

Registration number: 00745470

Foster Wheeler (G.B.) Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2019

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Foster Wheeler (G.B.) Limited
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Foster Wheeler (G.B.) Limited
Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

Principal activities

The company was previously involved in design, construction and project management in the oil and gas industry, but trading activity ceased in the year.

Fair review of the business

The company did not have any revenue in the year (2018: £1,115,000) as the company ceased trading.

The loss for the year, after taxation, amounted to £749,000 (2018: £260,000 profit).

Principal risks and uncertainties

The company has ceased trading and the balance sheet comprises principally bank balances and balances with fellow group undertakings. The directors do not consider there are any significant risks associated with these assets and liabilities.

Approved by the Board on 18 December 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'IA Jones', written over a horizontal dotted line.

IA Jones
Company secretary

Foster Wheeler (G.B.) Limited **Directors' Report for the Year Ended 31 December 2019**

The directors present their report and the unaudited financial statements for the year ended 31 December 2019.

Directors

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

SJ Nicol (resigned 5 November 2020)

MN Plant

JA Shaughnessy

The following director was appointed after the year end:

AC Webster (appointed 5 November 2020)

Results and dividends

The loss for the year, after taxation, amounted to £749,000 (2018: £260,000 profit).

The directors do not recommend the payment of a dividend for the year ended 31 December 2019 (2018: nil).

Future developments

The company has ceased its trading operations and does not anticipate any ongoing activity.

Branches outside the United Kingdom

The company has branches outside the UK in India and Iran. The branch in Kazakhstan was closed on 31 August 2020.

Going concern

The directors do not believe that it is appropriate to prepare the financial statements on a going concern basis, due to the information detailed in the future developments paragraph, above.

Important non adjusting events after the financial period

The COVID-19 outbreak developed rapidly in 2020, with a significant number of infections. Measures that have been taken by Governments around the world, including the UK Government, to contain the virus have had a significant impact on economic activity. Measures to prevent the transmission of the virus include, but not limited to:

- Limiting the movement of people, including working from home;
- Restricting flights and other travel; and
- Temporarily closing businesses, schools and cancelling events.

These actions have had an impact on businesses across a wide range of industries, who are facing unique and unparalleled challenges. To date, the business has not suffered any material impact from the actions taken by Government in response to COVID-19 or oil price volatility. Management have a proven track order of leveraging our flexible, asset light model in response to changing market conditions.

Foster Wheeler (G.B.) Limited
Directors' Report for the Year Ended 31 December 2019 (continued)

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013, a strategic report and the company's results, activities, objectives, policies and risks has been included on page 1 of the financial statements.

Approved by the Board on 18 December 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'IA Jones', is written over a horizontal dotted line.

IA Jones
Company secretary

Foster Wheeler (G.B.) Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Foster Wheeler (G.B.) Limited
Income Statement for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Revenue	4	-	1,115
Cost of sales		<u>99</u>	<u>75</u>
Gross profit		99	1,190
Administrative expenses		(25)	(8)
Other operating income/(expense)		<u>102</u>	<u>(323)</u>
Operating profit	5	176	859
Finance income	6	58	56
Finance expense	7	<u>(538)</u>	<u>(151)</u>
(Loss)/profit before tax		(304)	764
Taxation	11	<u>(445)</u>	<u>(504)</u>
(Loss)/profit for the year		<u><u>(749)</u></u>	<u><u>260</u></u>

The notes on pages 9 to 17 form an integral part of these financial statements.

Foster Wheeler (G.B.) Limited
Statement of Comprehensive Income for the Year Ended 31 December 2019

	2019 £ 000	2018 £ 000
(Loss)/profit for the year	(749)	260
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation gains/(losses)	<u>409</u>	<u>(224)</u>
Total comprehensive income for the year	<u><u>(340)</u></u>	<u><u>36</u></u>

The notes on pages 9 to 17 form an integral part of these financial statements.

Foster Wheeler (G.B.) Limited
(Registration number: 00745470)
Balance Sheet as at 31 December 2019

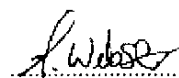
	Note	31 December 2019 £ 000	31 December 2018 £ 000
Assets			
Current assets			
Trade and other receivables	12	19,982	7,708
Cash and cash equivalents		<u>7,342</u>	<u>20,796</u>
		<u>27,324</u>	<u>28,504</u>
Equity and liabilities			
Equity			
Called up share capital	14	1	1
Profit and loss account		<u>(173)</u>	<u>167</u>
		(172)	168
Current liabilities			
Trade and other payables	13	<u>27,496</u>	<u>28,336</u>
Total equity and liabilities		<u>27,324</u>	<u>28,504</u>

For the financial year ending 31 December 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

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

Approved by the Board on 18 December 2020 and signed on its behalf by:



AC Webster
Director

The notes on pages 9 to 17 form an integral part of these financial statements.

Foster Wheeler (G.B.) Limited
Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2019	1	167	168
Loss for the year	-	(749)	(749)
Currency translation differences	-	409	409
Total comprehensive loss	-	(340)	(340)
At 31 December 2019	<u>1</u>	<u>(173)</u>	<u>(172)</u>

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2018	1	131	132
Profit for the year	-	260	260
Currency translation differences	-	(224)	(224)
Total comprehensive income	-	36	36
At 31 December 2018	<u>1</u>	<u>167</u>	<u>168</u>

The notes on pages 9 to 17 form an integral part of these financial statements.

Foster Wheeler (G.B.) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated and domiciled in England and Wales.

The address of its registered office is:

Booths Park
Chelford Road
Knutsford
Cheshire
WA16 8QZ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities measured at fair value through the income statement, and in accordance with the Companies Act 2006.

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

Summary of disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement'.
- Paragraphs 10(d), 10(f), 16, 38A, 38B to D, 40A to D, 111 and 134 to 136 of IAS 1, 'Presentation of financial statements'.
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors'.
- Paragraphs 17 and 18A of IAS 24, 'Related party disclosures', to disclose key management compensation.
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.
- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets'.

Foster Wheeler (G.B.) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019
(continued)

2 Accounting policies (continued)

Going concern

The directors do not believe that it is appropriate to prepare the financial statements on a going concern basis, due to the information detailed in the future developments paragraph of the Directors' Report.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2019 have had a material effect on the financial statements.

Revenue recognition

Revenue comprises the fair value of the consideration specified in a contract with a customer and is stated net of sales taxes (such as VAT) and discounts. The company recognises revenue when it transfers control over a good or service to a customer. The company did not have any revenue in the year. In the prior year all revenue was derived from reimbursable contracts

Cost reimbursable projects

Revenue is recognised over time as the services are provided based on contractual rates per man hour in respect of multi-year service contracts. The amount of variable revenue related to the achievement of key performance indicators (KPIs) is estimated at the start of the contract, but any revenue recognised is constrained to the extent that is highly probable there will not be a significant reversal in future periods.

Finance income and costs policy

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

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

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

Foreign currency transactions and balances

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

Foster Wheeler (G.B.) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019
(continued)

2 Accounting policies (continued)

Tax

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

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

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

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

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

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

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

Cash and cash equivalents

Cash and cash equivalents include cash in hand and other short-term bank deposits with original maturities of three months or less. The company presents balances that are part of a pooling arrangement on a gross basis.

Foster Wheeler (G.B.) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019
(continued)

2 Accounting policies (continued)

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

The company recognises loss allowances for Expected Credit Losses ('ECLs') on trade receivables and gross amounts due from customers, measured at an amount equal to lifetime ECLs. ECLs are a profitability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes a customer being in significant financial difficulty or a breach of contract such as a default. The gross carrying amount of a financial asset is written off when the company has no reasonable expectation of recovering a financial asset in its entirety or a proportion thereof. For individual customers, the company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Share capital

The company has one class of ordinary shares and these are classified as equity. Dividends on ordinary shares are not recognised as a liability or charged to equity until they have been approved by shareholders.

Rounding of amounts

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

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. These estimates and judgements are based on management's best knowledge of the amount, event or actions and actual results ultimately may differ from those estimates. Company management believe that the estimates and assumptions used do not have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities.

Foster Wheeler (G.B.) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019
(continued)

4 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2019	2018
	£ 000	£ 000
Capital projects	<u>-</u>	<u>1,115</u>

The analysis of the company's revenue for the year by market is as follows:

	2019	2018
	£ 000	£ 000
Rest of world	<u>-</u>	<u>1,115</u>

Performance obligations are specified within our contracts with customers.

Contract assets and liabilities

	31 December	31 December
	2019	2018
	£ 000	£ 000
Contract assets	-	1,611
Contract liabilities	<u>-</u>	<u>(39)</u>
Net contract assets	<u>-</u>	<u>1,572</u>

The contract asset balances include amounts the company has invoiced to customers (trade receivables) as well as amounts where the company has the right to receive consideration for work completed which has not been billed at the reporting date (gross amounts due from customers). Gross amounts due from customers are transferred to trade receivables when the rights become unconditional which usually occurs when the customer is invoiced. The contract liabilities balance comprises gross amounts due to customers which primarily relates to advance consideration received from customers, for which revenue is recognised over time.

Trade receivables and gross amounts due from customers are included within the 'Trade and other receivables' heading in the company balance sheet. Gross amounts due to customers is included within the 'Trade and other payables' heading in the company balance sheet.

5 Operating profit

Arrived at after charging/(crediting)

	2019	2018
	£ 000	£ 000
Foreign exchange (gains)/losses	<u>(102)</u>	<u>323</u>

Foster Wheeler (G.B.) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019
(continued)

6 Finance income

	2019 £ 000	2018 £ 000
Other interest receivable	<u>58</u>	<u>56</u>

7 Finance expense

	2019 £ 000	2018 £ 000
Other interest expense	181	-
Interest paid to group undertakings	<u>357</u>	<u>151</u>
	<u>538</u>	<u>151</u>

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019 £ 000	2018 £ 000
Wages and salaries	-	185
Social security costs	-	23
Pension costs, defined contribution scheme	<u>-</u>	<u>8</u>
	<u>-</u>	<u>216</u>

The average number of persons employed by the company (including directors) during the year was nil (2018: 1).

9 Directors' remuneration

No remunerations was paid to, or waived by, the directors during the current or prior year in respect of services provided to the company.

10 Auditors' remuneration

	2019 £ 000	2018 £ 000
Audit of the financial statements	<u>-</u>	<u>11</u>

Foster Wheeler (G.B.) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019
(continued)

11 Taxation

Tax charged in the income statement

	2019 £ 000	2018 £ 000
Current taxation		
UK corporation tax adjustment to prior periods	-	448
Foreign tax	445	56
Tax expense in the income statement	<u>445</u>	<u>504</u>

The tax on profit before tax for the year differs from the standard rate of corporation tax in the UK of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
(Loss)/profit before tax	<u>(304)</u>	<u>764</u>
Corporation tax at standard rate	(58)	145
Increase in current tax from adjustment for prior periods	-	448
Increase from effect of expenses not deductible in determining taxable profit	46	-
Increase from tax losses for which no deferred tax asset was recognised	(69)	-
Increase/(decrease) arising from group relief tax reconciliation	66	(134)
Increase from transfer pricing adjustments	15	-
Increase from effect of foreign tax rates	-	45
Increase arising from overseas tax suffered	445	-
Total tax charge	<u>445</u>	<u>504</u>

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset/(liability) as at 31 December 2019 has been calculated based on this rate.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly.

Deferred tax

At 31 December 2019 the company had an unrecognised deferred tax asset of £3,137,000 (2018: £2,055,000).

Foster Wheeler (G.B.) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019
(continued)

12 Trade and other receivables

	31 December	31 December
	2019	2018
	£ 000	£ 000
Trade receivables	-	501
Amounts due from group undertakings	19,740	5,688
Gross amounts due from customers	-	1,110
Prepayments	2	2
Other receivables	240	294
Corporation tax	-	113
	<u>19,982</u>	<u>7,708</u>

Amounts due from group undertakings includes loans to group undertakings of £18,562,000 (2018: £5,557,000) that are unsecured, repayable on demand and interest free.

13 Trade and other payables

	31 December	31 December
	2019	2018
	£ 000	£ 000
Trade payables	15	13
Accrued expenses	215	467
Amounts due to group undertakings	15,973	16,116
Social security and other taxes	10,961	11,701
Gross amounts due to customers	-	39
Corporation tax	332	-
	<u>27,496</u>	<u>28,336</u>

Amounts due to group undertakings includes loans of £10,709,000 (2018: £10,703,000) that are unsecured and repayable on demand. Interest is charged at the normal market rate.

Foster Wheeler (G.B.) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019
(continued)

14 Share capital

Allotted, called up and fully paid shares

	31 December 2019		31 December 2018	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares at £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

15 Parent and ultimate parent undertaking

The company's immediate parent is Amec Foster Wheeler (Holdings) Limited.

The ultimate parent is John Wood Group PLC. These financial statements are available upon request from 15 Justice Mill Lane, Aberdeen, AB11 6EQ.

The ultimate controlling party is John Wood Group PLC.

16 Non adjusting events after the financial period

The COVID-19 outbreak developed rapidly in 2020, with a significant number of infections. Measures that have been taken by Governments around the world, including the UK Government, to contain the virus have had a significant impact on economic activity. Measures to prevent the transmission of the virus include, but not limited to:

- Limiting the movement of people, including working from home;
- Restricting flights and other travel; and
- Temporarily closing businesses, schools and cancelling events.

These actions have an immediate impact on businesses across a wide range of industries, who are facing unique and unparalleled challenges. To date, the business has not suffered any material impact from the actions taken by Government in response to COVID-19 or oil price volatility. Management have a proven track order of leveraging our flexible, asset light model in response to changing market conditions.