

Registration number: 04987981

Amec Foster Wheeler Earth and Environmental (UK) Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2020



Amec Foster Wheeler Earth and Environmental (UK) Limited
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Amec Foster Wheeler Earth and Environmental (UK) Limited

Strategic Report for the Year Ended 31 December 2020

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

Principal activities

The company was previously a focused supplier of environmental impact assessments, environmental management, permitting, due diligence and audits, resources engineering, mining and minerals engineering, heap leach design and management, tailings facilities design and management, mine waste characterisation and management and mine water management for the mining industry. This trading activity was wound down fully by the end of 2020.

Fair review of the business

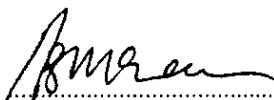
Revenue has decreased to £64,000 (2019: £1,686,000), as the company finalised the winding down of its operational activities.

The profit for the year, after taxation, amounted to £25,000 (2019: £3,589,000 loss).

Principal risks and uncertainties

The company's main activity is to provide finance to fellow group undertakings. On this basis, the directors consider that the company does not have any principal risks and uncertainties requiring further disclosure.

Approved by the Board on 18 October 2021 and signed on its behalf by:



AS McLean
Director

Amec Foster Wheeler Earth and Environmental (UK) Limited
Directors' Report for the Year Ended 31 December 2020

The directors present their report and the unaudited financial statements for the year ended 31 December 2020.

Directors

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

GR Angus

AS McLean

WG Setter

Results and dividends

The profit for the year, after taxation, amounted to £25,000 (2019: £3,589,000 loss).

The directors do not recommend the payment of a dividend for the year ended 31 December 2020 (2019: £nil).

Going concern

The financial statements are not prepared on a going concern basis, as the trading activities of the company have ceased.

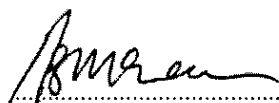
Future developments

Following the cessation of operational activity, the directors do not anticipate any further significant changes to the activities of the company in the short to medium term.

Disclosure of information in the strategic report

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

Approved by the Board on 18 October 2021 and signed on its behalf by:



AS McLean
Director

Amec Foster Wheeler Earth and Environmental (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.

Amec Foster Wheeler Earth and Environmental (UK) Limited
Income Statement for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Revenue	4	64	1,686
Cost of sales		<u>(283)</u>	<u>(1,749)</u>
Gross loss		(219)	(63)
Administrative expenses		(13)	(631)
Other operating income		24	-
Impairment of investments in subsidiary undertakings		<u>-</u>	<u>(54,678)</u>
Operating loss	5	(208)	(55,372)
Income from investment in subsidiary		-	54,678
Finance income	6	392	-
Finance expense	7	<u>(159)</u>	<u>(2,895)</u>
Profit/(loss) before tax		25	(3,589)
Taxation	11	<u>-</u>	<u>-</u>
Profit/(loss) for the year		<u>25</u>	<u>(3,589)</u>

The notes on pages 7 to 20 form an integral part of these financial statements.

Amec Foster Wheeler Earth and Environmental (UK) Limited
(Registration number: 04987981)
Balance Sheet as at 31 December 2020

	Note	31 December 2020 £ 000	31 December 2019 £ 000
Assets			
Non-current assets			
Property, plant and equipment	12	-	4
Investments	14	-	-
		<u>-</u>	<u>4</u>
Current assets			
Trade and other receivables	15	<u>55,295</u>	<u>55,042</u>
Total assets		<u><u>55,295</u></u>	<u><u>55,046</u></u>
Equity and liabilities			
Equity			
Profit and loss account		42,900	42,875
Current liabilities			
Trade and other payables	17	5,645	5,537
Loans and borrowings	16	<u>6,750</u>	<u>6,634</u>
		<u>12,395</u>	<u>12,171</u>
Total equity and liabilities		<u><u>55,295</u></u>	<u><u>55,046</u></u>

For the financial 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.

Directors' responsibilities:

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

Approved by the Board on 18 October 2021 and signed on its behalf by:



WG Setter
Director

The notes on pages 7 to 20 form an integral part of these financial statements.

Amec Foster Wheeler Earth and Environmental (UK) Limited
Statement of Changes in Equity for the Year Ended 31 December 2020

	Share Capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2020	-	42,875	42,875
Profit for the year	-	25	25
Total comprehensive income	-	25	25
At 31 December 2020	-	42,900	42,900
	Share Capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2019	-	(29,741)	(29,741)
Loss for the year	-	(3,589)	(3,589)
Total comprehensive loss	-	(3,589)	(3,589)
Issue of new shares	76,205	-	76,205
Capital reduction	(76,205)	76,205	-
At 31 December 2019	-	42,875	42,875

The notes on pages 7 to 20 form an integral part of these financial statements.

Amec Foster Wheeler Earth and Environmental (UK) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

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

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.

The operational activities of the company have ceased.

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.

Going concern

The financial statements are not prepared on a going concern basis, as the trading activities of the company have ceased.

Exemption from preparing group accounts

The company is a wholly owned subsidiary of Amec Foster Wheeler 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.

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.

Amec Foster Wheeler Earth and Environmental (UK) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020
(continued)

2 Accounting policies (continued)

Summary of disclosure exemptions

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

- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement'.
- Paragraph 38 of IAS 1, 'Presentation of financial statements' to present comparative information requirements in respect of paragraphs 79(a)(iv) of IAS 1, 73(e) of IAS 16, 'Property, plant and equipment' and 118(e) of IAS 38, 'Intangible assets'.
- 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'.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2020 have had a material effect on the financial statements.

Revenue recognition

Revenue comprises the fair value of the consideration specified in a contract with a customer and is stated net of sales taxes (such as VAT) and discounts. The company recognises revenue when it transfers control over a good or service to a customer.

With regard to cost reimbursable projects and lump sum projects, further detail is provided below about the nature and timing of the satisfaction of performance obligations in contracts with customers, including payment terms and related revenue recognition policies.

Cost reimbursable projects

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

Amec Foster Wheeler Earth and Environmental (UK) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020
(continued)

2 Accounting policies (continued)

Lump sum or fixed price contracts

Revenue on fixed price or lump sum contracts for services, construction contracts and fixed price long-term service agreements is recognised over time, according to the stage of completion reached in the contract, by measuring the proportion of costs incurred for work performed to total estimated costs.

Revenue in respect of variations is recognised when the variation is approved by both parties to the contract. To the extent that a change in scope has been agreed but the corresponding change in price has not yet been agreed, then revenue is recognised only to the extent that it is highly probable that a significant reversal of revenue will not occur.

A claim is an amount that the contractor seeks to collect from the customer as a reimbursement for costs whose inclusion in the contract price is disputed, and may arise from, for example, delays caused by the customer, errors in specification or design and disputed variations in contract work. Claims are also a source of variable consideration and are included in contract revenue only to the extent that it is highly probable that a significant reversal of revenue will not occur. Appropriate legal advice is taken in advance of any material revenue being recognised in respect of claims.

The related contract costs are recognised in the income statement when incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.

The company's payment terms state that all invoices are generally payable within 30 days.

Finance income and costs policy

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

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

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

Dividend income

Dividend income is recognised when the right to receive payment is established.

Amec Foster Wheeler Earth and Environmental (UK) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020
(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.

Defined contribution pension obligation

The company's contributions to defined contribution schemes are charged to the income statement in the period to which the contributions relate.

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.

Amec Foster Wheeler Earth and Environmental (UK) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020
(continued)

2 Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment (PP&E) is stated at cost less accumulated depreciation and impairment.

Depreciation

Depreciation is calculated over the following estimated useful lives of assets:

Asset class	Depreciation method and rate
Other property, plant and equipment	Straight line - mainly 3 to 5 years

Intangible assets

Intangible assets are carried at cost less accumulated amortisation. Intangible assets are recognised if it is probable that there will be future economic benefits attributable to the asset, the cost of the asset can be measured reliably, the asset is separately identifiable and there is control over the use of the asset. Intangible assets are amortised over their estimated useful lives on a straight line basis.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Impairment

The company performs impairment reviews in respect of PP&E, investment in subsidiaries, and intangible assets whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than its carrying amount. Impairment losses are recognised in profit or loss.

Trade and other receivables

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

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

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

Amec Foster Wheeler Earth and Environmental (UK) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020
(continued)

2 Accounting policies (continued)

Trade and other payables

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

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Share capital

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

Rounding of amounts

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

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. These estimates and judgements are based on management's best knowledge of the amount, event or actions and actual results ultimately may differ from those estimates. Company management believe that the estimates and assumptions listed below have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities.

Impairment of investments in subsidiaries (estimate)

Determining whether the company's investments in subsidiaries have been impaired requires estimations of the investment's value in use. The value in use calculations require the entity to estimate future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values.

4 Revenue

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

	2020	2019
	£ 000	£ 000
Management services	<u>64</u>	<u>1,686</u>

Amec Foster Wheeler Earth and Environmental (UK) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020
(continued)

4 Revenue (continued)

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

	2020	2019
	£ 000	£ 000
UK	-	125
Europe	-	551
Rest of world	64	1,010
	<u>64</u>	<u>1,686</u>

Contract assets and liabilities

	31 December	31 December
	2020	2019
	£ 000	£ 000
Contract assets	<u>18</u>	<u>372</u>

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

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

5 Operating loss

Arrived at after charging

	2020	2019
	£ 000	£ 000
Depreciation expense	4	8
Foreign exchange losses	<u>9</u>	<u>11</u>

6 Finance income

	2020	2019
	£ 000	£ 000
Interest received from group undertakings	<u>392</u>	<u>-</u>

Amec Foster Wheeler Earth and Environmental (UK) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020
(continued)

7 Finance expense

	2020	2019
	£ 000	£ 000
Interest on bank overdrafts and borrowings	159	212
Interest paid to group undertakings	-	2,683
	<u>159</u>	<u>2,895</u>

8 Staff costs

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

	2020	2019
	£ 000	£ 000
Wages and salaries	-	834
Social security costs	-	171
Pension costs, defined contribution scheme	-	47
	<u>-</u>	<u>1,052</u>

The average number of persons employed by the company (including directors) during the year was nil (2019: 14).

9 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.

10 Auditors' remuneration

	2020	2019
	£ 000	£ 000
Audit of the financial statements	<u>-</u>	<u>7</u>

Amec Foster Wheeler Earth and Environmental (UK) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020
(continued)

11 Taxation

Tax charged in the income statement

	2020	2019
	£ 000	£ 000
Current taxation		
UK corporation tax	-	-
	-	-

The tax on profit before tax for the year differs from the standard rate of corporation tax in the UK of 19% (2019 - 19%).

The differences are reconciled below:

	2020	2019
	£ 000	£ 000
Profit/(loss) before tax	25	(3,589)
Corporation tax at standard rate	5	(682)
Increase from effect of revenues exempt from taxation	-	(577)
Increase from effect of expenses not deductible in determining taxable profit	-	578
(Decrease)/increase arising from group relief tax reconciliation	(31)	670
Increase from transfer pricing adjustments	25	9
Deferred tax expense from unrecognised tax loss or credit	1	2
Total tax charge/(credit)	-	-

Unrecognised deferred tax assets at the year end amounted to £70,000 (2019: £31,000).

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%. Deferred taxes on the balance sheet have been measured at 19% (2019: 17%) which represents the future corporation tax rate that was enacted at the balance sheet date.

In addition, the UK Budget 2021 announcements on 3 March 2021 included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end. It is not anticipated that these changes will have a material impact on the company's unrecognised deferred tax balance as at 31 December 2020.

Amec Foster Wheeler Earth and Environmental (UK) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020
(continued)

12 Property, plant and equipment

	Leasehold improvements £ 000	Plant and equipment £ 000	Total £ 000
Cost or valuation			
At 1 January 2020	63	70	133
Disposals	<u>-</u>	<u>(70)</u>	<u>(70)</u>
At 31 December 2020	<u>63</u>	<u>-</u>	<u>63</u>
Depreciation			
At 1 January 2020	59	70	129
Charge for the year	4	-	4
Eliminated on disposal	<u>-</u>	<u>(70)</u>	<u>(70)</u>
At 31 December 2020	<u>63</u>	<u>-</u>	<u>63</u>
Carrying amount			
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2019	<u>4</u>	<u>-</u>	<u>4</u>

13 Intangible assets

	Software £ 000
Cost or valuation	
At 1 January 2020	100
Disposals	<u>(100)</u>
At 31 December 2020	<u>-</u>
Amortisation	
At 1 January 2020	100
Amortisation eliminated on disposals	<u>(100)</u>
At 31 December 2020	<u>-</u>
Carrying amount	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>-</u>

Amec Foster Wheeler Earth and Environmental (UK) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020
(continued)

14 Investments

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2020	61,401
Disposals	<u>(60,048)</u>
At 31 December 2020	<u>1,353</u>
Impairment	
At 1 January 2020	61,401
Eliminated on disposals	<u>(60,048)</u>
At 31 December 2020	<u>1,353</u>
Carrying amount	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>-</u>

During the year the company disposed of its holding in Entec Holdings Limited to a fellow group undertaking. In the prior year this investment had been fully impaired.

Details of the company's subsidiary is as follows:

Name	% interest	Registered office
Applied Environmental Research Centre Limited	100%	Booths Park, Knutsford, WA16 8QZ

Amec Foster Wheeler Earth and Environmental (UK) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020
(continued)

15 Trade and other receivables

	31 December 2020 £ 000	31 December 2019 £ 000
Trade receivables	17	336
Gross amounts due from customers	1	36
Amounts due from group undertakings	55,086	54,670
Other receivables	191	-
	<u>55,295</u>	<u>55,042</u>

Trade receivables comprise gross debtors of £17,000 (2019: £358,000), less bad debt provisions of £nil (2019: £22,000). Amounts due from group undertakings are unsecured and repayable on demand.

16 Loans and borrowings

	31 December 2020 £ 000	31 December 2019 £ 000
Current loans and borrowings		
Bank overdrafts	<u>6,750</u>	<u>6,634</u>

17 Trade and other payables

	31 December 2020 £ 000	31 December 2019 £ 000
Trade payables	699	141
Amounts due to group undertakings	4,941	5,391
Accrued expenses	3	3
Financial instruments	2	2
	<u>5,645</u>	<u>5,537</u>

Amec Foster Wheeler Earth and Environmental (UK) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020
(continued)

18 Contingent liabilities

At the balance sheet date, the company had cross guarantees without limit extended to its principal bankers in respect of sums advanced to subsidiaries.

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

19 Financial risk management and impairment of financial assets

The main risks relating to the company's financial instruments are detailed below:

Credit risk and impairment

The company only trades with recognised, creditworthy third parties which are typically large companies. It is the company's policy that credit terms for all new major customers are approved by the Asset Solutions EAAA Business Unit's executive management committee, who also monitor receivable balances on an ongoing basis, with the result that the company's exposure to bad debts is not considered significant.

With respect to credit risk from other financial assets, these primarily relate to cash and cash equivalents. The company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Foreign exchange risk

The company is exposed to foreign currency risk on transactions where sales, purchases and borrowings which are in currencies other than the company's functional currency. The company strives to invoice its customers in the currency in which the costs have been incurred, and maintain intercompany loans in the functional currency of the company, to eliminate the currency exposure wherever possible.

Fair values of financial assets and liabilities

Financial instruments included in the financial statements have been reviewed and the carrying values per the financial statements are the same as the fair values of these financial instruments.

Amec Foster Wheeler Earth and Environmental (UK) Limited
Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020
(continued)

20 Share capital

Allotted, called up and fully paid shares

	31 December 2020		31 December 2019	
	No.	£	No.	£
1 Ordinary share at £1	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

21 Parent and ultimate parent undertaking

The company's immediate parent is Amec Foster Wheeler 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.