

Registration number: 02619408

AMEC Project Investments Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2021



AMEC Project Investments Limited
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AMEC Project Investments Limited
Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activity

The principal activity of the company during the year was to act as a holding company for a joint venture investment.

Fair review of the business

During the year the company provided funding of £210,000 to its joint venture investment (2020: £229,000).

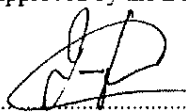
The loss for the year, after taxation, amounted to £2,000 (2020: £7,609,000 loss) .

Principal risks and uncertainties

The company has a joint venture investment which is involved in the development of a wind farm. The management of this venture and the execution of its strategies are subject to a number of risks which impact the overall viability and profitability of the project, including the ability to engineer connectivity to the National Grid and to win industry contracts to generate electricity.

Details of the company's financial risk management objectives and policies are included in note 12 to the financial statements.

Approved by the Board on 26 September 2022 and signed on its behalf by:



.....
IA Jones
Company secretary

AMEC Project Investments Limited
Directors' Report for the Year Ended 31 December 2021

The directors present their report and the unaudited financial statements for the year ended 31 December 2021.

Directors

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

MN Plant

AS McLean

Results and dividends

The loss for the year, after taxation, amounted to £2,000 (2020: £7,609,000 loss).

The directors do not recommend the payment of a dividend for the year ended 31 December 2021 (2020: £ nil).

Future developments

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.

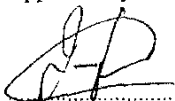
Going concern

The financial statements are not prepared on a going concern basis, as the trading activities of the company have ceased.

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 page 1 to 2 of the financial statements.

Approved by the Board on 26 September 2022 and signed on its behalf by:



IA Jones

Company secretary

AMEC Project Investments 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 Project Investments Limited
Income Statement for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Revenue		-	-
Cost of sales		<u>(1)</u>	<u>-</u>
Gross loss		(1)	-
Other operating expense	4	<u>(224)</u>	<u>(7,309)</u>
Operating loss		(225)	(7,309)
Finance expense	5	<u>-</u>	<u>(358)</u>
Loss before tax		(225)	(7,667)
Taxation	7	<u>223</u>	<u>58</u>
Loss for the year		<u><u>(2)</u></u>	<u><u>(7,609)</u></u>

The notes on pages 8 to 17 form an integral part of these financial statements.

AMEC Project Investments Limited
Statement of Comprehensive Income for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Loss for the year		(2)	(7,609)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation gains/(losses)		<u>-</u>	<u>(49)</u>
Total comprehensive loss for the year		<u>(2)</u>	<u>(7,658)</u>

The notes on pages 8 to 17 form an integral part of these financial statements.

AMEC Project Investments Limited
(Registration number: 02619408)
Balance Sheet as at 31 December 2021

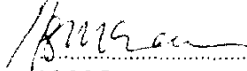
	Note	31 December 2021 £ 000	31 December 2020 £ 000
Assets			
Non-current assets			
Property, plant and equipment	8	-	-
Current assets			
Trade and other receivables	10	980	758
Investments	9	-	-
Deferred tax assets	7	43	-
		<u>1,023</u>	<u>758</u>
Total assets		<u>1,023</u>	<u>758</u>
Equity and liabilities			
Equity			
Called up share capital	13	1,000	1,000
Profit and loss account		<u>(55,453)</u>	<u>(55,451)</u>
		<u>(54,453)</u>	<u>(54,451)</u>
Non-current liabilities			
Deferred tax liabilities	7	43	-
Current liabilities			
Trade and other payables	11	<u>55,433</u>	<u>55,209</u>
Total liabilities		<u>55,476</u>	<u>55,209</u>
Total equity and liabilities		<u>1,023</u>	<u>758</u>

For the financial year ending 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 26 September 2022 and signed on its behalf by:


AS McLean
Director

The notes on pages 8 to 17 form an integral part of these financial statements.

AMEC Project Investments Limited
Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2021	1,000	(55,451)	(54,451)
Loss for the year	-	(2)	(2)
Total comprehensive loss	-	(2)	(2)
At 31 December 2021	1,000	(55,453)	(54,453)

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2020	1,000	(47,793)	(46,793)
Loss for the year	-	(7,609)	(7,609)
Currency translation differences	-	(49)	(49)
Total comprehensive income	-	(7,658)	(7,658)
At 31 December 2020	1,000	(55,451)	(54,451)

The notes on pages 8 to 17 form an integral part of these financial statements.

AMEC Project Investments Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

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.

Going concern

The trading activities of the company ceased in the prior year and as a consequence the accounts have not been prepared on a going concern basis.

Exemption from preparing group accounts

The company is a wholly owned subsidiary of Amec Foster Wheeler Group Limited 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.

AMEC Project Investments Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)

2 Accounting policies (continued)

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'.
- Paragraph 38 of IAS 1, 'Presentation of financial statements' to present comparative information requirements in respect of paragraphs 79(a)(iv) of IAS 1, 73(e) of IAS 16, 'Property, plant and equipment'.
- 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'.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2021 have had a material effect on the financial statements.

Finance income and costs policy

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

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

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

Foreign currency transactions and balances

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

AMEC Project Investments Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)

2 Accounting policies (continued)

Tax

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

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

A current tax provision is recognised when the company has a present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. In line with IFRIC 23, depending on the circumstances, the provision is either the single most likely outcome, or a probability weighted average of all potential outcomes. The provision incorporates tax and penalties where appropriate. Separate provisions for interest are also recorded. Interest in respect of the tax provisions is not included in the tax charge, but disclosed within profit before tax.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

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

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

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

Investments

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

AMEC Project Investments Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)

2 Accounting policies (continued)

Impairment

The company performs impairment reviews in respect of plant and equipment and investments in 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.

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.

Trade and other payables

Trade and other payables comprise predominantly amounts due to group undertakings and are recognised at fair value and subsequently measured at amortised cost.

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.

AMEC Project Investments Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)

2 Accounting policies (continued)

Rounding of amounts

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

3 Critical accounting judgements and key sources of estimation uncertainty

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

Impairment of investments (judgement)

The company has a joint venture investment in Lewis Wind Power Holdings Limited which owns Stornoway Wind Farm Limited. The carrying value of the 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.

4 Other operating (expense)/income

The analysis of the company's other operating (expense)/income for the year is as follows:

	2021 £ 000	2020 £ 000
Management fee income	-	13
Foreign exchange (losses)/gains	-	29
Impairment of investment	(224)	(7,351)
	<u>(224)</u>	<u>(7,309)</u>

5 Finance expense

	2021 £ 000	2020 £ 000
Interest paid to group undertakings	-	358

6 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.

AMEC Project Investments Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)

7 Taxation

Tax (credited) in the income statement

	2021 £ 000	2020 £ 000
Current taxation		
UK corporation tax	(222)	(60)
UK corporation tax adjustment to prior periods	(1)	2

The tax on profit before tax for the year differs from the standard rate of corporation tax in the UK of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £ 000	2020 £ 000
Loss before tax	(225)	(7,667)
Corporation tax at standard rate	(43)	(1,457)
(Decrease)/increase in current tax from adjustment for prior periods	(1)	2
Increase from effect of expenses not deductible in determining taxable profit	43	1,397
Decrease from transfer pricing adjustments	(221)	-
Total tax credit	(222)	(58)

There is an unrecognised deferred tax asset of £7,000 as at 31 December 2021 (2020: £6,000) in relation to losses. 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.

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%. The Finance Act 2021 (enacted on 10th June 2021) included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. Deferred taxes on the balance sheet have as such been measured at 25% (2020: 19%) which represents the future corporation tax rate that was enacted at the balance sheet date.

AMEC Project Investments Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)

8 Property, plant and equipment

	Total £ 000
Cost or valuation	
At 1 January 2021	296
Foreign exchange movements	<u>(24)</u>
At 31 December 2021	<u>272</u>
Depreciation	
At 1 January 2021	296
Foreign exchange movements	<u>(24)</u>
At 31 December 2021	<u>272</u>
Carrying amount	
At 31 December 2021	<u><u>-</u></u>
At 31 December 2020	<u><u>-</u></u>

AMEC Project Investments Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)

9 Investments

Investment in joint venture

	31 December 2021 £ 000	31 December 2020 £ 000
Cost		
At 1 January	40,539	40,310
Additions	<u>224</u>	<u>229</u>
At 31 December	<u>40,763</u>	<u>40,539</u>
Provision		
At 1 January	40,539	33,188
Provision	<u>224</u>	<u>7,351</u>
At 31 December	<u>40,763</u>	<u>40,539</u>
Carrying amount		
At 31 December	<u><u>-</u></u>	<u><u>-</u></u>

The company owns 50% of the issued share capital of Lewis Wind Power Holdings Limited which owns 100% of the issued share capital of Stornoway Wind Farm Limited. The registered office address of both these companies is: EDF Energy, GSO Business Park, East Kilbride, Scotland, G74 5PG.

Following a review of the carrying value of the company's investment in Lewis Wind Power Holdings Limited, compared to its expected recoverable amount, an impairment charge of £224,000 (2020: £7,351,000) was recorded.

10 Trade and other receivables

	31 December 2021 £ 000	31 December 2020 £ 000
Amounts due from group undertakings	332	332
Income tax receivable	<u>648</u>	<u>426</u>
	<u><u>980</u></u>	<u><u>758</u></u>

Amounts due from group undertakings are unsecured and repayable on demand.

AMEC Project Investments Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)

11 Trade and other payables

	31 December	31 December
	2021	2020
	£ 000	£ 000
Trade payables	14	14
Amounts due to group undertakings	55,419	55,195
	<u>55,433</u>	<u>55,209</u>

Amounts due to group undertakings includes loans from group undertakings of £51,224,000 (2020: £50,625,000) that are unsecured, repayable on demand and interest free.

12 Financial risk management and impairment of financial assets

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

Foreign exchange risk

The company is exposed to foreign currency risk on transactions 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 Project Investments Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)

13 Share capital

Allotted, called up and fully paid shares

	31 December 2021		31 December 2020	
	No. 000	£ 000	No. 000	£ 000
1,000,000 Ordinary shares at £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

14 Related party transactions

Summary of transactions with joint ventures

During the year the company has provided funding of £224,000 (2020: £229,000) to Lewis Wind Power Holdings Limited under the terms of a shareholder loan agreement.

15 Parent and ultimate parent undertaking

The company's immediate parent is Amec Foster Wheeler Group Limited.

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.