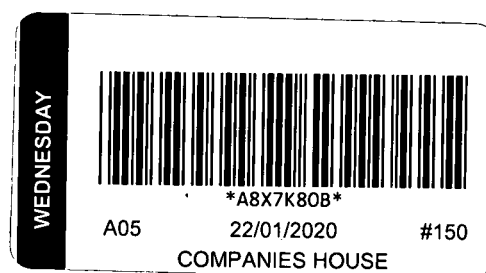


Registered number: 03704533

AMEC INVESTMENTS EUROPE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



AMEC INVESTMENTS EUROPE LIMITED

COMPANY INFORMATION

Directors	AMEC Nominees Limited WG Setter
Company secretary	IA Jones
Registered number	03704533
Registered office	Booths Park Chelford Road Knutsford Cheshire WA16 8QZ
Independent auditors	KPMG LLP 1 St Peter's Square Manchester M2 3AE

AMEC INVESTMENTS EUROPE LIMITED

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AMEC INVESTMENTS EUROPE 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 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 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 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 profit for the year, after taxation, amounted to £592,000 (2017: restated profit of £2,527,000). Further details of the restatement can be found in note 1.2.

On 17 December 2018, the Company disposed of its investment in its joint venture undertaking Runway Omega B.V. During 2017, the Company disposed of its investment in Scopus Group (Holdings) Limited with a resulting profit on disposal of £1,556,000 in total.

On 25 June 2018, a loan between the Company and Runway Omega B.V. of £9,667,000 was waived. This loan had been fully provided for in previous years.

The Directors do not recommend the payment of a dividend (2017: £nil).

Principal activities

The Company acts as a group holding company.

Going concern

The financial statements are prepared on a going concern basis on the grounds that John Wood Group PLC has confirmed to the Directors that its present intention is to provide financial support to enable the Company to continue its operations and to meet its financial obligations for at least 12 months from the date of approval of the financial statements, for further details, please see note 1.4.

AMEC INVESTMENTS EUROPE LIMITED

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

Directors

The Directors who served during the year were:

AMEC Nominees Limited
WG Setter

Future developments

The Company is expected to remain as a holding company. The future performance of its subsidiary is dependent on successful execution of current contracts and award of future contracts.

Qualifying third party indemnity provisions

The Company maintains Directors' and Officers' liability insurance cover. In addition, throughout the financial year end 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

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

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

Post balance sheet events

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

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.

Strategic Report

The Company is entitled to the small companies' exemption from the requirement to prepare a Strategic Report.

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



IA Jones
Secretary

Date: 14 January 2020

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

Opinion

We have audited the financial statements of AMEC Investments Europe Limited 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 profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the Directors, such as those noted in the disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

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

Directors' Report

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

Our responsibility is to read 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 Directors' Report;
- in our opinion the information given in this report for the financial year is consistent with the financial statements; and
- in our opinion this report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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.

Directors' responsibilities

As explained more fully in their statement set out on page 1, 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

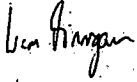
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit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

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

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
One St Peter's Square
Manchester,
M2 3AE

Date: 21 January 2020

AMEC INVESTMENTS EUROPE LIMITED

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

	Note	2018 £000	Restated 2017 £000
Administrative (expenditure)/income		(82)	240
Profit on disposal of subsidiaries		-	1,556
Operating (loss)/profit		(82)	1,796
Other income		408	2,323
Interest receivable and similar income	5	1,933	630
Interest payable and similar expenses	6	(2,422)	(2,103)
(Loss)/profit before tax		(163)	2,646
Tax credit/(charge) on profit	7	755	(119)
Profit for the financial year		592	2,527

There was no other comprehensive income in the current or prior year.

Details of the impact of the restatement can be found in note 1.2.

AMEC INVESTMENTS EUROPE LIMITED
REGISTERED NUMBER:03704533

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	Restated 2017 £000
Fixed assets			
Fixed asset investments	8	2,139	2,139
		<u>2,139</u>	<u>2,139</u>
Current assets			
Debtors (includes amounts falling due after more than one year of £46,000,000 (2017: £46,630,000))	9	48,776	46,630
Creditors: amounts falling due within one year	10	(67,731)	(66,177)
Net current liabilities		<u>(18,955)</u>	<u>(19,547)</u>
Total assets less current liabilities		<u>(16,816)</u>	<u>(17,408)</u>
Net liabilities		<u>(16,816)</u>	<u>(17,408)</u>
Capital and reserves			
Called up share capital	11	-	-
Retained loss		(16,816)	(17,408)
Total shareholder's deficit		<u>(16,816)</u>	<u>(17,408)</u>

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


WG Setter
 Director

Date: 14 January 2020

Details of the impact of the restatement can be found in note 1.2.

AMEC INVESTMENTS EUROPE LIMITED

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

	Called up share capital	Retained loss	Total shareholder's deficit
	£000	£000	£000
At 1 January 2018	-	(17,408)	(17,408)
Comprehensive income for the year			
Profit for the year	-	592	592
At 31 December 2018	<u>-</u>	<u>(16,816)</u>	<u>(16,816)</u>

AMEC INVESTMENTS EUROPE LIMITED

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

	Called up share capital £000	Retained loss £000	Total shareholder's deficit £000
At 1 January 2017 as stated	-	(19,425)	(19,425)
Prior year adjustment for foreign exchange movements on investments (note 1.2)	-	(510)	(510)
At 1 January 2017 as restated	-	(19,935)	(19,935)
Comprehensive income for the year			
Profit for the year as restated	-	2,527	2,527
At 31 December 2017 as restated	-	(17,408)	(17,408)

The notes on pages 10 to 19 form part of these financial statements.

Details of the impact of the restatement can be found in note 1.2.

AMEC INVESTMENTS EUROPE 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 Investments Europe 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).

1.2 Restatement

There have been three adjustments made to the 2017 figures resulting in the 2017 figures being restated.

Adjustment 1 - change in accounting policy relating to the reclassification of foreign exchange charges/gains in the Income Statement to align with new Group policy.

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 gains and losses on financing balances that were recognised in net financing income/expense in 2017 have been reclassified into operating profit. There is no impact to net profit or loss.

Adjustment 2 - interest receivable not accrued in 2017.

During the year ended 31 December 2018 management identified that interest on one of the intercompany loans was under accrued by £630,000 in 2017. The adjustment is to recognise interest income of £630,000 and a corresponding increase in amounts owed by group undertakings.

Adjustment 3 - reversal of foreign exchange movement of subsidiary investment.

As a result of the transition to FRS 101, foreign exchange movements on the subsidiary investment should have ceased as at 1 January 2014, however they continued being recorded through to the year ended 31 December 2017. This adjustment removes the foreign exchange movements and restates the subsidiary investment to the 1 January 2014 value.

Adjustment 4 - ageing of intercompany creditor:

Following a review of the intercompany loans it was identified that a loan previously presented as non-current should have been classified as repayable on demand. The impact of this adjustment was to reduce creditors due after more than one year and increase creditors falling due within one year.

The table below shows the impact of the adjustments on the Income Statement and the Balance Sheet.

AMEC INVESTMENTS EUROPE LIMITED

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

1. Accounting policies (continued)

1.2 Restatement (continued)

£000	2017 as presented	Prior year adjustment 1 - reclassification of foreign exchange charges/gains in Income Statement to align with group policy	Prior year adjustment 2 - interest receivable not accrued in 2017	Prior year adjustment 3 - reversal of foreign exchange movement of subsidiary investment	Prior year adjustment 4 - ageing of intercompany creditor	2017 as restated
Income Statement						
Administrative income	283	(242)	-	199	-	240
Impairment of investments in subsidiary undertakings	-	-	-	-	-	-
Profit on disposal of subsidiaries	1,556	-	-	-	-	1,556
Operating profit	1,839	(242)	-	199	-	1,796
Other income	2,323	-	-	-	-	2,323
Income from shares in subsidiary undertaking	-	-	-	-	-	-
Interest receivable and similar income	451	(451)	630	-	-	630
Interest payable and similar expenses	(2,796)	693	-	-	-	(2,103)
Profit before tax	1,817	-	630	199	-	2,646
Tax on profit	(119)	-	-	-	-	(119)
Profit for the financial year	1,698	-	630	199	-	2,527
Balance Sheet						
Fixed asset investments	2,450	-	-	(311)	-	2,139
Current assets						
Debtors	46,000	-	630	-	-	46,630
Creditors: amounts falling due within one year	(4,139)	-	-	-	(62,038)	(66,177)
Net current assets	41,861	-	630	-	(62,038)	(19,547)
Total assets less current liabilities	44,311	-	630	(311)	(62,038)	(17,408)
Creditors: amounts falling due after more than one year	(62,038)	-	-	-	62,038	-
Net liabilities	(17,727)	-	630	(311)	-	(17,408)
Capital and reserves						
Called up share capital	-	-	-	-	-	-
Retained loss	(17,727)	-	630	(311)	-	(17,408)
	(17,727)	-	630	(311)	-	(17,408)

AMEC INVESTMENTS EUROPE LIMITED

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

1. Accounting policies (continued)

1.3 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
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

1.4 Going concern

Notwithstanding net current liabilities and net liabilities of £64,955,000 and £16,816,000 respectively as at 31 December 2018 and a profit for the year then ended of £592,000, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons. The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' report on pages 1 to 3. The Directors' have considered the Company's financial commitments for the next twelve months and have taken account of the present and future trading performance. These forecasts indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through financial support from its ultimate parent company, John Wood Group plc, to meet its liabilities as they fall due for that period. Those forecasts are dependent on John Wood Group plc providing future funding where required and not seeking repayment of the amounts currently due by the company to John Wood Group plc subsidiaries (including amounts owed through the group cash pool, which at 31 December 2018 amounted to £67,489,000, see note 10). The Directors of John Wood Group plc have indicated that it intends to provide further financial support and not seek repayment from the Company of amounts that may fall due during the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.5 Valuation of investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

1.6 Interest income

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

AMEC INVESTMENTS EUROPE LIMITED

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

1. Accounting policies (continued)

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.

1.8 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.

AMEC INVESTMENTS EUROPE LIMITED

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

1. Accounting policies (continued)

1.9 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 other than cash and cash equivalents 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 services to group undertakings, 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.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Income Statement. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

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

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 into the Balance Sheet.

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

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

Impairment of investments in subsidiaries

Investments in subsidiaries are considered to be impaired if their recoverable amount is less than the carrying value. Where recoverable amount is based on value in use, this is estimated on a discounted future cash flow basis. The value in use calculations require the entity to estimate future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values.

Recoverability of intercompany receivables

Determining whether intercompany receivables are recoverable requires judgements concerning the counterparty's ability to settle these balances.

AMEC INVESTMENTS EUROPE LIMITED

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

3. Directors' remuneration

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

4. Auditors' remuneration

Auditors' remuneration for the audit of the financial statements for the year of £6,590 (2017: £1,000) was borne by another group company.

5. Interest receivable and similar income

	2018 £000	Restated 2017 £000
Group interest receivable	1,840	630
Interest receivable from joint venture	93	-
	<u>1,933</u>	<u>630</u>

In addition, for 2018 the Company is entitled to receive interest on a loan to a joint venture undertaking of £227,000 (2017: £478,000). This was partially provided for in 2018 to reflect the fact that the Company did not fully recover amounts receivable from the joint venture, resulting in only £93,000 of interest being recognised in 2018.

6. Interest payable and similar expenses

	2018 £000	Restated 2017 £000
Group interest payable	<u>2,422</u>	<u>2,103</u>

7. Taxation on profit on ordinary activities

	2018 £000	2017 £000
Corporation tax		
UK corporation tax - current tax on profit for the year	64	313
Foreign tax		
Overseas tax - prior year	(819)	(194)
Deferred tax		
Taxation on (loss)/profit on ordinary activities	<u>(755)</u>	<u>119</u>

AMEC INVESTMENTS EUROPE LIMITED

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

7. Taxation on profit on ordinary activities (continued)

Factors affecting tax charge for the year

The tax provision for 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	<i>Restated</i>
	£000	2017
		£000
(Loss)/profit on ordinary activities before tax	(163)	2,646
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 : 19.25%)	(31)	509
Effects of:		
Overseas tax in excess of UK tax	51	(35)
Adjustments to tax charge in respect of prior periods	(819)	(194)
Income not taxable	-	(360)
Group relief for nil consideration	44	199
Total tax (credit)/charge for the year	(755)	119

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 tax charges to the Income Statement.

AMEC INVESTMENTS EUROPE LIMITED

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

8. Fixed asset investments

	Investments in subsidiary companies £000	Investment in joint ventures £000	Total £000
Cost			
At 1 January 2018 as restated	2,139	9,925	12,064
Foreign exchange movement	-	(96)	(96)
Disposals	-	(9,829)	(9,829)
At 31 December 2018	2,139	-	2,139
At 1 January 2018 as restated	-	9,925	9,925
Impairment on disposals	-	(96)	(96)
Disposals	-	(9,829)	(9,829)
At 31 December 2018	-	-	-
Net book value			
At 31 December 2018	2,139	-	2,139
At 31 December 2017 as restated	2,139	-	2,139

During the year the Company disposed of its investment in the Runway Omega B.V. joint venture.

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Country of incorporation
AMEC Kuwait Project Management & Contracting Company WLL	Ordinary 'A', 'B' and 'C'	49 %	Kuwait

The registered address of the subsidiary is as follows:

2nd Floor, Al Mutawa Building, Ahmed Al Jaber Street, Sharq, Kuwait City, Kuwait

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9. Debtors

	2018 £000	<i>Restated</i> 2017 £000
Due after more than one year		
Amounts owed by group undertakings	46,000	46,630
	<u>46,000</u>	<u>46,630</u>
Due within one year		
Amounts owed by group undertakings	2,776	-
	<u>48,776</u>	<u>46,630</u>

10. Creditors: Amounts falling due within one year

	2018 £000	<i>Restated</i> 2017 £000
Amounts owed to group undertakings	67,489	63,970
Corporation tax	124	2,091
Accruals and deferred income	118	116
	<u>67,731</u>	<u>66,177</u>

11. Share capital

	2018 £	2017 £
Authorised, allotted, called up and fully paid		
100 (2017: 100) Ordinary shares of £1.00 each.	<u>100</u>	<u>100</u>

12. Contingent liabilities

The Company is party to a 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.

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13. Related party transactions

The transactions and related party balances relate to Runway Omega B.V, a joint venture of the Company.

	2018 £000	2017 £000
Transactions in the year		
Interest charged to undertakings in which the group has a participating interest	227	478
Exchange adjustment on accrued interest income from undertakings in which the group has a participating interest	26	46
	<hr/>	<hr/>

The Company was entitled to receive interest of £227,000 on a loan to a joint venture during 2018. This was partially provided for in 2018 to reflect the fact that the Company did not fully recover amounts receivable from the joint venture, resulting in only £93,000 of interest being recognised in 2018.

The loan of £9,667,000 owed by the joint venture, which had previously been provided for, was waived during 2018.

14. Controlling party

The immediate parent company is Amec Foster Wheeler Finance 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.