

AMEC International Limited

Directors' report and accounts

31 December 2014

Registered number 3203966

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AMEC International Limited

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AMEC International Limited

Directors

AMEC Nominees Limited
MN Plant

Secretary

KA Hand

Registered Office

Booths Park
Chelford Road
Knutsford
Cheshire
WA16 8QZ

Auditors

Ernst & Young LLP
Blenheim House
Fountainhall Road
Aberdeen
AB15 4DT

AMEC International Limited

Strategic report

The directors present their Strategic report for the year ended 31 December 2014.

Review of the business

The company is a focused supplier of project management services. This is expected to remain the case for the foreseeable future.

The key financial and other performance indicators of the company during the year were as follows:

	2014	2013
Turnover £'000	80,494	55,379
Operating profit £'000	6,897	1,089
Operating profit margin %	8.6%	2.0%
Profit after tax £'000	6,520	775
Equity shareholders' funds £'000	11,099	3,768
Average number of employees	511	343

The primary driver for the increase in turnover was the growth in oil and gas activity in the Arabian Gulf. The increase in operating profit is as a result of this increased turnover and lower overheads in the year.

Principal risks and uncertainties

The principal general risks faced by the company are as follows:

- Implementation of effective health and safety management systems and working practices
- Information technology systems failure and data loss
- Sustained and significant reduction in energy prices
- Recruitment, development and retention of senior management and skilled personnel
- Non-compliance with laws and regulations
- Changes in the political and economic environment leading to pressures on capital expenditure
- Adverse foreign currency movements

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, Amec Foster Wheeler 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.

Foreign currency exchange risks

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.

AMEC International Limited

Strategic report (*continued*)

Financial risk management (*continued*)

Foreign currency exchange risks (continued)

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.

By order of the board



KA HAND
Secretary

21 September 2015

Booths Park
Chelford Road,
Knutsford
Cheshire
WA16 8QZ

AMEC International Limited

Directors' report

The directors present their report and accounts for the year ended 31 December 2014.

Directors

The current directors are listed on page 2. The directors who served during the year were as follows:

AMEC Nominees Limited
MN Plant

Dividends

A dividend of £nil was paid during the year (2013: £nil).

Future developments of the business

The company will continue to trade and develop long term customer relationships. Revenue growth is expected in 2015, driven by oil and gas activity resulting from the long term rise in energy demand.

Employees

The company employed on average 511 people in 2014 (2013: 343). These employees do not have contracts of service with this company as they are employees of Amec Global Resources Pte Limited. Details of the average staff numbers are disclosed in these accounts to provide a true and fair view of the company's affairs.

The company gives high priority to the development of employees, to ensure that they have the necessary skills and behaviours to deliver its strategic business objectives and to provide for management succession.

Processes are in place across the Amec Foster Wheeler group for the regular and consistent review of employee performance, development and management succession. Common training needs are delivered through the Amec Foster Wheeler Academy. The Amec Foster Wheeler Academy delivers development activities to enhance delivery and prepare employees for more advanced roles.

It is of key importance to the company that it engages with employees to ensure they understand the direction in which the company is going, are committed to its values, and are empowered to propose and make changes to improve how it operates. The company's employees embody its knowledge, brand and reputation and it is through their activities, day by day, that it delivers on its business objectives and commitments to shareholders, customers and the wider community. Surveys of employee opinion are regularly conducted and the company is committed to sharing and acting on the outcomes. Amec Foster Wheeler provides a wide range of mechanisms for employees to share knowledge, to be kept informed of developments within Amec Foster Wheeler and to raise issues and discuss matters of concern.

Respect for cultural diversity and commitment to equal opportunities are included in Amec Foster Wheeler's values and code of business conduct. Amec Foster Wheeler's policy is to recruit from the widest labour market, to determine the careers of all employees solely on merit and to make judgements about employees free from the effects of bias and prejudice.

As part of Amec Foster Wheeler's equal opportunities policy, procedures are in place that are designed to provide for full and fair consideration and selection of disabled applicants to ensure they are properly trained to perform safely and effectively, and to provide career opportunities that allow them to fulfil their potential. Where an employee becomes disabled in the course of their employment, the company will actively seek to retain them wherever possible by making adjustments to their work content and environment or by retraining them to undertake new roles.

AMEC International Limited

Directors' report (*continued*)

Branches outside the UK

The company has branches in Abu Dhabi, Sharjah, Libya and Switzerland.

Financial Instruments

Details of financial instruments are provided in the Strategic report.

Directors' indemnity arrangements

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.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The above statement is made in accordance with Section 418 of the Companies Act 2006.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

By order of the board



KA HAND
Secretary

21 September 2015

Booths Park
Chelford Road,
Knutsford
Cheshire
WA16 8QZ

AMEC International Limited

Profit and loss account for the year ended 31 December 2014

	<i>Note</i>	2014 £000	2013 £000
Turnover		80,494	55,379
Cost of sales		(70,105)	(49,297)
Gross profit		10,389	6,082
Administrative expenses		(3,492)	(4,993)
Operating profit	4	6,897	1,089
Loss on disposal of tangible fixed assets		(76)	(12)
Interest payable	6	(442)	(267)
Profit on ordinary activities before taxation		6,379	810
Taxation on profit on ordinary activities	7	141	(35)
Profit for the year	13	6,520	775

All amounts relate to continuing operations.

Statement of total recognised gains and losses for the year ended 31 December 2014

	2014 £000	2013 £000
Profit for the year	6,520	775
Exchange movements	811	(757)
Total gains for the year	7,331	18

Reconciliation of movement in shareholders' funds for the year ended 31 December 2014

	2014 £000	2013 £000
Profit for the year	6,520	775
Exchange movements	811	(757)
Net increase in shareholders' funds	7,331	18
Shareholders' funds at 1 January	3,768	3,750
Shareholders' funds at 31 December	11,099	3,768

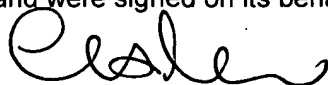
AMEC International Limited

Registered number 3203966

Balance sheet as at 31 December 2014

	Note	2014 £000	2013 £000
FIXED ASSETS			
Tangible assets	8	334	482
CURRENT ASSETS			
Debtors (including amounts falling due after more than one year of £225,000 (2013: £68,000))	9	25,133	21,508
Cash		7,477	5,558
		32,610	27,066
CREDITORS: amounts falling due within one year	10	(13,455)	(8,177)
Net current assets		19,155	18,889
Total assets less current liabilities		19,489	19,371
CREDITORS: amounts falling due after more than one year	11	(8,390)	(15,603)
NET ASSETS		11,099	3,768
CAPITAL AND RESERVES			
Called up share capital	12,13	100	100
Profit and loss account	13	10,999	3,668
EQUITY SHAREHOLDERS' FUNDS		11,099	3,768

These accounts were approved by the board of directors on 21 September 2015 and were signed on its behalf by:



AMEC NOMINEES LIMITED
DIRECTOR

Notes to the accounts

Accounting convention

Cash flow statement

Depreciation

Plant and equipment - mainly 3 to 5 years

Foreign currencies

Going concern

Pensions

Defined contribution plans

Related party transactions

Taxation

Deferred tax is recognised, without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred tax'.

AMEC International Limited

Notes to the accounts (*continued*)

1 ACCOUNTING POLICIES (*continued*)

Taxation (*continued*)

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse based on tax rates and laws enacted or substantially enacted at the balance sheet date.

Turnover and long term contracts

Turnover represents the amount received or receivable, excluding value added tax, for goods and services supplied by the company to its customers.

Turnover is derived principally from service and construction-type contracts. Contract turnover is recognised over the term of the contract by reference to the stage of completion of the contract activity at the end of each reporting period.

Turnover from cost reimbursable contracts is based on the services provided, typically represented by man-hours worked, and is measured by reference to agreed charge-out rates or to the estimated total contract turnover. Flow-through costs on cost reimbursable contracts, typically consisting of materials, equipment or subcontractor services, are included as both contract turnover and contract costs.

Turnover from fixed price contracts is recognised using the percentage-of-completion method, measured by reference to physical completion or the ratio of costs incurred to total estimated contract costs. If the outcome of a contract cannot be estimated reliably, as may be the case in the initial stages of completion of the contract, turnover is recognised only to the extent of the costs incurred that are expected to be recoverable. If a contract is expected to be loss-making, the expected amount of the loss is recognised immediately in the profit and loss account.

A variation is an instruction by the customer for a change in the scope of the work to be performed under the contract. Variations are included in contract turnover when it is probable that the customer will approve the variation and the related adjustment to the contract price can be measured reliably. A claim is an amount that the contractor seeks to collect from the customer as reimbursement for costs whose inclusion in the contract price is disputed, and may arise from, for example, delays caused by the customer, errors in specification or design and disputed variations in contract work. Claims are included in contract turnover when negotiations with the customer have reached an advanced stage such that it is probable that the customer will accept the claim and the amount of the claim can be measured reliably.

Incentive payments are additional amounts payable to the contractor if specified performance standards are met or exceeded. Incentive payments are recognised when the contract is sufficiently far advanced that it is probable that the required performance standards will be met and the amount of the payment can be measured reliably.

AMEC International Limited

Notes to the accounts (*continued*)

1 ACCOUNTING POLICIES (*continued*)

Turnover and long term contracts (*continued*)

The amounts recoverable on contracts included in debtors represent the costs incurred plus recognised profits, less provision for recognised losses and progress billings. Progress billings that have not been settled by customers (including retentions related to contracts in progress) are included in debtors where they are stated after allowance for any doubtful debts

Payments on account in excess of the amounts recoverable under contracts are included in creditors and represent payments on account received from customers in excess of the amounts recoverable on contracts and advances. Advances are amounts received by the customer before the related work is performed.

2 DIRECTORS' REMUNERATION

None of the directors received any remuneration in respect of their services to the company during the current or preceding financial year.

3 AUDIT COSTS

The audit costs of £2,000 (2013: £2,000) have been borne by another group company.

4 OPERATING PROFIT

	2014	2013
	£000	£000
Operating profit is stated after charging:		
Depreciation	192	167

5 STAFF COSTS

Employees do not have contracts of service with this company as they are employees of Amec Global Resources PTE Limited. Details of the recharged costs and average staff numbers are disclosed in these accounts to provide a true and fair view of the company's affairs.

	2014	2013
	£000	£000
Wages and salaries	40,174	28,736
Social security costs	9	4
Pension costs	419	378
	40,602	29,118

	2014	2013
	Number	Number
Average monthly number of employees during the year including directors	511	343

AMEC International Limited

Notes to the accounts (*continued*)

6 INTEREST PAYABLE

	2014 £000	2013 £000
Group interest	442	227
Exchange losses	-	40
	<u>442</u>	<u>267</u>

7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2014 £000	2013 £000
Current tax		
UK corporation tax at 21.5% (2013: 23.25%)	-	-
Overseas tax		
- Current tax on profit for the year	14	-
- Adjustment in respect of prior years	-	(4)
	<u>14</u>	<u>(4)</u>
Deferred Tax		
Deferred tax at 20% (2013: 20%)		
Origination and reversal of timing differences		
- Current year	(116)	(9)
- Adjustments in respect of prior years	(39)	48
	<u>(141)</u>	<u>35</u>

The current tax credit for the year differs from the tax on profit at the standard rate of corporation tax in the UK. This is explained as follows:

	2014 £000	2013 £000
Profit on ordinary activities before taxation	<u>6,379</u>	<u>810</u>
Tax charge at 21.5% (2013: 23.25%)	1,372	188
Group relief for nil consideration	(2,105)	(901)
Non deductible expenses	608	699
Short term timing differences	117	-
Capex and depreciation in excess of capital allowances	8	14
Adjustments in respect of prior years	-	(4)
Overseas tax in excess of DTR	<u>14</u>	<u>-</u>
Current tax charge/(credit) for the year	<u>14</u>	<u>(4)</u>

AMEC International Limited

Notes to the accounts (*continued*)

7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES (*continued*)

	Deferred taxation £000
As at 1 January 2014	20
Profit and loss account credit	155
As at 31 December 2014	<u>175</u>

The deferred tax asset is analysed as follows:

	2014 £000	2013 £000
Accelerated capital allowances	59	20
Short term timing differences	116	-
	<u>175</u>	<u>20</u>

In the 2012 and 2013 budgets, the Chancellor of the Exchequer announced reductions in the rate of corporation tax to 21 per cent from 1 April 2014, and 20 per cent from 1 April 2015.

As at 31 December 2014, the reduction in the rate to 20 per cent had been substantively enacted.

The reduction in the rate to 20 per cent is forecast to have an insignificant impact on future charges to the profit and loss account and has been reflected in the deferred tax asset.

AMEC International Limited

Notes to the accounts (*continued*)

8 TANGIBLE ASSETS

	Plant and equipment £000
Cost	
As at 1 January 2014	831
Exchange and other movements	49
Additions	99
Disposals	(225)
As at 31 December 2014	754
Depreciation	
As at 1 January 2014	349
Exchange and other movements	28
Charge for the year	192
Disposals	(149)
As at 31 December 2014	420
Net book value	
As at 31 December 2014	334
As at 1 January 2014	482

9 DEBTORS

	2014 £000	2013 £000
Amounts falling due within one year		
Trade debtors	11,499	8,661
Amounts recoverable on contracts	8,081	9,850
Other debtors and prepayments	1,495	1,339
Amounts owed by group undertakings	3,833	1,590
	24,908	21,440
Amounts falling due after more than one year		
Trade debtors	50	48
Deferred taxation (note 7)	175	20
	225	68
Total debtors	25,133	21,508

AMEC International Limited

Notes to the accounts (*continued*)

10 CREDITORS: amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	2,470	1,038
Tax payable	92	70
Amounts owed to group undertakings	900	273
Other creditors and accruals	9,993	6,796
	<u>13,455</u>	<u>8,177</u>

11 CREDITORS: amounts falling due after more than one year

	2014 £000	2013 £000
Amounts owed to group undertakings	<u>8,390</u>	<u>15,603</u>

12 SHARE CAPITAL

	2014 number	2013 number	2014 £000	2013 £000
Ordinary shares of £1 each:				
Allotted, called up and fully paid	<u>100,000</u>	<u>100,000</u>	<u>100</u>	<u>100</u>

13 RESERVES

	Share capital £000	Profit and loss account £000	Total £000
As at 1 January 2014	100	3,668	3,768
Profit for the year	-	6,520	6,520
Exchange movements	-	811	811
As at 31 December 2014	<u>100</u>	<u>10,999</u>	<u>11,099</u>

14 ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of Amec Foster Wheeler Property and Overseas Investments Limited which is incorporated in England and Wales. The company regarded by the directors as the ultimate parent company is Amec Foster Wheeler plc, which is incorporated in England and Wales. Copies of the group accounts can be obtained from Amec Foster Wheeler plc, Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ.

AMEC International Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, Directors' report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the accounts 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 accounts, 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 accounts; and
- prepare the accounts 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 accounts 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.

AMEC International Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMEC INTERNATIONAL LIMITED

We have audited the accounts of AMEC International Limited for the year ended 31 December 2014 which comprise the Profit and Loss account, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 16, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of; whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors' and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Strategic report, Directors' report and accounts to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and Directors' report for the financial year for which the accounts are prepared is consistent with the accounts.

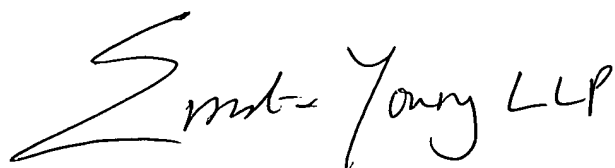
AMEC International Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMEC INTERNATIONAL LIMITED (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 accounts 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.

A handwritten signature in black ink, appearing to read 'Kenneth MacLeod Hall', followed by 'Ernst & Young LLP' in a stylized, cursive script.

Kenneth MacLeod Hall (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor
Aberdeen

22, September 2015