

Registration number: 03725076

Wood Finance UK Limited

(formerly Wood Nuclear Holdings Limited)

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2021



Wood Finance UK Limited

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Wood Finance UK Limited

Strategic Report for the Year Ended 31 December 2021

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

Principal activities

The principal activity of the company during the year was to act as a financing company.

Fair review of the business

The profit for the year, after taxation, amounted to £4,393,000 (2020: £235,186,000 profit). This is mainly due to interest received from loans to group undertakings during the year.

As part of a Group redenomination project, the company received a capital contribution of £665,242,000 during the year.

Principal risks and uncertainties

The company is a financing company whose material assets comprise amounts due from and to group undertakings. On this basis, the directors consider that the company does not have any principal risks and uncertainties requiring further disclosure.

Section 172(1) statement

a) The likely consequences of any decisions in the long term;

The company are engaged in holding investments.

The company consistently considers the long term impact of its decisions as can be noted from the following examples:

- Client feedback helps us to continually improve our performance. The insight from client engagement helps to inform company operational, business development and long-term strategic direction;
- Our clearly defined purpose and strategy, underpinned by our culture, is fundamental to sustaining value over the longer-term; and
- Our robust risk governance and operations assurance policies and processes ensure the long term sustainability for all our stakeholders.

b) The interest of the company's employees;

The company does not have employees.

c) The need to foster the company's business relationships with suppliers, clients and others;

As a wholly owned subsidiary within John Wood Group plc, the company benefits from the Group's approach on client service, supplier service and service towards other stakeholders.

Clients

The company does not have clients.

Suppliers

The company does not have suppliers.

Wood Finance UK Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

Lenders

The company's long-term success is dependent on its good relationship with its lenders and their continued willingness to lend.

How we engage

With our lenders a mixture of formal and informal meetings and presentations are held. Key topics include financial performance, strategy and risk management. Lenders are kept up to date with financial performance and have the opportunity to ask further questions.

d) The impact of the company's operations on the environment and the community;

Environment

Further information on our environmental performance and ongoing strategy is contained in the Wood Group's annual sustainability report which is available at: woodplc.com/sustainability.

Managing, protecting and enhancing our environment is imperative to the sustainability of our business and the standards we set and help shape the performance, profitability and the reputation of the Company.

How we engage

Wood Group has an integrated HSSEA management system which provides the framework for how we manage environmental risks and how we align our business to ISO14001:2015.

Areas of engagement and outcomes

Wood Group engage with regulators throughout the jurisdictions we operate in to ensure a close working relationship on our projects related to operational permits and licences, greenhouse gas emissions, discharges and waste management. Engagement ensures best practice and learning is shared and embedded into the projects we undertake.

Community

Our activities put us at the heart of local communities and we recognise that by actively supporting our local communities we:

- Develop closer ties based on mutual respect, trust and understanding;
- Bring long-term sustainability to the locations where we do business; and
- Form lasting relationships with local communities.

How we engage

We have taken a three-tiered approach to community engagement:

- (1) Supporting employee personal choice charities;
- (2) Uniting Wood Group's business behind one global cause that demonstrates we are stronger together; and
- (3) Volunteering to support our communities at a local level.

Areas of engagement and outcomes

We recognise that our employees are best placed to understand the needs of the communities we operate in and we support their volunteering efforts to benefit local communities.

Wood Finance UK Limited
Strategic Report for the Year Ended 31 December 2021 (continued)

e) The desirability of the company maintaining a reputation for high standards of business conduct;

Our commitment to sustaining a visible, continually improving ethical culture remained strong throughout 2021.

Leaders across the organisation play a key role in delivering Wood's Ethics & Compliance (E&C) programme by emphasising ethical behaviour to our workforce and embedding Wood's E&C policies and procedures into our operations. In 2021, operational leaders across the business sponsored campaigns to raise awareness of behavioural expectations.

The importance of doing the right thing is reinforced in Wood Group's Code of Conduct which sets clear expectations for ethical business practices and guides employees how to respond if faced with ethical decisions. It also provides several "speak up resources" and encourages employees to report anything they feel does not reflect Wood Group's values, policies or the law. A number of E&C training and communication initiatives, including leadership webinars and face to face engagement sessions, both for targeted populations and the wider workforce, were used to further embed key concepts from the Code of Conduct, the importance of speaking up and Wood's zero-tolerance policy on retaliation.

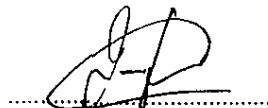
Compliance with the Code of Conduct and supporting policies and procedures is mandatory for all directors, officers and employees as well as contractors, consultants, representatives, intermediaries and agents retained by Wood. Any reports of non-compliance are investigated and appropriate action taken, up to and including termination of the business relationship.

f) The need to act fairly as between members of the company;

The company has only one shareholder, Amec Foster Wheeler Group Limited. The ultimate parent company is John Wood Group PLC.

Refer to the John Wood Group PLC 2021 Annual Report and Financial Statements for details of how the Group act fairly between members of the company.

Approved by the Board on 5 September 2022 and signed on its behalf by:



IA Jones
Company secretary

Wood Finance UK Limited
Directors' Report for the Year Ended 31 December 2021

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

Directors

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

GR Angus (resigned 15 August 2022)

AS Mclean

WG Setter

Results and dividends

The profit for the year, after taxation, amounted to £4,393,000 (2020: £235,186,000).

The directors do not recommend the payment of a dividend for the year ended 31 December 2021 (2020: £nil).

Future developments

The directors do not anticipate any significant changes to the activities of the company in the medium to long term.

Engagement with employees, suppliers, customers and others

Relationships with stakeholders are of strategic importance to the company and these matters are therefore dealt with in the strategic report (under section 172 obligations).

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore adopts the going concern basis in preparing its financial statements.

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 to 3 of the financial statements.

Approved by the Board on 5 September 2022 and signed on its behalf by:



IA Jones
Company secretary

Wood Finance UK 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.

Wood Finance UK Limited
Income Statement for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Revenue		-	-
Other operating income / (expenses)		(89)	105
Profit on disposal of investments		<u>-</u>	<u>71,606</u>
Operating (loss)/profit	4	(89)	71,711
Finance income	5	4,272	164,799
Finance expense	6	<u>-</u>	<u>(1,114)</u>
Profit before tax		4,183	235,396
Taxation	9	<u>210</u>	<u>(210)</u>
Profit for the year		<u><u>4,393</u></u>	<u><u>235,186</u></u>

The notes on pages 9 to 16 form an integral part of these financial statements.

Wood Finance UK Limited
(Registration number: 03725076)
Balance Sheet as at 31 December 2021

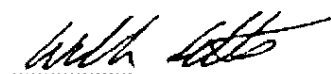
	Note	31 December 2021 £ 000	31 December 2020 £ 000
Assets			
Current assets			
Trade and other receivables	10	<u>912,972</u>	<u>282,663</u>
Equity and liabilities			
Equity			
Called up share capital	12	17,248	17,248
Share premium reserve		331	331
Capital contribution reserve		665,242	-
Profit and loss account		<u>229,994</u>	<u>225,601</u>
		912,815	243,180
Current liabilities			
Trade and other payables	11	<u>157</u>	<u>39,483</u>
Total equity and liabilities		<u>912,972</u>	<u>282,663</u>

For the financial year ending 31 December 2021 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 5 September 2022 and signed on its behalf by:



WG Setter
Director

The notes on pages 9 to 16 form an integral part of these financial statements.

Wood Finance UK Limited
Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £ 000	Share premium £ 000	Capital contribution reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2021	17,248	331	-	225,601	243,180
Profit for the year	-	-	-	4,393	4,393
Total comprehensive income	-	-	-	4,393	4,393
Capital contribution	-	-	665,242	-	665,242
At 31 December 2021	17,248	331	665,242	229,994	912,315

	Share capital £ 000	Share premium £ 000	Capital contribution reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2020	17,248	331	-	(9,585)	7,994
Profit for the year	-	-	-	235,186	235,186
Total comprehensive income	-	-	-	235,186	235,186
At 31 December 2020	17,248	331	-	225,601	243,180

The notes on pages 9 to 16 form an integral part of these financial statements.

Wood Finance UK Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

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:

- Paragraph 33(c) of IFRS 5 'Non-current assets held for sale and discontinued operations'.
- 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'.

Wood Finance UK Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)

2 Accounting policies (continued)

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore adopts the going concern basis in preparing its financial statements.

Exemption from preparing group accounts

The company is a wholly owned subsidiary of Amec Foster Wheeler Group Limited and of its ultimate parent, John Wood Group PLC. It is included in the consolidated financial statements of John Wood Group PLC, which are publicly available. Therefore, the company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is 15 Justice Mill Lane, Aberdeen, AB11 6EQ.

These financial statements are separate financial statements.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2021 have had a material effect on the financial statements.

Finance income and costs policy

Interest income and expense is recorded in the same income statement in the period to which it relates. Arrangement fees and expenses in respect of the company's debt facilities are amortised over the period which the company expects the facility to be in place.

Income from shares in group undertakings

Income from shares in group undertakings is recognised when the right to receive payment is established.

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.

Wood Finance UK Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(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.

Trade and other receivables

Trade and other 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 amounts due from group undertakings, 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.

Wood Finance UK Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)

2 Accounting policies (continued)

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 and other payables

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

Share capital

The company has three classes 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 contained in these accounts do not have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities.

Wood Finance UK Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)

4 Operating (loss) / profit

Arrived at after charging/(crediting)

	2021	2020
	£ 000	£ 000
Foreign exchange (gains)/losses	<u>-</u>	<u>(105)</u>

5 Finance income

	2021	2020
	£ 000	£ 000
Income from shares in group undertakings	105	162,676
Interest received from group undertakings	<u>4,167</u>	<u>2,123</u>
	<u>4,272</u>	<u>164,799</u>

6 Finance expense

	2021	2020
	£ 000	£ 000
Interest on bank overdrafts and borrowings	-	25
Interest paid to group undertakings	<u>-</u>	<u>1,089</u>
	<u>-</u>	<u>1,114</u>

7 Staff costs

The average number of persons employed by the company (including directors) during the year was nil (2020: nil).

8 Directors' remuneration

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

Wood Finance UK Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)

9 Taxation

Tax (credited)/charged in the income statement

	2021	2020
	£ 000	£ 000
Current taxation		
UK corporation tax	-	210
UK corporation tax adjustment to prior periods	(210)	-
	<u>(210)</u>	<u>210</u>

The tax on profit before tax for the year differs from the standard rate of corporation tax in the UK of 19% (2020 - 19%).

The differences are reconciled below:

	2021	2020
	£ 000	£ 000
Profit before tax	<u>4,183</u>	<u>235,396</u>
Corporation tax at standard rate	795	44,725
Decrease in current tax from adjustment for prior periods	(210)	-
Increase from effect of revenues exempt from taxation	(20)	(48,121)
Increase from effect of expenses not deductible in determining taxable profit	17	3,607
Increase from share based payments	-	210
Decrease arising from group relief tax reconciliation	(151)	(1)
Deferred tax asset not recognised	<u>(641)</u>	<u>(210)</u>
Total tax (credit)/charge	<u>(210)</u>	<u>210</u>

There is an unrecognised deferred tax asset of £nil as at 31 December 2021 (2020: £655,000) in relation to management expenses carried forward. This asset has not been recognised as the directors of the Company consider that it is unlikely that the asset will crystallise in the foreseeable future.

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016), however, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%. The Finance Act 2021 (enacted on 10th June 2021) included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. Deferred taxes on the balance sheet have as such been measured at 25% (2020: 19%) which represents the future corporation tax rate that was enacted at the balance sheet date.

Wood Finance UK Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)

10 Trade and other receivables

	31 December 2021 £ 000	31 December 2020 £ 000
Amounts due from group undertakings	912,972	282,624
Other receivables	<u>-</u>	<u>39</u>
	<u>912,972</u>	<u>282,663</u>

Amounts due from group undertakings are made up of loans of £909,204,000 (2020: £281,875,000) that are unsecured and repayable on demand. Interest is charged at the normal market rate.

11 Trade and other payables

	31 December 2021 £ 000	31 December 2020 £ 000
Accrued expenses	157	155
Amounts due to group undertakings	-	39,118
Income tax liability	<u>-</u>	<u>210</u>
	<u>157</u>	<u>39,483</u>

Amounts due to group undertakings are made up of loans of £nil (2020: £39,092,000) that are unsecured and repayable on demand. Interest is charged at the normal market rate.

Wood Finance UK Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021
(continued)

12 Share capital

Allotted, called up and fully paid shares

	31 December 2021		31 December 2020	
	No. 000	£ 000	No. 000	£ 000
Ordinary 'A' shares of £0.01 each	297,459	2,975	297,459	2,975
Ordinary 'B' shares of £0.05 each	145,486	7,274	145,486	7,274
Ordinary 'C' shares of £0.05 each	139,980	6,999	139,980	6,999
	<u>582,925</u>	<u>17,248</u>	<u>582,925</u>	<u>17,248</u>

13 Parent and ultimate parent undertaking

The company's immediate parent is Amec Foster Wheeler Group 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.