

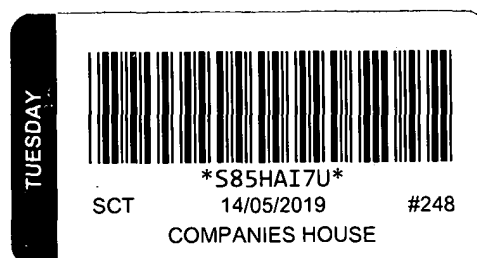
Registered number: SC572221

WORLEYPARSONS SERVICES UK LIMITED

formerly trading as AFW UK OIL & GAS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE 11 MONTH PERIOD UP TO 30 JUNE 2018



WORLEYPARSONS SERVICES UK LIMITED

formerly trading as AFW UK OIL & GAS LIMITED

COMPANY INFORMATION

Directors	JA Lenton	(appointed 27 July 2017)
	TF Honan	(appointed 27 October 2017)
	AS Gordon	(appointed 27 October 2017)
	S Poll	(appointed 18 July 2018)
	N Mason	(appointed 25 September 2018)
Company secretary	V Jibuike	(appointed 27 October 2017)
Registered number	SC572221	
Incorporated	27 July 2017	
Registered office	Annan House 33-35, Palmerston Road Aberdeen AB11 5QP	
Independent auditor	Ernst & Young LLP Blenheim House Fountainhall Road Aberdeen AB15 4DT	

WORLEYPARSONS SERVICES UK LIMITED

formerly trading as AFW UK OIL & GAS LIMITED

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WORLEYPARSONS SERVICES UK LIMITED

formerly trading as AFW UK OIL & GAS LIMITED

STRATEGIC REPORT FOR THE 11 MONTH PERIOD ENDED JUNE 2018

The Directors present their Strategic Report for the 11 month period ended 30 June 2018.

The 11 month period for the financial statements is due to the requirement to align the period end to that of the ultimate parent, WorleyParsons Limited.

Principal activities

The Company is a wholly owned subsidiary of WorleyParsons Limited a focused supplier of consultancy, engineering, project management and operations and maintenance services to customers in the Oil and Gas industry, which is listed on the Australian stock market. The Company operates primarily within the UK. The Company activities include design, delivery, maintenance and upgrade of production assets for oil and gas companies.

Business review

The Company was incorporated on 27th July 2017 and commenced Limited trading on 31st August 2017 via a trade and assets transfer of part of Amec Foster Wheeler Group Ltd operations, in line with CMA requirements prior to the purchase of Amec Foster Wheeler by John Wood Plc.

The Company changed trading name from AFW UK Oil & Gas Limited to WorleyParsons Services UK Limited at 02 November 2017.

The key financial and other performance indicators of the Company during the period were as follows:

	For the 11 month period ended June 2018
Revenue £000	350,513
Operating profit £000	8,975
Operating profit margin	2.56%
Debtor days	77

The Company made a profit for the period, after taxation, amounting to £8,919,000.

Principal risks and uncertainties

The Company puts significant focus on the mitigation of general risks and uncertainties associated with:

- Implementation of effective health and safety management systems and working practices
- Information technology systems failure and data loss
- Sustained and significant reduction in energy prices
- Non compliance with laws and regulations
- Changes in the general economic conditions may influence customers' decisions on capital investment and/or maintenance

The Company also puts focus on minimising and mitigating risks, as described below, in the specific areas of:

- Staff recruitment and retention
- Project delivery

WORLEYPARSONS SERVICES UK LIMITED

formerly trading as AFW UK OIL & GAS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE 11 MONTH PERIOD ENDED 30 JUNE 2018

Principal risks and uncertainties (continued)

The risk around staff recruitment and retention is mitigated with a clear HR strategy, which is aligned to the business strategy and focuses on attracting, developing and retaining the best people for the Company with succession planning as appropriate. It is underpinned by an employee framework which describes how we manage our people consistently and we have introduced talent and performance management systems to help us identify and nurture talent. There is also a continual review of compensation and benefits to ensure sector and geographic competitiveness and there are localised recruitment teams capable of recruiting large numbers in the Company.

Our technical teams provide assurance, drive project execution and support the development, training and mobilisation of personnel to enhance execution competencies to mitigate risk around project delivery. In addition, the system of globally applied policies and procedures, combined with comprehensive management oversight as well as the risk management process, projects reviews, internal audit, peer reviews and customer feedback, mitigate the risk to successful project delivery.

Financial risk management

The Company's operations expose it to a variety of financial risks, primarily foreign currency exchange risk and credit risk. To minimise risk, WorleyParsons operates a system of globally applied policies and procedures.

Foreign currency exchange risk

Where commercial contracts are undertaken, which are denominated in foreign currencies, the Company seeks to mitigate the foreign exchange risk, when the cash flow giving rise to such exposure becomes certain or highly probable, through the use of forward currency arrangements, which may include the purchase of currency options. There are currently no material transactions which have been identified and remain unhedged.

Credit risk

The Company is exposed to credit risk in relation to its customers. The credit risk associated with customers is considered as part of the tender review process and is addressed initially via contract payment terms, where if appropriate payment security is sought. Credit control practices are applied thereafter during the project execution phase.

This report was approved by the board and signed on its behalf by:

S Poll
Director



Date:

9/5/19

WORLEYPARSONS SERVICES UK LIMITED

formerly trading as AFW UK OIL & GAS LIMITED

DIRECTORS' REPORT FOR THE 11 MONTH PERIOD UP TO 30 JUNE 2018

The Directors present their report and the financial statements for the 11 month period to 30 June 2018.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws 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 the applicable law and United Kingdom Accounting standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 then 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; 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.

Principal activity

The Company is a wholly owned subsidiary of WorleyParsons Limited, a focused supplier of consultancy, engineering, project management and operations and maintenance services to customers in the Oil and Gas industry. The Company operates primarily within the UK.

Business review

The profit for the period, after taxation, amounted to £8,919,000.

The Company received dividends from subsidiary undertakings of £1,700,000 in the period. A dividend of £8,700,000 was paid during the period.

The Company received an interim dividend of £1,500,000 at December 2018.

The Company declared an interim dividend of £7,000,000 at December 2018.

WORLEYPARSONS SERVICES UK LIMITED

formerly trading as AFW UK OIL & GAS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD TO 30 JUNE 2018

Directors

The Directors who served during the period were:

S Poll	(appointed 18 July 2018)
N Mason	(appointed 25 September 2018)
J Lenton	(appointed 27 July 2017)
T Honan	(appointed 27 October 2017)
A Gordon	(appointed 27 October 2017)
C Ashton	(appointed 27 October 2017 resigned 30 April 2018)
M Stirling	(appointed 27 October 2017 resigned 30 April 2018)
I Macdonald	(appointed 27 July 2017 resigned 27 October 2017)
C Fleming	(appointed 27 July 2017 resigned 27 October 2017)
L Caldwell	(appointed 27 July 2017 resigned 27 October 2017)

Qualifying third party indemnity provisions

The company maintains Directors' and Officers' liability insurance cover. In addition, throughout the financial period and at the date of this report, qualifying third party indemnity provisions within the meaning of Sections 232-234 of the Companies Act 2006 were in place for all of the Directors.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Future developments

The period of lower global oil prices has resulted in sustained lower activity as well as the need for lower pricing within the UK North Sea. Despite difficult market conditions the Company will seek to win new contracts which will maintain its low risk and flexible business model, and will also look to benefit from the global reach and opportunities afforded by its inclusion in the WorleyParsons group of companies.

The UK's decision to leave the European Union has brought about a period of economic uncertainty that is likely to continue until after separation takes place. This uncertainty may dampen investment in an environment of negative market sentiment. We will continue to monitor developments resulting from the UK's decision to leave the EU and develop response strategies to mitigate risk.

Going concern

The Directors, having made enquires, consider that the Company has adequate resources to operate for the foreseeable future and, therefore, it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

WORLEYPARSONS SERVICES UK LIMITED

formerly trading as AFW UK OIL & GAS LIMITED

DIRECTORS' REPORT (CONTINUED) TO 30 JUNE 2018

Employee Involvement

During the period the policy of providing employees with the information about the Company has been continued through internal media methods, including regular news bulletins and staff meetings. A free flow of information, ideas, and employee involvement is encouraged through communications and meetings. The Company operates several incentive schemes to reward employees for outstanding performance. The Company requires all employees to acknowledge and abide by the Company code of conduct.

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development to disabled employees wherever appropriate.

Auditor

Pursuant to Section 485(4)(a) of the Companies Act 2006, the shareholders have appointed Ernst & Young LLP as auditor by ordinary resolution. Under Section 487(2) of the Companies act 2006, Ernst & Young LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and sign on its behalf by:

S Poll
Director



Date:

2/5/19

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLEYPARSONS SERVICES UK LIMITED

Opinion

We have audited the financial statements of WorleyParsons Services UK Limited for the 11 months ended 30 June 2018 which comprise the Income Statement, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 27, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 101 "Reduced Disclosure Framework."

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2018 and of its profit for the period 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 below. 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLEYPARSONS SERVICES UK LIMITED (CONTINUED)

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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

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 period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 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 3, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLEYPARSONS SERVICES UK
LIMITED (CONTINUED)**

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.

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

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.

Ernst & Young LLP

Jamie Dixon (Senior statutory auditor)

For and on behalf of

Ernst & Young LLP, Statutory Auditor

Aberdeen

Date: 9 May 2019

WORLEYPARSONS SERVICES UK LIMITED

formerly trading as AFW UK OIL & GAS LIMITED

**INCOME STATEMENT
FOR THE 11 MONTH PERIOD ENDED 30 JUNE 2018**

		11 month period ended 30 June 2018 £000
	Note	
Revenue	3	350,513
Cost of sales		<u>(310,362)</u>
Gross profit		40,151
Administrative expenses		<u>(31,176)</u>
Operating profit	4	8,975
Income from shares in group undertakings		1,700
Interest receivable and similar income	8	430
Interest payable and similar charges	9	<u>(447)</u>
Profit on ordinary activities before tax		10,658
Tax on profit	10	<u>(1,739)</u>
Profit for the period		8,919

All amounts relate to continuing operations.

There is no other comprehensive income for the period up to 30 June 2018.

WORLEYPARSONS SERVICES UK LIMITED
 formerly trading as AFW UK OIL & GAS LIMITED
REGISTERED NUMBER: SC572221

BALANCE SHEET
AS AT 30 JUNE 2018

	Note	June 2018 £000
Fixed assets		
Intangible assets	13	898
Investments	14	<u>21,016</u>
		21,914
Current assets		
Debtors	16	80,479
Cash at bank and in hand		<u>6,109</u>
		86,588
Creditors: amounts falling due within one year	17	<u>(68,866)</u>
Net current assets		<u>17,722</u>
Debtors: amounts due after more than one year by group undertakings	16	<u>82,112</u>
Total assets less current liabilities		<u>121,748</u>
Creditors: amounts falling due after more than one year	18	(93,310)
Provisions for liabilities		
Provisions	20	(18,039)
Net assets		<u><u>10,399</u></u>
Capital and reserves		
Called up share capital	21	56,906
Merger reserve	22	(46,726)
Retained earnings		<u>219</u>
Total equity		<u><u>10,399</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S Poll
 Director

Date:



9/5/19.

WORLEYPARSONS SERVICES UK LIMITED

formerly trading as AFW UK OIL & GAS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2018**

	Share capital £000	Merger reserve £000	Retained earnings £000	Total equity £000
At 27 July 2017	-	-	-	-
Issue of share capital	56,906	-	-	56,906
Movement in period	-	(46,726)	-	(46,726)
Comprehensive income for the period				
Profit for the period	-	-	8,919	8,919
Total comprehensive profit for the period	<u>56,906</u>	<u>(46,726)</u>	<u>8,919</u>	<u>19,099</u>
Equity dividends paid (note 11)	-	-	(8,700)	(8,700)
At 30 June 2018	<u><u>56,906</u></u>	<u><u>(46,726)</u></u>	<u><u>219</u></u>	<u><u>10,399</u></u>

WORLEYPARSONS SERVICES UK LIMITED

formerly trading as AFW UK OIL & GAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

WorleyParsons Services UK Limited is a private company, limited by shares, and is incorporated and domiciled in Scotland.

The financial statements have been prepared under the historical cost convention with the exception of certain financial instruments and balances required to be measured at fair value and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The results of the Company are included in the consolidated accounts of WorleyParsons Limited which are available from Level 15 141 Walker Street North Sydney NSW 2060.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2)

The Company is exempt by virtue of section 401 of the Companies Act 2006 from any requirement to prepare group accounts. These accounts present information about the Company as an individual undertaking and not about its group.

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31, of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

1.3 Dividend income

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

WORLEYPARSONS SERVICES UK LIMITED

formerly trading as AFW UK OIL & GAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 30 JUNE 2018

1. Accounting policies (continued)

1.4 Dividend payment

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

1.5 Going Concern

The Directors, having made enquires, consider that the Company has adequate resources to operate for the foreseeable future and, therefore, it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

1.6 Revenue

Revenue represents the amount received or receivable, excluding value added tax, for goods and services supplied by the Company to its customers.

Revenue is derived principally from service and construction-type contracts. Contract revenue is recognised over the term of the contract by reference to the stage of completion of the contract activity at the end of each reporting period.

Revenue from cost reimbursable contracts is based on the services provided, typically represented by man-hours worked, and is measured by reference to agreed charge-out rates or to the estimated total contract revenue. Flow-through costs on cost reimbursable contracts, typically consisting of materials, equipment or subcontractor services, are included as both contract revenue and contract costs.

A variation is an instruction by the customer for a change in the scope of the work to be performed under the contract. Variations are included in the contract revenue when it is probable that the customer will approve the variation and the related adjustment to the contract price can be measured reliably. A claim is an amount that the contractor seeks to collect from the customer as 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 included in contract revenue when negotiations with the customer have reached an advanced stage such that it is probable that the customer will accept the claim and the amount of the claim can be measured reliably.

Incentive payments are additional amounts payable to the contractor if specified performance standards are met or exceeded. Incentive payments are recognised when the contract is sufficiently far advanced that it is probable that the required performance standards will be met and the amount of the payment can be measured reliably.

The amounts recoverable on contracts included in debtors represent the cost incurred plus recognised profits, less provision for recognised losses and progress billings. Progress billings that have not been settled by customers (included retentions related to contracts in progress) are included in debtors where they are stated after allowance for any doubtful debts.

WORLEYPARSONS SERVICES UK LIMITED

formerly trading as AFW UK OIL & GAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 30 JUNE 2018

1. Accounting policies (continued)

1.6 Revenue (continued)

Payments on account in excess of the amount recoverable under contracts are included in creditors and represent payments on account received from customers in excess of the amounts recoverable on contracts and advances. Advances are amounts received by the customer before the related work is performed.

1.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives range as follows:

Software	- 3 years.
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1.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Buildings	- 2% straight line
Fixtures and fittings	- 10-15% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

WORLEYPARSONS SERVICES UK LIMITED

formerly trading as AFW UK OIL & GAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 30 JUNE 2018

1. Accounting policies (continued)

1.9 Valuation of Investments

Investments in subsidiaries and joint ventures are measured at cost less accumulated impairment.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice for more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the day of acquisition and that are readily convertible to known amounts of cash with significant risk of change in value.

1.11 Financial instruments

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets other than cash and cash equivalents, into one of the following categories discussed below, depending on the purpose for which the asset was acquired.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at cost, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are reported in a separated allowance account with the loss being recognised within administrative expenses in the Income Statement. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The company classifies all of its financial liabilities into one of the categories discussed below, depending on the purpose for which the liability was acquired.

At cost

Financial liabilities at cost are recognised at fair value net of any transaction costs directly attributable to the issue of the instrument.

WORLEYPARSONS SERVICES UK LIMITED

formerly trading as AFW UK OIL & GAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 30 JUNE 2018

1. Accounting policies (continued)

1.12 Operating leases: Lessee

Rentals paid under operating leases are charged to the Income Statement on a straight line basis over the lease term.

1.13 Interest Income

Interest income is recognised in the Income Statement using the effective interest method.

1.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP. All values are rounded to the nearest thousand pounds, except where otherwise indicated.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

WORLEYPARSONS SERVICES UK LIMITED
formerly trading as AFW UK OIL & GAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 JUNE 2018

1. Accounting policies (continued)

1.16 Pensions

Obligations for contributions to defined contribution pension plans are recognised in the Income Statement account as incurred.

1.17 Provisions

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income Statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried on the Balance Sheet.

1.18 Taxation

Income tax expense comprises the sum of the current tax charge and the movement in deferred tax.

Current tax payable or recoverable is based on taxable profit for the year using tax rates and laws that have been enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or deductible.

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.

The provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account risks and uncertainties surrounding the obligation. Separate provisions for interest and penalties are also recorded if appropriate. Movements in interest and penalty amounts in respect of tax provisions are not included in the tax charge, but are disclosed within profit/(loss) before income tax.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities in the accounts and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the asset can be utilised.

WORLEYPARSONS SERVICES UK LIMITED

formerly trading as AFW UK OIL & GAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 30 JUNE 2018

1. Accounting policies (continued)

1.18 Taxation (continued)

Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted to apply when the deferred tax is realised or the liability is settled.

1.19 Research and development

Expenditure

Research and development expenditure is written off as incurred.

Government credits

The Company claims research and development government credits in the UK. These are judged to have characteristics more akin to grants than income taxes and are offset against the relevant expenditure caption. Credits are recognised to the extent that there is reasonable assurance that they will be received which, given the necessary claims process, can be some time after the original expense is incurred.

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 30 JUNE 2018

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The Directors believe that the most significant areas of judgement and estimates arise from:

Revenue recognition and long-term contracts

A significant amount of the Company's activity is undertaking by long-term contracts. Management bases its judgements of contract costs and revenues on the latest available information, which includes detailed contract valuations. In many cases the results reflect the expected outcome of long-term contractual obligations which span more than one reporting period. Contract costs and revenues are affected by a variety of uncertainties that depend on the outcome of future events and often need to be revised as events unfold and uncertainties are resolved. The estimates of contract costs and revenues are updated regularly and significant changes are highlighted through established internal review procedures. In particular, the internal reviews focus on the timing and recognition of incentive payments and the age and recoverability of any unagreed income from variations to the contract scope or claims. The impact of the changes in accounting estimates is then reflected in the ongoing results.

Impairment in investment in subsidiaries

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

Provisions

When accounting for provisions for litigation and other items the Company has taken internal and external advice in considering known legal claims and actions made by or against the Company. It carefully assess the likelihood of success of a claim or action. Appropriate provisions are made for legal claims actions against the Company on the basis of likely outcome, but no provisions are made for those which, in the view of management are unlikely to succeed.

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 30 JUNE 2018

3. Analysis of revenue

	11 month period ended June 2018 £000
Analysis of turnover by country of destination:	
United Kingdom	348,313
Rest of the World	2,200
	350,513

4. Operating profit

	11 month period ended June 2018 £000
The operating profit is stated after charging:	
Depreciation of tangible fixed assets	102
Amortisation of intangible assets	51
Research & development government credits	(180)
Minimum payments under operating leases	5,161
	5,212

5. Auditor's remuneration

Auditor's remuneration for the audit of the financial statement of £195,000 was borne by the Company.

6. Directors remuneration

Not all Directors received remuneration for qualifying services during the period.

	11 month period ended June 2018 £000
Fees and other emoluments	316
Pension contribution	17
	333

The remuneration disclosed includes all fees, other emoluments and pension contributions in respect of the qualifying services to the Company, and its subsidiaries, of the Directors that were remunerated through the Company.

The emoluments, including pension contributions, of the highest paid Director amounted to £236,000.

No Directors received an award of shares in respect of qualifying services.

WORLEYPARSONS SERVICES UK LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 JUNE 2018****7. Employees**

The average monthly number of employees, including the Directors, during the period was as follows:

	11 month period ended June 2018 No
Consulting and administration	<u>2,195</u>

Employment costs for the Company were as follows:

	11 month period ended June 2018 £000
Wages and salaries	128,912
Social security costs	15,128
Pension costs (note 24)	4,120
	<u>148,160</u>

8. Interest receivable and similar income

	11 month period ended June 2018 £000
Interest receivable on loans to Group undertakings	<u>430</u>

9. Interest payable and similar charges

	11 month period ended June 2018 £000
Interest payable on loans from Group undertakings	410
Foreign exchange losses	37
	<u>447</u>

WORLEYPARSONS SERVICES UK LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 JUNE 2018**

10. Taxation	11 month period ended June 2018 £000
Current tax on profit for the period at 19%	1,739
Total current tax	1,739
Deferred tax	
Deferred tax at 19%	-
Originating and reversing timing differences	-
- current year	-
- adjustments in respect of prior year	-
Total deferred tax	-
Tax charge on profit on ordinary activities	1,739
Factors affecting tax charge for the period	
The tax provision for the period differs from the standard rate of corporation tax in the UK of 19%. The differences are explained below:	
	11 month period ended June 2018 £000
Profit on ordinary activities before tax	10,658
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	2,025
Effects of:	
Non taxable income/expenses not deductible for tax purposes	37
Group relief for nil consideration	-
Non deductible expenses/non taxable income	(323)
Prior period adjustments	-
Deferred tax rate difference	-
Total charge on loss on ordinary activities	1,739
11. Dividends	11 month period ended June 2018 £000
Equity dividends on ordinary shares	£000
Final equity dividend for the period end June 2018: 15.3 pence	8,700

WORLEYPARSONS SERVICES UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (continued) **FOR THE PERIOD ENDED 30 JUNE 2018**

12. Tangible fixed assets	Land & Buildings £000	Plant & Equipment £000	Total £000
Cost			
At 27 July 2017	-	-	-
Additions	1,065	378	1,443
Disposals	(1,065)	(378)	(1,443)
At 30 June 2018	-	-	-
Depreciation			
At 27 July 2017	-	-	-
Charge for the period	(42)	(60)	(102)
Disposals	42	60	102
At 30 June 2018	-	-	-
Net book value			
At 30 June 2018	-	-	-
13. Intangible assets		Software £000	Total £000
Cost			
At 27 July 2017		-	-
Additions - acquisition of business		-	-
Additions - internal development		949	949
At 30 June 2018		949	949
Amortisation			
At 27 July 2017		-	-
Charge for period		(51)	(51)
At 30 June 2018		(51)	(51)
Net book value			
At 30 June 2018		898	898

Internally generated intangible assets relates to the development of software which will be amortised over its estimated useful life.

WORLEYPARSONS SERVICES UK LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 JUNE 2018****14. Fixed asset investments**

Investments in subsidiary companies	June 2018
Cost	£000
At 27 July 2017	-
Additions in the period	21,106
At 30 June 2018	<u>21,106</u>
Impairment	
At 27 July 2017	-
Charge for the period	-
At 30 June 2018	<u>-</u>
Net book value	
At 30 June 2018	<u>21,106</u>

Direct Subsidiary undertakings

The following were direct subsidiary undertakings of the Company

Name	% Interest of the ordinary share capital	Nature of business	Registered address
Scopus Group Holdings Limited	100	(i)	(a)
Specialist Equipment Solutions Limited	100	(ii)	(b)
Ingen Holdings Limited	100	(i)	(a)
Performance Improvements Group Limited	100	(i)	(a)
Primat Recruitment Limited	100	(iii)	(b)

Indirect Subsidiary undertakings

The following were indirect subsidiary undertakings of the Company

Name	Nature of business	Registered address
Scopus Engineering Holdings Limited	(i)	(a)
Scopus Engineering Limited	(iv)	(b)
Ingen Ideas Limited	(i)	(a)
Pi Gas Turbines Limited	(iii)	(a)
Performance Improvements Limited	(v)	(a)
Pi Group BV	(i)	(a)
Pi TMC BV	(vi)	(a)

WORLEYPARSONS SERVICES UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 JUNE 2018

14. Fixed asset investments (continued)

Nature of business

- (i) Holding companies with investments in entities focusing on the Oil and Gas and energy sectors.
- (ii) The provision of high quality plant and equipment rental as well as plant and equipment management.
- (iii) Recruitment and engagement of candidates for the Oil and Gas and energy sectors.
- (iv) The provision of design, draughting, and integrated services to the Oil and Gas industry.
- (v) The provision of engineering consultants to the energy industry.
- (vi) Dormant entity.

Registered address

Registered address of the direct subsidiary undertakings are as follows:

- (a) Annan House, Palmerston Road, Aberdeen, Scotland, AB11 5QP
- (b) 27 Great Western Road, Brentford, England TW8 9BW

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 JUNE 2018

15. Cash and cash equivalents	30 June
	2018
	£000
Cash at bank and in hand	<u>6,109</u>
16. Debtors	30 June
	2018
	£000
Due after more than one year	
Amounts owed by group undertakings	<u>82,112</u>
	82,112
Due within one year	
Trade debtors	27,772
Amounts owed by group undertakings	6,227
Other debtors	1,301
Prepayments and accrued income	<u>45,179</u>
	<u>162,591</u>
17. Creditors: Amounts falling due within one year	30 June
	2018
	£000
Trade creditors	4,779
Amounts owed to group undertakings	19,451
Taxation and social security	11,359
Other creditors	3,640
Accruals and deferred income	<u>29,637</u>
	<u>68,866</u>
18. Creditors: Amounts falling due after more than one year	30 June
	2018
	£000
Amounts owed to Group undertakings	<u>93,310</u>
19. Deferred taxation	30 June
	2018
	£000
At 27 July 2017	-
Credit/(charge) to the Income Statement	<u>-</u>
At 30 June 2018	<u>-</u>

WORLEYPARSONS SERVICES UK LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 JUNE 2018****19. Deferred taxation (continued) 30 June****2018**The deferred taxation balance is made up as follows: **£000**

Accelerated capital allowances

Short term timing differences

Tax losses available

Other timing differences

 20. Provisions

	Contract related provisions £000	Property Dilapidation provisions £000	Total £000
At 27 July 2017	-	-	-
Additions in the period	17,847	192	18,039
At 30 June 2018	<u>17,847</u>	<u>192</u>	<u>18,039</u>

The Company is party to on going negotiation involving clients and sub contractors arising out of project contracts. Management has taken internal and external legal advice in considering known or reasonably likely claims and actions against the Company. Where a known or likely claim or action is identified, management carefully assess the likelihood of success of the claim or action. Generally a provision is recognised only in respect of those claims or actions that management considers are probable of success.

Provision is made for management's best estimate of the future legal costs to be incurred in defending each claim or action and of the likely settlement costs and/or damages to be awarded for those claims and actions that management considers are likely to be successful.

The timing of future outflows in respect of the property dilapidations are uncertain due to continuous assessment of property requirements within the Company.

21. Share capital June**2018****£000****Allotted, called up and fully paid**

5,690,600,000 ordinary shares of 1 pence each

56,906

The Company does not have unauthorised share capital.

During the period the Company issued 5,690,600,000 shares of 1p in exchange for the entire share capital of its group undertakings.

WORLEYPARSONS SERVICES UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 JUNE 2018**22. Reserves**

	Share capital	Merger reserve	Retained earnings	Total equity
	£000	£000	£000	£000
At 27 July 2017	-	-	-	-
Issue of share capital (Note 21)	56,906	-	-	56,906
Movement in period	-	(46,726)	-	(46,726)
Profit for the period	-	-	8,919	8,919
Equity dividends paid	-	-	(8,700)	(8,700)
At June 2018	56,906	(46,726)	219	10,399

Merger reserve

The merger reserve relates to the nominal value of shares issued as consideration exceeding the book value of the assets and liabilities acquired as part of the trade and assets transfer from Amec Foster Wheeler Group Ltd.

23. Commitments under operating leases

The Company had future minimum lease payments under non-cancellable operating leases as follows:

	June 2018 £000
Not later than 1 year	1,854
Later than 1 year and not later than 5 years	285
Later than 5 years	-
Total	2,139

24. Pension scheme

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £3,652,000.

Contributions totalling £468,000 were outstanding at the period end.

25. Contingent liability

The Company is party to a cross guarantee arrangement relating to facilities and overdrafts of certain group companies. The maximum exposure at the period end was £3,000,000.

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 30 JUNE 2018

26. Post Balance Sheet events

The Company entered WorleyParsons cash concentration structure at February 2019, whereby terminating the above cross guarantee arrangement. The cross guarantee was replaced by an individual Company overdraft limit of £15,000,000.

The Company received an interim dividend of £1,500,000 at December 2018.

The Company declared an interim dividend of £7,000,000 at December 2018.

27. Controlling party

The Company is a subsidiary of WorleyParsons UK Holdings Limited, a company registered in England and Wales. The ultimate parent company is WorleyParsons Limited, a company incorporated in Australia.