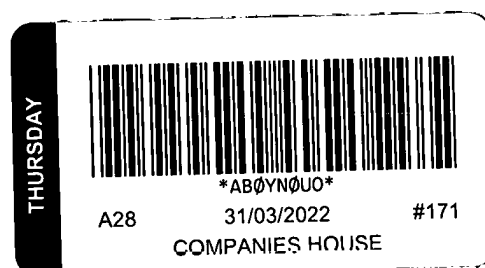


Company Registration No. 04025810

**Lummus Consultants International Limited**

**Report and Financial Statements**

**31 December 2020**



## **Lummus Consultants International Limited**

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**Lummus Consultants International Limited**

**GENERAL INFORMATION**

**DIRECTORS**

M.P. White  
S.C. Garven

**SECRETARY**

J.R. Albanese

**AUDITOR**

RSM UK Audit LLP  
Portland  
25 High Street  
Crawley  
West Sussex  
RH10 1BG

**REGISTERED OFFICE**

Altius House  
1 North Fourth Street  
Milton Keynes  
Buckinghamshire  
MK9 1NE

**VOLUNTARY STRATEGIC REPORT**

The directors present their Strategic Report for the year ended 31 December 2020.

**Review of the business and future developments**

Lummus Consultants International Limited (the "Company")'s main consultancy services activity continues to be in the Middle East, Europe and Asia. The turnover decreased in 2020 by 27% and gross profit as a percentage of turnover declined by 14%.

The level of activity has remained at a similar level to 2020 for 2021.

The financial position of the Company at the year-end has improved, due to the operating profit for 2020 and a capital contribution from Lummus Technology LLC of £8,020,371. The directors are satisfied that future obligations can be met.

**Results and dividends**

The Financial highlights for 2019 and 2020 are as follows:

<b>Financial Highlights</b>	<b>2020 £</b>	<b>2019 £</b>	<b>Change %</b>
Turnover	3,381,462	4,660,224	-27%
Gross profit	2,183,373	2,539,426	-14%
Profit/(loss) on ordinary activities before taxation	1,449,669	(8,731,942)	

No dividend has been paid or proposed in respect of the year.

**Principal risk and uncertainties**

The Company has established a risk and financial management framework whose primary objectives are to protect the Company from events that hinder the achievements of the Company's performance objectives.

The principal risks and uncertainties affecting the Company are:

Global trading activity	A slowdown in global trading activity means delays in the commencement or enhancement of projects. The Company aims to use such delays to acquire new skills in new areas so as to provide a broader range of services.
Competitors	It is recognised that the number of competitors in our normal activities have increased. As a consequence, the Company is trying to enter new areas of expertise so that a broad range of services can be presented to potential clients.
Professional liability	Appropriate insurance arrangements are made by the Board in this regard.

Approved by the Board of Directors and signed on behalf of the Board



M.P. White

Director

30 March 2022

**DIRECTORS' REPORT**

The directors present their directors' report on the affairs of the Company, together with the financial statements and auditor's report for the year ended 31 December 2020.

**Principal activities and review of business developments**

The principal activity of the Company is the provision of consultancy services for the power and process industries covering oil and gas, refining and petrochemicals. The demand for these services is expected to remain the same in the next twelve months as a result of the continuing uncertainty of the world economic climate.

On 11 March 2020, the World Health Organisation declared a pandemic due to the global outbreak of the coronavirus disease (COVID-19). Its impact on the public's health and the economy has so far resulted in quarantines, restrictions on travel and business closures worldwide.

The Company experienced certain disruptions to its business operations, as the pandemic continued to spread through most of the Company's markets. The war in Ukraine has led to material increases in oil and natural gas prices, with energy security and affordability back at the top of the agenda. This may result in a long term policy push towards renewables, alternative energy sources, carbon abatement and energy efficiency. This will continue to be the growing trend/direction of the energy sector. Our business is progressively adapting to support our clients' evolving needs.

The Directors cannot predict the full impact that COVID-19 or the significant disruption and volatility currently being experienced in the oil and natural gas markets, will have on the Company's business, cash flows, liquidity, financial condition and results of its operations, due to numerous uncertainties.

On 21 January 2020, McDermott International, Inc. (the Company's ultimate parent undertaking at 31 December 2019), and certain of its subsidiaries (collectively "the Debtors") entered into a Restructuring Support Agreement with certain of their lenders and creditors, and filed voluntary petitions for reorganisation under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas to pursue a joint prepackaged Chapter 11 Plan of Reorganisation of the Debtors (the "Plan of Reorganisation"). On 30 June 2020 McDermott International, Inc. met all conditions precedent to emergence in accordance with its Plan of Reorganisation and successfully emerged from bankruptcy as a reorganised enterprise comprised of McDermott International, Limited (the Company's ultimate parent undertaking at 30 June 2020), established under the laws of Bermuda.

On 30 June 2020 McDermott International, Inc. sold the Lummus Technology business (including Lummus Consultants International Ltd) to a joint partnership between Haldia Petrochemicals Ltd., a flagship company of The Chatterjee Group, and Rhone Capital. Prior to the sale, the asset and liabilities of the defined benefit pension scheme were transferred to CB&I UK Limited, such that McDermott International, Inc. retained the scheme.

The £9,201,792 intercompany loan between Lummus Consultants International Ltd and Lealand Finance was fully provided at 31st December 2019. Lummus Technology LLC subsequently made a capital contribution to Lummus Consultants International Ltd of £8,020,371.

**Going concern**

The parent undertaking has provided assurances of their continued support for Lummus Consultants International Ltd. A capital contribution of £8,020,371 was made during 2020.

**Results and dividends**

Profit for the period ended 31 December 2020 after tax was £1,251,715 (2019: loss of £8,802,115). The directors do not recommend the payment of a dividend for the year (2019: £nil).

**Branches outside the UK**

The Company has a branch office in Dubai.

**DIRECTORS' REPORT**

**Director's liabilities**

There were insurance policies in place during the year that indemnify the directors of the Company against liability in respect of any proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006.

**Directors**

The directors who held office during the year and up to the date of this report are as follows:

M.P. White  
S.C. Garven

**Directors' statement as to disclosure of information to the auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

The auditor RSM UK Audit LLP is deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board



M.P. White  
Director  
30 March 2022

**Lummus Consultants International Limited**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic Report and 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUMMUS CONSULTANTS INTERNATIONAL LIMITED**

### **Opinion**

We have audited the financial statements of Lummus Consultants International Limited (the 'company') for the year ended 31 December 2020 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities 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 UK, including the FRC's Ethical Standard, and 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 the 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 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.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUMMUS CONSULTANTS INTERNATIONAL LIMITED**

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 material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUMMUS CONSULTANTS INTERNATIONAL LIMITED**

appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUMMUS CONSULTANTS  
INTERNATIONAL LIMITED**

**Use of our report**

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.

*Jonathan Ericson*

Jonathan Ericson (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Portland  
25 High Street  
Crawley  
West Sussex, RH10 1BG

Date 30 March 2022

**Lummus Consultants International Limited**

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 December 2020

	Notes	2020 £	2019 £
Turnover	2	3,381,462	4,660,224
Cost of sales		<u>(1,198,089)</u>	<u>(2,120,798)</u>
<b>Gross profit</b>		<b>2,183,373</b>	<b>2,539,426</b>
Administration expenses		<u>(1,855,848)</u>	<u>(2,167,626)</u>
<b>Operating profit</b>	3	<b>327,525</b>	<b>371,800</b>
Non-recurring items	6	953,888	(9,201,792)
Interest receivable	7	<u>168,256</u>	<u>98,050</u>
<b>Profit/(loss) before taxation</b>		<b>1,449,669</b>	<b>(8,731,942)</b>
Tax charge	8	(197,954)	(70,173)
<b>Profit/(loss) for the financial year</b>		<b><u>1,251,715</u></b>	<b><u>(8,802,115)</u></b>
<b>Other comprehensive income</b>			
Actuarial (loss)/gain recognised in the pension scheme		(2,706,000)	(4,698,000)
Return on assets, excluding interest income		(560,000)	9,382,000
Change in the effect of the asset ceiling excluding interest income	16	-	(4,684,000)
Transfer	16	<u>3,266,000</u>	-
<b>Other comprehensive income for the year</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>Total comprehensive income for the year</b>		<b><u>1,251,715</u></b>	<b><u>(8,802,115)</u></b>

All results arise from continuing operations.

The notes on pages 14 to 26 form part of these Financial Statements.

**BALANCE SHEET**  
as at 31 December 2020

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible fixed assets	9	-	7,725
		-	7,725
<b>Current assets</b>			
Debtors	10	9,706,612	1,934,218
Cash		748,460	554,615
		10,455,072	2,488,833
Creditors: amounts falling due within one year	11	(1,244,128)	(2,557,700)
<b>Net current assets/(liabilities)</b>		9,210,944	(68,867)
<b>Total assets less current liabilities</b>		9,210,944	(61,142)
<b>Net assets/(liabilities)</b>		9,210,944	(61,142)
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Capital contribution	14	8,824,271	803,900
Profit and loss account	14	386,672	(865,043)
<b>Shareholders' funds/(deficit)</b>		9,210,944	(61,142)

The notes on pages 14 to 26 form part of these Financial Statements.

These financial statements were approved by the Board of Directors on 30 March 2022 and signed on its behalf by:

*M.P. White*

M.P. White  
Director

**Lummus Consultants International Limited**

**STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 December 2020**

	<b>Called up share capital £</b>	<b>Capital Contribution £</b>	<b>Profit and loss account £</b>	<b>Total £'000</b>
<b>Balance at 1 January 2019</b>	<b>1</b>	<b>803,900</b>	<b>7,882,853</b>	<b>8,686,754</b>
Total comprehensive income for the period				
Loss for the financial year	-	-	(8,802,115)	(8,802,115)
Other comprehensive income				
Adjustment	-	-	54,219	54,219
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(8,747,896)</b>	<b>(8,747,896)</b>
<b>Balance at 31 December 2019</b>	<b>1</b>	<b>803,900</b>	<b>(865,043)</b>	<b>(61,142)</b>
<b>Balance at 1 January 2020</b>	<b>1</b>	<b>803,900</b>	<b>(865,043)</b>	<b>(61,142)</b>
Total comprehensive income for the period				
Profit for the financial year	-	-	1,251,715	1,251,715
Capital contribution	-	8,020,371	-	8,020,371
<b>Balance at 31 December 2020</b>	<b>1</b>	<b>8,824,271</b>	<b>386,672</b>	<b>9,210,944</b>

Notes from pages 14 to 26 form part of these Financial Statements.

**Lummus Consultants International Limited**

**CASH FLOW STATEMENT  
for the year ended 31 December 2020**

	2020 £	2019 £
<b>Profit for the financial year</b>	1,251,715	(8,802,115)
Adjustments for:		
Tax on profit on ordinary activities	197,954	70,173
Accrued Interest receivable	(168,256)	(98,050)
Depreciation of tangible fixed assets	7,725	16,334
Working capital movements		
- Increase/(decrease) in debtors	424,656	(388,593)
- Increase/(decrease) in creditors	(1,417,057)	1,286,510
<b>Cash flow from operating activities</b>	296,737	(7,915,741)
Tax paid	(102,892)	(148,342)
<b>Net cash generated from operating activities</b>	193,845	(8,064,083)
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-
<b>Net increase in cash and cash equivalents</b>	193,845	(8,064,083)
Cash and cash equivalents at the beginning of the year	554,615	8,618,698
<b>Cash and cash equivalents at the end of the year</b>	748,460	554,615

Notes from pages 14 to 26 form part of these Financial Statements.

**Lummus Consultants International Limited**

**NOTES TO FINANCIAL STATEMENTS  
for the year ended 31 December 2020**

**1. ACCOUNTING POLICIES**

The Company is a private company limited by shares and is incorporated and domiciled in England. The registered office is disclosed on page 1. The principal accounting policies are summarised below and have been applied consistently throughout the year.

**Basis of preparation**

These financial statements have been prepared in compliance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006 and in accordance with the going concern concept of accounting. The presentation currency is £ sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

The financial statements are prepared on the historical cost basis.

**Going concern**

The directors have completed an assessment of business and liquidity risks and an assessment of forecast results for a period of at least twelve months from the date of approval of these financial statements and the Company has received a letter of support from Lummus Technology Holdings V LLC confirming that it will provide support to the Company should it be required to 17 May 2023. The directors have therefore concluded that the Company has adequate resources to continue in operational existence for a period of a year from the date of approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing on the balance sheet date. All difference are taken to the profit and loss account.

**Classification of financial instruments issued by the Company**

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.



**NOTES TO FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2020**

**1. ACCOUNTING POLICIES (continued)**

**Capital contributions**

Where the Company receives amounts from its parent undertakings with no contractual obligation to make repayment, the amount is described as a capital contribution and recognised in a separate equity reserve.

**Basic financial instruments**

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

**Revenue recognition**

Revenue represents amounts receivable for the services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the income statement profit based on percentage of completion. Revenue is calculated as that proportion of the total contract value which costs incurred to date bear to total expected costs for that contract. Losses on contracts are recognised as soon as they are foreseen.

**Long term contracts**

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

**Tangible fixed assets**

Tangible fixed assets are stated at cost, less accumulated depreciation. Such costs include costs directly attributable to making the asset capable of operating as intended.

**Depreciation**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life as follows:

Leasehold improvements	Lower of lease term and 10 years
Equipment	2-7 years

**Operating leases**

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation in which case the payments related to the structured increase are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

**1. ACCOUNTING POLICIES (continued)**

**Lummus Consultants International Limited**

**NOTES TO FINANCIAL STATEMENTS (continued)  
for the year ended 31 December 2020**

**Employee benefits**

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal obligation or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit schemes

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior period; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit bonds denominated in the currency of, and having maturity dates approximating to, the terms of the Company's obligations. A valuation is performed by a qualified actuary using the projected unit credit method. The Company recognises net defined benefit plan assets to the extent it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Changes in the net defined benefit liability arising from the employees' service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

**Interest receivable**

Interest receivable is recognised in profit or loss as it accrues, using the effective interest rate method.

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is calculated at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**1. ACCOUNTING POLICIES (continued)**

**Lummus Consultants International Limited**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**at 31 December 2020**

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset if and only if there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered likely to occur based on all available information at the time.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions may differ from those estimates. The estimates and assumptions that will have the most significant effect on the carrying amounts of assets and liabilities recognised in the financial statements are disclosed below.

- o Revenue - In calculating revenue management makes judgements with regard to the final outturn forecast revenue and costs incurred in the completion of long term contracts.

**2. TURNOVER ANALYSIS**

Turnover is derived from continuing operations and comprises of fees earned analysed as follows:

**By geographical area**

	2020	2019
	£	£
United Kingdom	155,300	62,721
Americas	349,801	452,233
Asia Pacific	351,353	900,871
Europe	419,273	720,879
Middle East/Africa	2,105,735	2,523,520
	<u>3,381,462</u>	<u>4,660,224</u>

**3. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation of tangible fixed assets	7,725	16,334
Net foreign exchange losses	83,183	316,263
Operating lease rentals		
- Land and buildings	108,817	113,214
- plant & machinery	-	3,613
Auditor's remuneration for audit of these financial statements	20,000	16,000

**Lummus Consultants International Limited**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**at 31 December 2020**

**4. STAFF COSTS**

The average monthly number of employees (including executive directors) was:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Production	5	5
Administration	4	3
	<u>9</u>	<u>8</u>

Their aggregate remuneration comprised:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	647,619	600,107
Social security costs	76,636	73,742
Pension costs	51,152	47,627
	<u>775,407</u>	<u>721,476</u>

**5. DIRECTORS' REMUNERATION AND TRANSACTIONS**

Directors' remuneration was as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Emoluments	137,194	169,592
Company pension contributions	10,975	10,588
	<u>148,169</u>	<u>180,180</u>

Number of directors who were members  
of the defined contribution pension  
scheme

1

1

One of the directors of the Company is also a director of a number of companies within the Lummus Technology group. This director's services to the Company do not occupy a significant amount of time. As such the director does not consider that they have received any remuneration for their incidental services to the Company for the periods ended 31 December 2020 and 31 December 2019. Key management compensation is deemed to be the same as directors' remuneration.

**Lummus Consultants International Limited**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**at 31 December 2020**

**6. NON-RECURRING ITEMS**

	2020	2019
	£	£
(Recovery)/provision in respect of balances due from group undertakings	<u>(953,888)</u>	<u>9,201,792</u>

As at 31 December 2019 the financial position of McDermott International, Inc. was uncertain; as a result, management made an impairment provision against the intercompany debt with Lealand Finance of £9,201,792. On 30 June 2020 McDermott International, Inc. sold the Lummus Technology business; the intercompany debt with Lealand Finance was irrecoverable and therefore written off during 2020 except for £953,888 which had been recovered in the period 1 January 2020 to 30 June 2020.

**7. INTEREST RECEIVABLE**

	2020	2019
	£	£
Interest receivable – balances due from Group undertakings	<u>168,256</u>	<u>98,050</u>

**8. TAXATION**

(a) Total tax expense recognised in the profit and loss account, other comprehensive income and equity

The tax charge for the year comprises:

	2020	2019
	£	£
<b>Current tax</b>		
UK Corporation Tax at 19.00% (2019: 19.00%)	276,550	72,517
Prior period adjustments – group relief	<u>(72,517)</u>	<u>-</u>
	204,033	72,517
<b>Deferred tax</b>		
Origination and reversal of timing differences	(8,423)	(2,344)
Prior period adjustments	2,344	-
Change in tax rate	<u>-</u>	<u>-</u>
	(6,079)	(2,344)
<b>Total tax expense</b>	<u>197,954</u>	<u>70,173</u>

**Lummus Consultants International Limited**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**at 31 December 2020**

**(b) Factors affecting the tax charge for the year**

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are reconciled below:

	2020 £	2019 £
Profit/(loss) on ordinary activities before tax	1,449,669	(8,731,942)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	275,437	(1,659,069)
Effects of:		
Other Adjustments	(7,310)	(30,723)
Expenses that are not deductible in determining taxable profit	-	1,759,965
Prior period adjustments	(70,173)	-
Amounts related to change in tax rates	-	-
<b>Total tax expense for the year</b>	<b>197,954</b>	<b>70,173</b>

**(c) Deferred tax**

The elements of deferred tax are as follows:

	2020 £	2019 £
<b>Recognised deferred tax</b>		
Fixed asset timing differences	(6,147)	(8,010)
Short term timing differences	45,934	39,374
	<b>39,787</b>	<b>31,364</b>

**(d) Factors that may affect future tax charges**

In March 2020, the Finance Bill 2020 was enacted and included legislation to hold the main rate of corporation tax at 19% with effect from 1 April 2020, an increase from 17% as announced in the 2015 Finance Act.

Changes to UK corporation tax rates were substantively enacted by the Finance Bill 2021 on 24 May 2021. These included an increase of the corporation tax rate to 25% from 1 April 2023. As this change was not substantively enacted at the balance sheet date, deferred tax is recognised at 19% (2019: 19%) but this will change in subsequent years.

Lummus Consultants International Limited

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
at 31 December 2020

**9. TANGIBLE FIXED ASSETS**

	Office furniture and equipment £	Software £	Leasehold improvements £	Total £
<b>Cost</b>				
At 1 January 2020	26,676	50,325	83,377	160,378
At 31 December 2020	26,676	50,325	83,377	160,378
<b>Accumulated depreciation</b>				
At 1 January 2020	(26,676)	(50,325)	(75,652)	(152,653)
Charge for the year	-	-	(7,725)	(7,725)
At 31 December 2020	(26,676)	(50,325)	(83,377)	(160,378)
<b>Net book value</b>				
At 31 December 2020	-	-	-	-
<b>Net book value</b>				
At 31 December 2019	-	-	7,725	7,725

**10. DEBTORS**

	2020 £	2019 £
Trade debtors	808,111	971,491
Amounts owed by Group undertakings	8,274,738	314,335
Other debtors	103,186	115,977
Amounts recoverable on contracts	480,790	501,051
Deferred tax asset	39,787	31,364
	<u>9,706,612</u>	<u>1,934,218</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Amounts owed to group undertakings	233,165	1,911,372
Trade creditors	12,749	36,993
Other creditors	29,606	104,854
Other taxes and social security costs	22,494	21,909
Corporation tax	173,658	72,517
Accruals and deferred income	772,456	410,055
	<u>1,244,128</u>	<u>2,557,700</u>

**Lummus Consultants International Limited**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**at 31 December 2020**

**12. FINANCIAL INSTRUMENTS**

	2020	2019
	£	£
<b>Financial assets that are debt instruments held at amortised cost</b>		
Trade debtors	808,111	971,491
Other debtors	103,186	115,977
Amounts recoverable on contracts	480,790	501,051
Amounts owed by group	8,274,738	314,335
	<u>9,666,825</u>	<u>1,902,854</u>
<b>Financial liabilities at amortised cost</b>		
Trade creditors	12,749	36,993
Other creditors	29,606	104,854
Accruals	772,456	410,055
Amounts owed by group	233,165	1,911,372
	<u>1,047,976</u>	<u>2,463,274</u>

**13. CALLED-UP SHARE CAPITAL**

	2020	2019
	£	£
<b>Allotted, called up and fully paid share capital</b>		
1 ordinary shares of £1	<u>1</u>	<u>1</u>

**14. RESERVES**

**Profit and loss account**

Cumulative profit and loss net of distributions to owners.

**Capital contribution**

Non-repayable capital provided by the parent company.



**Lummus Consultants International Limited**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**at 31 December 2020**

**15. FINANCIAL COMMITMENTS**

**Lease commitments**

The Company has entered into certain non-cancellable operating leases. The total commitments under these leases are as follows:

	2020 £	2019 £
<b>Land and Buildings</b>		
Amounts due:		
Within 1 year	108,817	113,214
Within 2 to 5 years	143,989	254,565
Greater than 5 years	-	-
	<u>252,806</u>	<u>367,779</u>
<b>Other</b>		
Amount Due:		
Within 1 year	-	3,613
Within 2 to 5 years	-	-
	<u>-</u>	<u>3,613</u>

**16. PENSIONS**

**Defined benefit pension scheme**

The Company operated a pension scheme with a defined benefit section providing benefits based on final pensionable salary and a defined contribution section providing benefits based on the value of assets in a members' account.

The Scheme was funded by the payment of contributions to a separate trustee administered fund. During the year, the Company's cost of participation in the Scheme was the contributions payable of £nil (2019: £nil).

There were £nil outstanding contributions at 31 December 2020 and 2019.

As at 31 December 2019 the actuarial valuation of the Scheme prepared for FRS 102 purposes recorded a net surplus of £7,027,000 (2019: £2,282,000). The net balance sheet position is capped at nil as the surplus is not recoverable, either through a reduction in future contributions or refund due to the Company from the Scheme.

A full actuarial valuation was carried out for this scheme at 31 December 2018 and was updated by XPS Pensions Group to take account of the requirements of FRS 102 in order to re-assess the liabilities of the scheme at 31 December 2019. Scheme assets are stated at their market values at the respective balance sheet dates.

On 30 June 2020 McDermott International, Inc. sold the Lummus Technology business, including Lummus Consultants International Limited. Just prior to this, on 28 May 2020, the assets and liabilities of the defined benefit scheme were transferred to a member of the McDermott group, and the company was released from its obligations under the scheme.

**Lummus Consultants International Limited**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**at 31 December 2020**

**16. PENSIONS (continued)**

**(a) Assets and liabilities of the defined benefit scheme:**

	2020 £'000	2019 £'000
<b>Scheme assets at fair value</b>		
Equities	-	29,294
Bonds	-	49,225
Diversified growth funds	-	14,178
Cash funds	-	131
Fair value of scheme assets	-	92,828
Present value of liability	-	(85,801)
<b>Surplus in the scheme</b>	-	7,027
<b>Effect of asset ceiling</b>	-	(7,027)
<b>Net pension liability</b>	-	-

**(b) Analysis of the amounts recognised in the income statement:**

	2020 £'000	2019 £'000
Net interest income	55	61
Interest expense on asset ceiling	(55)	(61)
Past service cost	-	-
<b>Total income/(cost) recognised in the income statement</b>	-	-

**(c) Movement in the net balance sheet position:**

	2020 £'000	2019 £'000
Opening net asset	7,027	2,282
Income credited/(cost debited) to profit and loss	55	61
Actuarial (loss)/gain charged to Other Comprehensive Income	(3,266)	4,684
<b>Surplus</b>	3,816	7,027
Asset limitation	-	(7,027)
Transfer	(3,816)	-
<b>Closing net asset/(liability)</b>	-	-

**Lummus Consultants International Limited**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**at 31 December 2020**

**16. PENSIONS (continued)**

**(d) Main financial assumptions:**

	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>
Rate of salary increases	n/a	n/a
Pension increase rate (RPI 5% pa)	2.75	2.95
Pension increase rate (CPI 3% pa)	1.70	1.85
Pension increase rate (Deferred)	2.80	3.05
Discount rate (% pa)	1.60	1.90
Retail Price Inflation (% pa)	2.80	3.05
GMP Equalisation provision	1.80	2.05
Post-retirement mortality (in years)		
Male (retiring today)	22.3	22.8
Female (retiring today)	24.1	25.6
Male (retiring in 20 years)	23.7	24.2
Female (retiring in 20 years)	25.5	27.1

**(e) Changes in the present value of the defined benefit obligation:**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January	85,801	82,336
Interest on plan liabilities	659	2,137
Benefits paid	(1,820)	(3,370)
Actuarial loss	2,706	4,698
Transfer	(87,346)	
At 31 December	-	85,801

**(f) Changes in the fair value of the plan assets:**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January	92,828	84,618
Interest on plan assets	714	2,198
Return on assets excluding interest income	(560)	9,382
Benefits paid	(1,820)	(3,370)
Transfer	(91,162)	
At 31 December	-	92,828

**Lummus Consultants International Limited**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**at 31 December 2020**

**16. PENSIONS (continued)**

**Defined contribution pension scheme**

The Company operates a defined contribution pension scheme. The pension cost charge for the period represent contributions payable by the Company to the scheme and amounts to £51,152 (2019: £47,627). There were £Nil outstanding contributions at 31 December 2020 (2019: £NIL).

**17. RELATED PARTY TRANSACTIONS**

On 30 June 2020 McDermott International, Inc. sold the Lummus Technology business (including Lummus Consultants International Ltd) to a joint partnership between Haldia Petrochemicals Ltd., a flagship company of The Chatterjee Group, and Rhone Capital. As a subsidiary undertaking of Lummus Technology Holdings III LLC, the Company has taken advantage of the exemption in Section 33.1A of FRS 102 not to disclose transactions with other 100% members of the group headed by Lummus Technology Holdings III LLC.

**18. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING**

At the Balance Sheet date the Company's immediate parent undertaking is Lummus Technology 2 BV, a company incorporated in the Netherlands. The Company's ultimate controlling parent undertaking is Lummus Aggregator LP, a company incorporated in Delaware, USA.

Lummus Technology Holdings LLC is the smallest and largest group in which the Company's results are consolidated.