

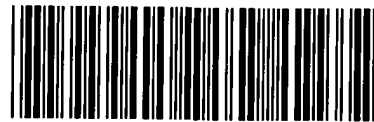
COMPANY REGISTRATION NUMBER: 04026687

Kellogg Brown & Root Overseas Limited

Financial Statements

31 December 2021

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Kellogg Brown & Root Overseas Limited

Financial Statements

Year ended 31 December 2021

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Kellogg Brown & Root Overseas Limited

Strategic Report

Year ended 31 December 2021

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

Principal activities and business review

The principal activities of the company during the year were those of a holding company of Kellogg Brown & Root Nigeria Limited and the provision of engineering, procurement and construction management services for the oil and gas industry. The company has a branch in Angola. From 2009 to 2016 the company has been involved with a contract to construct facilities for Sonangol in Angola.

Results

The profit for the year, after taxation, amounted to £145,069 (2020: loss after tax - £175,068). The net liabilities at the end of the year totalled £4,536,283 (2020: net liabilities £4,390,609).

Principal risks and uncertainties

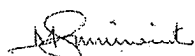
The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to the following:

- Recoverability of intercompany receivables. Where amounts are due from group companies with net liabilities, parental guarantees and letters of support are obtained to ensure that they will be able to meet their obligations as they fall due..
- The effect of Brexit on the company's financial position has been limited as the operations of the company are not linked to EU countries. It is impossible to predict the scale of possible future implications of Brexit for the company. The directors are not presently aware of any adverse legislative changes which may impact the company's financial position.
- The future risks to the company from COVID-19 include further lockdowns, reduced economic growth and extra rules and procedures which may restrict the company's ability to do business.

Key performance indicators ("KPIs")

The businesses which form this company make up part of the KBR, Inc. group ("the group"). The KPIs used to review and monitor the business are set by the directors of the group and are discussed in more detail in the Annual Report of the group.

This report was approved by the board of directors on 22 December 2022 and signed on behalf of the board by:



Mr M Simmonite
Director

Registered office:
Hill Park Court
Springfield Drive
Leatherhead
Surrey
KT22 7NL

Kellogg Brown & Root Overseas Limited

Directors' Report

Year ended 31 December 2021

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

Directors

The directors who served the company during the year were as follows:

Mr J J Ibrahim
Mr M Simmonite

Company secretary

Mr A M Kramer	Appointed 8 March 2021
Ms G M Wilson	Resigned 8 March 2021

Dividends

The directors do not recommend the payment of a dividend (2020: £nil).

Going concern

Notwithstanding net current liabilities of £4,536,283 as at 31 December 2021 (2020: £4,390,609) and a profit for the year then ended of £145,069 (2020: loss £175,068), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

Based on the going concern assessment undertaken by the directors, the directors believe that the company will have sufficient funds, through funding from its ultimate parent company, KBR, Inc., to meet its liabilities as they fall due for that period.

Those assessments are dependent on KBR, Inc. not seeking repayment of the amounts due to the group, which at 31 December 2021 amounted to £2,492,818 net (2020: £2,435,074). KBR, Inc. has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the date of signing of these financial statements, for 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.

Kellogg Brown & Root Overseas Limited

Directors' Report (continued)

Year ended 31 December 2021

Disclosure of information in the strategic report

The following information previously included in the directors' report can be found in the strategic report on page 1:

- * Principal activities and business review
- * Results
- * Financial risk management objectives and policies
- * Key performance indicators

Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- * so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- * they have taken all 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 auditor is aware of that information.

Auditor

The auditor, Grant Thornton, was appointed subsequent to the financial year end will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

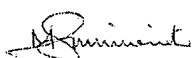
Branches outside UK

The company conducts part of its business through its branch in Angola.

Events since the end of the reporting period

There were no events after the balance sheet date that require disclosure or impact the profit and loss account or balance sheet.

This report was approved by the board of directors on 22 December 2022 and signed on behalf of the board by:



Mr M Simmonite
Director

Registered office:
Hill Park Court
Springfield Drive
Leatherhead
Surrey
KT22 7NL

Kellogg Brown & Root Overseas Limited

Directors' Responsibilities Statement

Year ended 31 December 2021

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

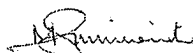
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 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.

The Directors' Responsibilities Statement is presented in accordance with Appendix 17 FRC Bulletin 2010/2.

This statement was approved by the board of directors on 22 December 2022 and signed on behalf of the board by:



Mr M Simmonite
Director

Registered office:
Hill Park Court
Springfield Drive
Leatherhead
Surrey
KT22 7NL

Independent auditor's report to the members of Kellogg Brown & Root Overseas Limited

Opinion

We have audited the financial statements of Kellogg Brown & Root Overseas Limited ("the company"), which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity for the year ended 31 December 2021 and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Kellogg Brown & Root Overseas Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the company as at 31 December 2021 and of its financial performance for the year then ended;
- have been properly 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 under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Independent auditor's report to the members of Kellogg Brown & Root Overseas Limited (continued)

Other matter

The financial statements of the company for the period ended 31 December 2020, were audited by KPMG LLP who expressed an unmodified opinion on those statements on 22 October 2021.

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Directors' Report and the Strategic Report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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 financial statements and the part of the Directors' remuneration report to be audited 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.

Independent auditor's report to the members of Kellogg Brown & Root Overseas Limited (continued)

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements, which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Independent auditor's report to the members of Kellogg Brown & Root Overseas Limited (continued)

Responsibilities of the auditor for the audit of the financial statements (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Data Privacy law, Employment Law, Environmental Regulations, and Health & Safety, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and local tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the management risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries board on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection and review of minutes of board meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- performance of journal entry testing by specific risk criteria, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the Company's business ;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- We also reviewed compliance with the Financial Conduct Authority;
- challenging assumptions and judgements made by management in their significant accounting estimates; and
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

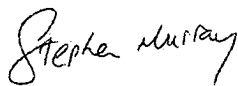
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

Independent auditor's report to the members of Kellogg Brown & Root Overseas Limited (continued)

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.



Stephen Murray (Senior Statutory Auditor)

For and on behalf of

Grant Thornton

Chartered Accountants & Statutory Auditors

Dublin

22 December 2022

Kellogg Brown & Root Overseas Limited

Income Statement

Year ended 31 December 2021

		2021	2020
	Note	£	Restated £
Cost of sales	18	(2,432)	73,184
Gross (loss)/profit		(2,432)	73,184
Administrative income/(expenses)		242,975	(180,120)
Operating profit/(loss)	4	240,543	(106,936)
Interest payable and similar expenses	7	(95,760)	(68,132)
Profit/(loss) before taxation		144,783	(175,068)
Tax on profit/(loss)	8	286	—
Total profit/(loss) for the financial year		145,069	(175,068)

All the activities of the company are from continuing operations.

The notes on pages 14 to 20 form part of these financial statements.

Kellogg Brown & Root Overseas Limited

Statement of comprehensive income

Year ended 31 December 2021

	2021	2020
	£	£
Total profit/(loss) for the financial year	145,069	(175,068)
Foreign currency retranslation	(290,743)	83,776
Other comprehensive (loss)/income for the financial year	(290,743)	83,776
Total comprehensive loss for the year	(145,674)	(91,292)

The notes on pages 14 to 20 form part of these financial statements.

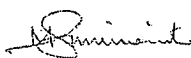
Kellogg Brown & Root Overseas Limited

Statement of Financial Position

31 December 2021

	Note	2021 £	2020 £
Investments	9	—	—
Current assets			
Debtors	10	14,126,615	14,286,794
Cash at bank and in hand		<u>148,019</u>	<u>133,789</u>
		14,274,634	14,420,583
Creditors: amounts falling due within one year	11	<u>(18,810,917)</u>	<u>(18,811,192)</u>
Net current liabilities		<u>(4,536,283)</u>	<u>(4,390,609)</u>
Total assets less current liabilities		<u>(4,536,283)</u>	<u>(4,390,609)</u>
Net liabilities		<u>(4,536,283)</u>	<u>(4,390,609)</u>
Equity/(Deficiency of assets)			
Called up share capital	13	1	1
Foreign currency translation reserve	14	(1,892,134)	(1,601,391)
Accumulated losses	14	<u>(2,644,150)</u>	<u>(2,789,219)</u>
Total deficiency of assets		<u>(4,536,283)</u>	<u>(4,390,609)</u>

These financial statements were approved by the board of directors and authorised for issue on 22 December 2022, and are signed on behalf of the board by:



Mr M Simmonite
Director

Company registration number: 04026687

The notes on pages 14 to 20 form part of these financial statements.

Kellogg Brown & Root Overseas Limited

Statement of Changes in Equity

Year ended 31 December 2021

	Called up share capital	Foreign currency translation reserve	Profit and loss account	Total
	£	£	£	£
At 1 January 2020	1	(1,685,167)	(2,614,151)	(4,299,317)
Loss for the year	—	—	(175,068)	(175,068)
Other comprehensive income for the year:				
Foreign currency retranslation	—	83,776	—	83,776
Total loss and comprehensive loss for the year	—	83,776	(175,068)	(91,292)
At 31 December 2020	1	(1,601,391)	(2,789,219)	(4,390,609)
Profit for the year	—	—	145,069	145,069
Other comprehensive income for the year:				
Foreign currency retranslation	—	(290,743)	—	(290,743)
Total profit and comprehensive loss/(income) for the financial year	—	(290,743)	145,069	(145,674)
At 31 December 2021	1	(1,892,134)	(2,644,150)	(4,536,283)

The notes on pages 14 to 20 form part of these financial statements.

Kellogg Brown & Root Overseas Limited

Notes to the Financial Statements

Year ended 31 December 2021

1. General information

The company is a private company limited by shares and is incorporated and domiciled in the United Kingdom, and registered in England. The address of the registered office is Hill Park Court, Springfield Drive, Leatherhead, Surrey, KT22 7NL, United Kingdom.

2. Statement of compliance

Kellogg Brown & Root Overseas Limited is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014, and with Companies Act 2006.

3. Accounting policies

3 (a). Basis of preparation

The financial statements have been prepared on the historical cost basis.

The functional currency of the company is US Dollars (\$).

The financial statements are prepared in sterling (£), which is the presentation currency of the entity as it is considered the most useful and relevant currency to its member.

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102.

The entity's financial statements are consolidated into the financial statements of KBR, Inc. (incorporated in the state of Delaware, U.S.A.) which can be obtained from the Public Relations Department, Hill Park Court, Springfield Drive, Leatherhead, Surrey KT22 7NL. As such, advantage has been taken of the following disclosure exemptions available under Section 1 of FRS 102 paragraphs:

1.12(a) Disclosures in respect of each class of share capital have not been presented.

1.12(b) No cash flow statement has been presented for the company.

1.12 (e) No disclosure has been given for the aggregate remuneration of key management personnel.

3 (b). Going Concern

Notwithstanding net current liabilities of £4,536,283 as at 31 December 2021 (2020: £4,390,609) and a profit for the year then ended of £145,069 (2020: loss £175,068), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

Based on the going concern assessment undertaken by the directors, the directors believe that the company will have sufficient funds, through funding from its ultimate parent company, KBR, Inc., to meet its liabilities as they fall due for that period.

Kellogg Brown & Root Overseas Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2021

3. Accounting policies (continued)

3 (b). Going Concern (continued)

Those assessments are dependent on KBR, Inc. not seeking repayment of the amounts due to the group, which at 31 December 2021 amounted to £2,492,818 net (2020: £2,435,074). KBR, Inc. has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the date of signing of these financial statements, for 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.

3 (c). Foreign currency translation

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

3 (d). Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other creditors, amounts owed by and to group undertakings, and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Kellogg Brown & Root Overseas Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2021

4. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2021	2020
	£	£
Foreign exchange differences	<u>(328,398)</u>	<u>98,639</u>

5. Auditor's remuneration

The fee payable to the company's auditor for the audit of the company's financial statements is set out below. This fee was borne by Kellogg Brown & Root Limited, a fellow subsidiary of KBR, Inc., in the current and prior year.

	2021	2020
	£	£
Fees payable for the audit of the financial statements	<u>5,672</u>	<u>3,214</u>

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2021	2020
	No.	No.
Administrative staff	<u>2</u>	<u>2</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Wages and salaries	33,500	40,122
Social security costs	<u>3,032</u>	<u>3,751</u>
	<u>36,532</u>	<u>43,873</u>

No remuneration was paid to directors in respect of services provided to the company as substantially all their services have been provided to other group companies. None of the appointed directors have received remuneration in relation to their directorship of this company.

7. Interest payable and similar expenses

	2021	2020
	£	£
Interest payable and similar charges	<u>95,760</u>	<u>68,132</u>

Kellogg Brown & Root Overseas Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2021

8. Tax on profit/(loss)

Major components of tax (income)/expense

	2021	2020
	£	£
Current tax:		
Adjustments in respect of prior periods	(286)	—
Total current tax	<u>(286)</u>	<u>—</u>

Reconciliation of tax

The tax assessed on the profit for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19%% (2020: 19%).

	2021	2020
	£	£
Profit/(loss) before taxation	<u>144,783</u>	<u>(175,068)</u>
Profit/(loss) multiplied by rate of tax	27,509	(33,263)
Exemption of non-UK branch	(27,519)	33,263
Adjustment to tax charge in respect of prior periods	(286)	—
Group relief surrendered for nil consideration	10	—
Tax credit	<u>(286)</u>	<u>—</u>

Factors that may affect future tax income

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

9. Investments

	Shares in group undertakings
	£
Cost	
At 1 January 2021	42,415
At 31 December 2021	<u>42,415</u>
Impairment	
At 1 January 2021	42,415
At 31 December 2021	<u>42,415</u>
Carrying amount	
At 31 December 2021	<u>—</u>
At 31 December 2020	<u>—</u>

Kellogg Brown & Root Overseas Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2021

9. Investments (continued)

Subsidiaries, associates and other investments

Subsidiary Undertakings	Registered office	Class of share	Percentage of shares held
	252E, Muki Okunola Street Victoria Island, Lagos Nigeria		
Kellogg Brown & Root Nigeria Limited		Ordinary	100

10. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	14,123,033	14,283,519
Other debtors	3,582	3,275
	<u>14,126,615</u>	<u>14,286,794</u>

Amounts owed by group undertakings are non-interest bearing, unsecured and repayable on demand.

11. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	5,442	4,216
Amounts owed to group undertakings	16,615,851	16,718,593
Accruals	35,208	30,767
Social security and other taxes	1,103	—
Other creditors	2,153,313	2,057,616
	<u>18,810,917</u>	<u>18,811,192</u>

Amounts owed to group undertakings are non-interest bearing, unsecured and repayable on demand.

Other creditors balance relates to consumption tax and accrues 1% interest p.a. The balance is unsecured and repayable on demand.

12. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2021 £	2020 £
Financial Assets that are debt instruments measured at amortised cost		
Financial Assets that are debt instruments measured at amortised cost	<u>14,126,615</u>	<u>14,286,794</u>
Financial Liabilities measured at amortised cost		
Financial Liabilities measured at amortised cost	<u>(16,621,293)</u>	<u>(16,722,809)</u>

Kellogg Brown & Root Overseas Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2021

13. Called up share capital

Authorised share capital

	2021		2020	
	No.	£	Restated No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

Issued, called up and fully paid

	2021		2020	
	No.	£	Restated No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

14. Reserves

Accumulated losses - This reserve records accumulated losses incurred to date.

Other reserves - This reserve records foreign currency translation of the functional currency to the presentation currency of the entity.

15. Related party transactions

As a subsidiary of KBR Inc., the company has taken advantage of the exemption of section 33.1A in FRS 102 'Related Party Disclosures', not to disclose transactions with other wholly owned members of the group headed by KBR, Inc.

16. Controlling party

The company is a wholly owned subsidiary undertaking of Kellogg Brown & Root Investment Holdings Limited (Hill Park Court, Springfield Drive, Leatherhead, Surrey, KT22 7NL), a company registered in England and Wales, which heads the smallest group in which the company is consolidated.

The ultimate parent company is KBR, Inc. (601 Jefferson Street, Suite 3400, Houston, Texas) incorporated in the State of Delaware, U.S.A. which heads the largest group in which the company is consolidated.

The financial statements of these companies are available to the public and can be obtained from the Public Relations Department, Hill Park Court, Springfield Drive, Leatherhead, Surrey KT22 7NL.

17. Events after the end of the reporting period

There were no events after the balance sheet date that require disclosure or impact the profit and loss account or balance sheet.

Kellogg Brown & Root Overseas Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2021

18. Comparative information

Certain comparative amounts have been reclassified to conform with current year presentation.

- I. An amount of £142,863 has been reclassified to administrative expense (£50,098) and interest payable and similar expenses (£92,765) from cost of sales (Income Statement) to conform with current year presentation.