

COMPANY REGISTRATION NUMBER: 01498189

**Granherne Limited**  
**Unaudited Financial Statements**  
**31 December 2020**



**Granherne Limited**  
**Financial Statements**  
**Year ended 31 December 2020**

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# **Granherne Limited**

## **Strategic Report**

### **Year ended 31 December 2020**

The directors present their strategic report of the company for the year ended 31 December 2020.

#### **Principal activities and business review**

The principal activity of the company during the year was the provision of consultancy engineering services to the oil and gas industry. The company's business continued to be the supply of tailor-made solutions for our clients in the oil and gas industry.

#### **Results**

The loss for the year, after taxation, amounted to £1,053,861 (2019: profit - £23,433). The net liabilities at the end of the year totalled £6,480,530 (2019: net liabilities - £5,426,669).

It is proposed that the loss of £1,053,861 is transferred to reserves.

#### **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:

- Delivering contracts on time and to budget. Rigorous criteria are applied to ensure that only those contracts where the risks are well understood are accepted. Contract performance is closely monitored and managed from inception to completion.
- Continuing to win new business. The company maintains a firm focus on costs and efficiency as well as developing its offering in order to remain competitive.
- 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.
- Financial counterparty risk. Group treasury activities are monitored and co-ordinated by a central Treasury department on behalf of the whole KBR group. This includes the risk of potential failure by counterparties holding cash deposits on behalf of group companies.
- The potential effect of Brexit on the company's financial position should be limited as the company doesn't have operations in the European Union. It is impossible to predict the scale of possible future implications of Brexit for the company.
- COVID-19. Based on experience of current and previous lockdowns to-date, the directors are confident that COVID-19 will have a limited impact on the business.

#### **Key performance indicators ("KPIs")**

The businesses which form this company make up part of the Kellogg Brown and Root Limited 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. KPIs include the profitability of key contracts which are reviewed regularly.

**Granherne Limited**  
**Strategic Report** *(continued)*  
**Year ended 31 December 2020**

**Non-going concern**

These financial statements have been prepared on a non-going concern basis which the Directors believe to be appropriate for the following reason:

Granherne Limited shareholders' intention is to liquidate the entity subsequent to completion of the 2020 accounts.

The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value.

The directors have assessed the entity's assets for any impairment to be recognised and note that there is no need to do this as the assets of the company comprise only current assets consisting of receivables from fellow subsidiaries of KBR, Inc. and the directors are of the opinion that the balance will be recovered without any expected credit losses being incurred.

This report was approved by the board of directors on 2 November 2021 and signed on behalf of the board by:

*Ahmed Al-Dadah*

Mr A Al-Dadah  
Director

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

# **Granherne Limited**

## **Director's Report**

### **Year ended 31 December 2020**

The director presents his report and the unaudited financial statements of the company for the year ended 31 December 2020.

#### **Directors**

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

Mr A G Williams

Mr M Nelhams (Resigned 2 January 2020)

Mr A G Williams resigned as director on 29 October 2021

Mr A Al-Dadah was appointed as director on 29 October 2021

#### **Dividends**

The director does not recommend the payment of a dividend.

#### **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
- Principal risks and uncertainties
- Key performance indicators

This report was approved by the board of directors on 2 November 2021 and signed on behalf of the board by:



Mr A Al-Dadah  
Director

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

**Granherne Limited**  
**Income Statement**  
**Year ended 31 December 2020**

	Note	2020 £	2019 £
<b>Turnover</b>	<b>4</b>	<b>4,221,320</b>	6,277,089
Cost of sales		<u>(3,731,436)</u>	<u>(4,253,113)</u>
<b>Gross profit</b>		<b>489,884</b>	2,023,976
Administrative expenses		<u>(1,232,538)</u>	<u>(1,361,588)</u>
<b>Operating (loss)/profit</b>	<b>5</b>	<b>(742,654)</b>	662,388
Other interest receivable and similar income	<b>7</b>	<b>77,365</b>	224,288
Interest payable and similar expenses	<b>8</b>	<u>(626,272)</u>	<u>(826,722)</u>
<b>(Loss)/profit before taxation</b>		<b>(1,291,561)</b>	59,954
Tax on (loss)/profit	<b>9</b>	<u>237,700</u>	<u>(83,387)</u>
<b>Loss for the financial year</b>		<b><u>(1,053,861)</u></b>	<b><u>(23,433)</u></b>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 7 to 14 form part of these financial statements.

**Granherne Limited**  
**Statement of Financial Position**  
**31 December 2020**

	Note	2020 £	2019 £
<b>Current assets</b>			
Debtors	11	3,146,565	2,436,032
Cash at bank and in hand		18,263,512	30,027,914
		<u>21,410,077</u>	<u>32,463,946</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(27,890,607)</u>	<u>(37,890,615)</u>
<b>Net current liabilities</b>		<b>(6,480,530)</b>	<b>(5,426,669)</b>
<b>Total assets less current liabilities</b>		<b>=(6,480,530)=</b>	<b>(5,426,669)</b>
<b>Net liabilities</b>		<b><u>(6,480,530)</u></b>	<b><u>(5,426,669)</u></b>
<b>Capital and reserves</b>			
Called up share capital	15	100,000	100,000
Profit and loss account	16	<u>(6,580,530)</u>	<u>(5,526,669)</u>
<b>Member deficit</b>		<b><u>(6,480,530)</u></b>	<b><u>(5,426,669)</u></b>

For the year ending 31 December 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Director's responsibilities:

- The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 2 November 2021, and are signed on behalf of the board by:

*Alimed Al-Dadah*

Mr A Al-Dadah  
Director

Company registration number: 01498189

The notes on pages 7 to 14 form part of these financial statements.

**Granherne Limited**  
**Statement of Changes in Equity**  
**Year ended 31 December 2020**

	Called up share capital £	Profit and loss account £	Total £
<b>At 1 January 2019</b>	100,000	(5,503,236)	(5,403,236)
Loss for the year		(23,433)	(23,433)
<b>Total comprehensive expense for the year</b>	—	(23,433)	(23,433)
<b>At 31 December 2019</b>	100,000	(5,526,669)	<b>(5,426,669)</b>
Loss for the year		(1,053,861)	<b>(1,053,861)</b>
<b>Total comprehensive expense for the year</b>	—	(1,053,861)	<b>(1,053,861)</b>
<b>At 31 December 2020</b>	<u>100,000</u>	<u>(6,580,530)</u>	<u><b>(6,480,530)</b></u>

The notes on pages 7 to 14 form part of these financial statements.



# **Granherne Limited**

## **Notes to the Financial Statements**

**Year ended 31 December 2020**

### **1. General information**

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

### **2. Statement of compliance**

Granherne 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. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared under the historic cost convention and in accordance with the Companies Act, 2006, applicable to companies using FRS102. The preparation of financial statements in accordance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Going concern**

These financial statements have been prepared on a non-going concern basis which the Directors believe to be appropriate for the following reason:

Granherne Limited shareholders' intention is to liquidate the entity subsequent to completion of the 2020 accounts.

The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value.

The directors have assessed the entity's assets for any impairment to be recognised and note that there is no need to do this as the assets of the company comprise only current assets consisting of receivables from fellow subsidiaries of KBR, Inc. and the directors are of the opinion that the balance will be recovered without any expected credit losses being incurred.

# Granherne Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2020

#### 3. Accounting policies *(continued)*

##### Disclosure exemptions

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.

The entity's financial statements are also consolidated into the financial statements of Kellogg Brown & Root Holdings Limited (incorporated in England & Wales) 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(c) Disclosures in respect of financial instruments have not been presented.

##### Revenue recognition

Turnover is the total amount receivable, excluding value added tax, in respect of the supply of goods and services.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

##### Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

# Granherne Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2020

#### 3. Accounting policies *(continued)*

##### Foreign currencies

Monetary foreign currency denominated assets and liabilities are translated into sterling at the rates of exchange prevailing at the year end. The results of foreign currency operations are translated at the exchange rate at the date of transaction. All gains and losses arising on translation are included in other operating expenses in the profit and loss account.

##### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

##### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 10% straight line
Equipment	- 33% straight line

Fixed assets are shown in the balance sheet at cost less accumulated depreciation.

##### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

##### Financial instruments

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

# Granherne Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2020

#### 4. Turnover

Turnover arises from:

	2020	2019
	£	£
Rendering of services	<u>4,221,320</u>	<u>6,277,089</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2020	2019
	£	£
United Kingdom	230,543	296,035
Rest of Europe, outside UK	118,940	429,912
Africa	302,638	234,016
Australia	314,427	376,261
North America	18,932	74,018
South-east Asia	268,180	37,561
Middle East	729,729	1,800,623
Rest of Asia	<u>2,237,931</u>	<u>3,028,663</u>
	<u>(4,221,320)</u>	<u>(6,277,089)</u>

#### 5. Operating profit

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

	2020	2019
	£	£
Foreign exchange differences	<u>(330,912)</u>	<u>6,645</u>

#### 6. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2020	2019
	£	£
Remuneration	<u>216,842</u>	<u>561,594</u>

The highest paid director was £216,842 (2019 : £350,676).

In instances where directors are appointed to more than one company within the Kellogg Brown & Root Holdings Limited group, the remuneration of individual directors is disclosed solely in the highest company within the Kellogg Brown & Root Holdings Limited group structure. The directors' remuneration disclosed in these accounts only represents the remuneration of directors for whom this is their highest directorship, as substantially all their services are provided to that company.

#### 7. Other interest receivable and similar income

	2020	2019
	£	£
Interest on cash and cash equivalents	<u>77,365</u>	<u>224,288</u>

# Granherne Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

### 8. Interest payable and similar expenses

	2020	2019
	£	£
Interest on banks loans and overdrafts	551	–
Interest due to group undertakings	625,721	826,722
	<u>626,272</u>	<u>826,722</u>

### 9. Tax on (loss)/profit

#### Major components of tax (income)/expense

	2020	2019
	£	£
<b>Current tax:</b>		
UK current tax income	(245,129)	(3,532)
Adjustments in respect of prior periods	–	(4,880)
Total UK current tax	<u>(245,129)</u>	<u>(8,412)</u>
Foreign current tax expense	7,376	88,773
Total current tax	<u>(237,753)</u>	<u>80,361</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	128	133
Prior year adjustment	(75)	2,893
Total deferred tax	<u>53</u>	<u>3,026</u>
<b>Tax on (loss)/profit</b>	<u>(237,700)</u>	<u>83,387</u>

#### Reconciliation of tax (income)/expense

The tax assessed on the (loss)/profit for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020	2019
	£	£
(Loss)/profit before taxation	<u>(1,291,561)</u>	<u>59,954</u>
(Loss)/profit by rate of tax	(245,397)	11,391
Adjustment to tax charge in respect of prior periods	(75)	(1,987)
Effect of expenses not deductible for tax purposes	396	2,093
Effect of tax rates in foreign jurisdictions	7,376	71,906
Rate difference between current and deferred tax	–	(16)
<b>Tax on (loss)/profit</b>	<u>(237,700)</u>	<u>83,387</u>

# Granherne Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2020

#### 9. Tax on (loss)/profit *(continued)*

##### Factors that may affect future tax income

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax main rate would increase to 25%. This new law was substantively enacted on 24 May 2021.

As the proposal to increase the main rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

#### 10. Tangible assets

	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>			
<b>At 1 January 2020 and 31 December 2020</b>	<u>9,071</u>	<u>27,366</u>	<u>36,437</u>
<b>Depreciation</b>			
<b>At 1 January 2020 and 31 December 2020</b>	<u>9,071</u>	<u>27,366</u>	<u>36,437</u>
<b>Carrying amount</b>			
<b>At 31 December 2020</b>	<u>—</u>	<u>—</u>	<u>—</u>
At 31 December 2019	<u>—</u>	<u>—</u>	<u>—</u>

#### 11. Debtors

	2020 £	2019 £
Trade debtors	119,990	—
Amounts owed by group undertakings	2,999,927	2,420,631
Deferred tax asset	588	642
Prepayments and accrued income	11,237	513
Amounts recoverable on contracts	11,180	3,013
Other debtors	3,643	11,233
	<u>3,146,565</u>	<u>2,436,032</u>

#### 12. Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	27,857,222	37,847,843
Accruals and deferred income	33,385	34,596
Social security and other taxes	—	8,176
	<u>27,890,607</u>	<u>37,890,615</u>

# Granherne Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2020

#### 13. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2020	2019
	£	£
Included in debtors (note 11)	<u>588</u>	<u>642</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2020	2019
	£	£
Accelerated capital allowances	<u>(588)</u>	<u>(642)</u>

#### 14. Equity-settled share based payments

The total expense recognised during the year for share based payments expense was £9,378 (2018 £41,353). Details of the scheme can be found in the Kellogg Brown & Root Limited consolidated group accounts.

#### 15. Called up share capital

##### Authorised share capital

	2020		2019	
	No.	£	No.	£
Ordinary shares of £0.10 each	<u>1,250,000</u>	<u>125,000</u>	<u>1,250,000</u>	<u>125,000</u>

##### Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £0.10 each	<u>1,000,000</u>	<u>100,000</u>	<u>1,000,000</u>	<u>100,000</u>

#### 16. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

#### 17. Related party transactions

As a subsidiary of KBR Inc. during the period from 1 January 2020 to 31 December 2020, 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.

## **Granherne Limited**

### **Notes to the Financial Statements** *(continued)*

#### **Year ended 31 December 2020**

##### **18. Controlling party**

The company is a wholly owned subsidiary undertaking of Kellogg Brown & Root 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 undertaking is KBR, Inc. (601, Jefferson Street, Suite 3400, Houston, Texas, 77002, a company 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.