the Company provided finance to its joint venture, Lewis Wind Power Holdings Limited, totalling £2,380,000 (2017: £704,000).

19. Controlling party

The immediate parent Company is Amec Foster Wheeler Group Limited which is incorporated in England and Wales.

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

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