

Company Registration Number. 06511509

# **WorleyParsons UK Finance Sub Limited**

## **Report and Financial Statements**

30 June 2017



Registered No. 06511509

**Directors**

M J Stirling  
A Wood  
A Gordon  
T F Honan

**Company Secretary**

V Jibuike

**Auditors**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

**Bankers**

HSBC Bank PLC  
Poultry & Princes Street Branch  
27-32 Poultry  
London EC2P 2BX

**Registered Office**

27 Great West Road  
Brentford  
Middlesex TW8 9BW

Registered No 06511509

## Directors' report

The directors have pleasure in presenting their report and the financial statements for the year ended 30 June 2017.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

### Results and dividends

The company's total comprehensive income for the year is £9,481,000 (2016: income of £12,523,000). The directors do not recommend the payment of a dividend (2016: £nil).

### Principal activity and review of the business

The principal activity of the company is that of a financing company. The company's principal activity is to provide loans and related financial arrangements and to receive money on deposit from group undertakings.

### Directors

The directors who served the company during the year and up to the date of signing the financial statements were as follows:

M J Stirling  
A Wood  
C Ashton (resigned 9 January 2017)  
T F Honan  
A Gordon (appointed 9 January 2017)

### Strategic report

The company has taken the exemption under section 414B of the Companies Act 2006 from the requirement to prepare a strategic report for the financial year.

### Going concern

WorleyParsons Europe Limited, the company's immediate parent undertaking and the principal WorleyParsons trading entity in the UK has confirmed that it will continue to provide financial support to the company to allow it to continue in business for the foreseeable future.

As a result of the above, the directors have concluded that the company is able to meet its liabilities as they fall due and will remain in existence for the foreseeable future. Consequently, the financial statements have been prepared on the going concern basis.

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow directors and the company's auditors, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

### Re-appointment of auditors

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for re-appointment of Ernst & Young LLP as auditor of the Company.

On behalf of the board



A Gordon  
Director

01 AUG 2018

## Statement of directors' responsibilities

The directors are responsible for preparing the Director's 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 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 proper 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 WorleyParsons UK Finance Sub Limited

## Opinion

We have audited the financial statements of WorleyParsons UK Finance Sub Limited for the year ended 30 June 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13, 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 including FRS 102 "The Financial Reporting Standard applicable in the UK" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2017 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 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.

## 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.

## 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 UK Finance Sub Limited**

## **Other information**

The other information comprises the information included in the directors' 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

## **Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities 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.

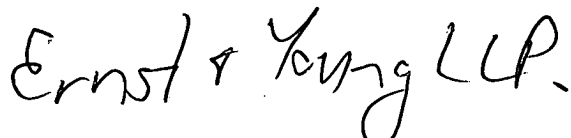
## Independent auditors' report (continued)

to the members of WorleyParsons UK Finance Sub Limited

### 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://frc.org.uk/auditors-responsibilities>. This description forms part of our auditor's report.

Handwritten signature of Peter McIver in black ink.

*Peter McIver (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor*

*London*

*01 Aug '18*

## Statement of comprehensive income

for the year ended 30 June 2017

	Notes	2017 £'000	2016 £'000
Administrative costs		3,448	(1,973)
<b>Operating loss</b>	2	3,448	(1,973)
Interest receivable and similar income	5	13,744	19,256
Interest payable and similar charges	6	(7,461)	(4,760)
<b>Profit on ordinary activities before taxation</b>		9,731	12,523
Tax on profit on ordinary activities	7	(250)	–
<b>Profit for the year</b>		9,481	12,523
Other comprehensive (loss) / income		–	–
<b>Total comprehensive income for the financial year</b>		9,481	12,523

All of the activities of the company are continuing.

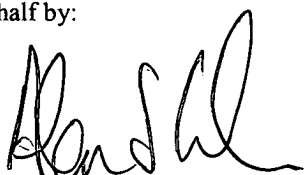


## Balance sheet

As at 30 June 2017

	<i>Notes</i>	<i>2017</i> £'000	<i>2016</i> £'000
<b><i>Fixed assets</i></b>			
Investments	8	333,612	–
<b><i>Current assets</i></b>			
Debtors	9	91,156	395,722
Cash at bank and in hand		2,135	12,491
		93,291	408,213
<b><i>Creditors: amounts falling due within one year</i></b>	10	(93,472)	(340,316)
		(181)	67,897
<b><i>Net current assets / (liabilities)</i></b>		333,431	67,897
<b><i>Net assets</i></b>		333,431	67,897
<b><i>Capital and reserves</i></b>			
Called up equity share capital	11	256,053	–
Profit and loss account		77,378	67,897
<b><i>Equity shareholder's funds</i></b>		333,431	67,897

These financial statements were approved by the directors on 1 August 2018 and are signed on their behalf by:



A Gordon  
Director

Company Registration Number: 06511509

## Statement of changes in equity

As at 30 June 2017

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 July 2015	–	55,374	55,374
Total comprehensive income for the year	–	12,523	12,523
At 30 June 2016	–	67,897	67,897
Redeemable preference shares converted to ordinary shares (note 10)	256,053	–	256,053
Total comprehensive income for the year	–	9,481	9,481
At 30 June 2017	256,053	77,378	333,431

## Notes to the financial statements

As at 30 June 2017

### 1. Accounting policies

#### **General information**

Worley Parsons UK Finance Sub Limited is a company incorporated in England under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors' report on page 2.

#### **Basis of preparation and statement of compliance with FRS 102**

The Company's financial statements have been prepared in compliance with Financial Reporting Standard 102 (FRS 102), under the historical cost convention and in accordance with the Companies Act 2006.

The presentation and functional currency of the company is Pounds Sterling because that is the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

The principal accounting policies adopted by the company in preparing the financial statements are set out below.

Under the provisions of FRS102, the company meets the definition of a qualifying entity and has adopted section 1.12 disclosure exemptions not to:

- provide a reconciliation of the number of shares outstanding at the beginning and end of the year;
- prepare a statement of cash flows;
- disclose key management personnel compensation; and
- provide certain financial instrument disclosures, on the basis that equivalent disclosures are included in the consolidated financial statements of the company's ultimate parent undertaking.

#### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are no significant judgements and estimates affecting amounts recognised in the financial statements.

#### **Going concern**

WorleyParsons Europe Limited, the company's immediate parent undertaking and the principal WorleyParsons trading entity in the UK has confirmed that it will continue to provide financial support to the company to allow it to continue in business for the foreseeable future.

As a result of the above, the directors have concluded that the company is able to meet its liabilities as they fall due and will remain in existence for the foreseeable future. Consequently, the financial statements have been prepared on the going concern basis.

#### **Interest income and expense**

Interest income and expense are recognised as interest accrues using the effective interest method.

#### **Debtors**

Debtors with no stated interest rate and which are receivable within one year are recorded at transaction price. Any losses from impairment are recognised in the statement of comprehensive income within administrative expenses.

#### **Creditors**

Creditors with no stated interest rate and which are payable within one year are recorded at transaction price.

#### **Interest bearing loans and borrowings**

All interest bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of the future payments discounted at a market rate of interest for a similar loan. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

## Notes to the financial statements

As at 30 June 2017

### 1. Accounting policies (continued)

#### *Derivative instruments*

The Company uses forward foreign currency contracts to reduce the WorleyParsons group's exposure to foreign exchange rates.

Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income.

#### *Taxation*

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing difference are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

#### *Related party transactions*

The company has adopted the exemption in section 33.1A of FRS102 not to disclose related party transactions between members of a group provided any subsidiary party to the transactions is wholly owned by such a member.

### 2. Operating profit / (loss)

This is stated after (crediting) / charging:

	2017	2016
	£'000	£'000
Fair value movement on foreign exchange derivatives	(850)	1,336
Net (gain) / loss on foreign currency translation	(2,610)	491

Auditors' remuneration for the current and prior year was paid by the immediate parent undertaking, WorleyParsons Europe Limited, and is disclosed in that company's financial statements.

### 3. Staff costs

The company has no employees and hence there were no staff costs for the year ended 30 June 2017 (2016: £nil).

### 4. Directors' remuneration

The directors received £nil (2016: £nil) in respect of qualifying services provided to the company during the year.

## Notes to the financial statements

As at 30 June 2017

### 5. Interest receivable and similar income

	2017 £'000	2016 £'000
Interest receivable from group undertakings	13,743	19,256
Interest receivable from third parties	1	–
	<u>13,744</u>	<u>19,256</u>

### 6. Interest payable and similar charges

	2017 £'000	2016 £'000
Interest payable to group undertakings	7,025	4,221
Interest payable to third parties	436	539
	<u>7,461</u>	<u>4,760</u>

### 7. Tax

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2017 £'000	2016 £'000
<i>Current tax</i>		
UK corporation tax charge	–	–
<i>Deferred tax</i>		
Origination and reversal of timing differences	–	–
Tax charge on profit on ordinary activities (note 7(b))	<u>–</u>	<u>–</u>

#### (b) Factors affecting the total tax charge

	2017 £'000	2016 £'000
Profit on ordinary activities before taxation	<u>9,731</u>	<u>12,523</u>
Profit on ordinary activities multiplied by the standard rate of UK Corporation tax of 19.75% (2016: 20%)	1,922	2,505
Tax losses claimed via group relief	<u>(1,672)</u>	<u>(2,505)</u>
Total tax charge (note 7(a))	<u>250</u>	<u>–</u>

#### (c) Factors that may affect future tax charges

The UK Corporation tax rate reduced from 20% to 19% from 1 April 2017. A further reduction to 17% with effect from 1 April 2020 was introduced in the Finance Act 2016. As at the balance sheet date this future tax reduction has been enacted and hence in accordance with accounting standards the effect has been reflected in the Company's financial statements as at 30 June 2017. The rate changes will impact the amounts of future tax payments to be made by the Company.

## Notes to the financial statements

As at 30 June 2017

### 8. Investments

	2017 £'000	2016 £'000
Investment at cost at 1 January	–	–
Additions (note 9)	333,612	–
Investment at costs at 31 December	<u>333,612</u>	<u>–</u>

Details of the investment in any class of share capital are as follows:

<i>Company</i>	<i>Category</i>	<i>Country of incorporation</i>	<i>% of voting rights and shares held</i>	<i>Type</i>
WorleyParsons UK Finance Sub No. 2 Limited	Subsidiary	UK	100%	Ordinary

### 9. Debtors

	2017 £'000	2016 £'000
Amounts owed by group undertakings	90,834	395,692
Derivative assets	200	30
Other debtors	122	–
	<u>91,156</u>	<u>395,722</u>

On 31 December 2016, as part of a group restructuring of existing intercompany loan balances in the United Kingdom and the United States, the Company assigned an intercompany loan receivable of CAD 552,442,826.45 due to the company from WorleyParsons US Holdings Corporation to a new wholly owned subsidiary entity WorleyParsons UK Finance Sub No. 2 Limited in return for ordinary shares of CAD 552,442,826.45, in that entity. The remaining inter-company debtor due from WorleyParsons Canada Finance Sub Limited of £18,807,000 (CAD 31,144,000) will continue to be recoverable from WorleyParsons Canada Finance Sub Limited and interest will accrue on this balance at 4.40% per annum. Amounts owed by group undertakings are unsecured and repayable on demand.

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

	2017 £'000	2016 £'000
Amounts owed to group undertakings	91,623	69,127
Accruals and deferred income	–	3
Redeemable preference shares	–	245,904
Bank loans	–	23,003
Corporation tax	1,441	1,191
Derivative liabilities	408	1,088
	<u>93,472</u>	<u>340,316</u>

## Notes to the financial statements

As at 30 June 2017

### 10. Creditors: amounts falling due within one year (continued)

At 30 June 2016, the company's CAD \$424,000,000 redeemable preference shares were treated as a current liability due to the fact that redemption of the preference shares was at the option of the holder, Worley Parsons Europe Limited, at any time. On 31 December 2016, as part of a group restructuring of existing intercompany loan balances in the United Kingdom and the United States, the Company converted its 424,000,000 fully-paid, 1 CAD each redeemable preference shares held by WorleyParsons Europe Limited into ordinary shares of 1 CAD each (see note 11).

Amounts owed to group undertakings are unsecured and repayable on demand.

### 11. Issued share capital

	2017 £'000	2016 £'000
<i>Allocated, called up and fully paid</i>		
2 Ordinary shares of £1.00 each	–	–
424,000,000 Ordinary shares of CAD\$1.00 each	256,053	–
	<u>256,053</u>	<u>–</u>

On 31 December 2016, the Company's CAD 424,000,000 redeemable preference shares were converted to ordinary shares (see note 10).

### 12. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is WorleyParsons Europe Limited, a company incorporated in the United Kingdom. The company's ultimate parent undertaking and controlling party is WorleyParsons Limited, a company incorporated in Australia and listed on the Australian Stock Exchange.

WorleyParsons Limited is the parent undertaking of the only group of which the company is a member and for which consolidated financial statements are prepared. Copies of its consolidated financial statements are available from Investor Relations Department, WorleyParsons Limited, Level 12, 141 Walker Street, North Sydney, NSW 2060, Australia.

### 13. Events after the balance sheet date

On 7 July 2017, the Company authorised and issued 208,439,838 fully paid ordinary shares of £1.00 each. WorleyParsons Europe Limited subscribed for the total subscription price of CAD 343,733,243.62 on 14 July 2017.

On 7 July 2017, WorleyParsons UK Finance Sub No.2 Limited authorised and issued 343,733,243.62 fully paid ordinary shares of CAD 1.00 each. The Company subscribed for the total subscription price of CAD 343,733,243.62 on 14 July 2017.

In respect of the above transactions, instead of receiving CAD 343,733,243.62, the Company instructed WorleyParsons Europe Limited to pay WorleyParsons UK Finance Sub No.2 Limited CAD 343,733,243.62 to settle the Company's debt to WorleyParsons UK Finance Sub No.2 Limited of CAD 343,733,243.62.