COMPANY REGISTRATION NUMBER: 02667945

INTECSEA (UK) Limited

Annual Report and Financial Statements

30 June 2017

Registered No. 02667945

Directors

R Luff
D Baker
A Gordon
R Lawson

Secretary
V Jibuike

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

Bankers
HSBC Bank Plc
Regional Service Centre
62 – 76 Park Street
London SE1 9DZ

Registered Office
Lansbury Estate
102 Lower Guildford Road
Knaphill
Surrey GU21 2EP

Registered No. 02667945

Strategic report

Review of the business

The company has delivered a profitable operating performance for the 2017 financial year. The company's revenue decreased in 2017 to £19,724,000 from £24,685,000 in 2016 influenced by the continued decrease in global oil and gas prices. The mix of projects executed resulted in a lower gross margin and gross margin percentage (%) compared to last year.

The debt ratio improved from 0.61 at last year end to 0.59. We are confident that our medium-term and long-term prospects remain positive based on our competitive position and our strong financial capacity.

A summary of the results is as follows:

	2017	*2016*
	£000	*£000*
Revenue	19,724	24,685
Gross profit	25%	26%
Operating profit	1,179	1,900
Profit for the year, after tax	989	1,586
Debt ratio (total liabilities/total assets)	0.59	0.61

Principal risks and uncertainties

The company's principal risks can broadly be defined as commercial risk and financial instruments risk (see Directors' report). The company recognises the need to manage the material business risks. The internal audit and risk management functions provide assurance that both the risk management process and the internal control framework are operating effectively.

- Economic risk

The business is influenced by the global oil and gas prices. During the financial year 2017, global oil prices continued to drop, which required the business to adjust the business model to ensure new projects are secured and continued profitability is maintained.

- Currency risk

The company aims to secure all contracts in GBP. Contracts secured in other currencies have applicable risk assessments carried out on them.

- Competition risk

The company is in a specialist niche market but with limited competition and is constantly looking to build upon its skills and add value to the client.

- Reputation risk

The company has a strong image within the industry and looks to mitigate reputation risk through the WorleyParsons procedures and systems, ensuring constant quality.

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Strategic report (continued)

Impact of the UK deciding to leave the European Union

The directors have considered the impact of the UK taking the decision to leave the European Union on 23 June 2016 and do not believe it will have a significant impact on the entity. The directors will revisit the impact assessment as the nature of these changes become clearer.

On behalf of the board

D Baker
Director

19 February 2018

Registered No. 02667945

Directors' report

The directors present their report and financial statements for the year ended 30 June 2017.

Principal activity

The principal activity of the company during the year was that of consultant engineers in the oil, gas and water industries.

Dividends

The directors do not recommend a payment of a dividend (2016: £nil).

Future developments

The Directors do not anticipate any major change in the company's trading activities for the foreseeable future as outlined in the Strategic Report.

Financial risk management

The company has established risk and financial management policies which are designed to reduce the uncertainty that known risks may create in the achievement of the company's performance objectives. This framework aims to limit undue counterparty exposure, to ensure suitable levels of working capital are maintained, and to monitor and manage risk at both a corporate and individual contract level. Financial instruments comprise cash, debtors and creditors.

Exposure to price, credit, liquidity and cash flow risk

Price risks are managed through the commercial process. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company's policies are aimed at minimising such a risk by conducting credit checks where appropriate and by other established credit control procedures. Details of the company's debtors are shown in Note 13.

Liquidity risk is the risk that an entity may encounter difficulties in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by having a strong positive cash flow, even after payment of dividends, and by maintaining sufficient cash balances to manage liquidity risk.

Cash flow risk is the risk of exposure to variability in cash flows and this is managed by cash flow forecasting as part of the financial disciplines adhered to by the company.

Research and development

The company continues to advance the technical and commercial aspects of processes developed by the parent company, as well as those licensed from third parties. The costs are expensed as incurred.

Going concern

The company has net assets and net current assets at 30 June 2017. The directors are confident that the company has adequate resources to continue operating for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the financial statements. The business is in solid financial health, continues to maintain a flexible cost base, and is well positioned for long-term growth.

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Directors' report (continued)

Directors

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

R Luff

C Ashton (resigned 9 January 2017)

D Baker

A Gordon (appointed 9 January 2017)

R Lawson

Employee involvement

During the year the policy of providing employees with information about the company has been continued through internal media methods, including regular news bulletins and staff meetings. A free flow of information and ideas and employee involvement is encouraged through these communications and discipline-based 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 and promotion to disabled employees wherever appropriate.

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 auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the board

D Baker
Director

19 February 2018

Registered No. 02667945

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

to the members of INTECSEA (UK) Limited

Opinion

We have audited the financial statements of INTECSEA (UK) 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 17, 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 including FRS 102 "The Financial Reporting Standard applicable in the UK"; 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.

Other information

The other information comprises the information included in the strategic report and directors' report set out on pages 2 to 5, 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.

Independent auditor's report

to the members of INTECSEA (UK) Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 statement of directors' responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Independent auditors' report (continued)

to the members of INTECSEA (UK) Limited

Auditor's responsibilities for the audit of the financial statements (continued)

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.

Ernst & Young LLP

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

London

20 February 2018

Statement of comprehensive income
for the year ended 30 June 2017

	Notes	2017 £000	2016 £000
Turnover	3	19,724	24,685
Cost of sales		(14,831)	(18,223)
Gross profit		4,893	6,462
Administrative expenses		(3,714)	(4,562)
Operating profit	4	1,179	1,900
Interest receivable and similar income	7	508	305
Interest payable and similar charges	8	(455)	(195)
Profit on ordinary activities before taxation		1,232	2,010
Taxation on profit on ordinary activities	11	(243)	(424)
Profit for the financial year		989	1,586
Other comprehensive income		–	–
Total comprehensive income for the financial year		989	1,586

All of the activities of the company are classified as continuing.

Balance sheet
at 30 June 2017

	Notes	2017 £000	2016 £000
Fixed assets			
Tangible assets	12	71	112
Current assets			
Debtors	13	16,436	15,069
Cash at bank and in hand		119	70
		16,555	15,139
Creditors: Amounts falling due within one year	15	(9,757)	(9,371)
Net current assets		6,798	5,768
Net assets		6,869	5,880
Capital and reserves			
Called-up share capital	16	693	693
Profit and loss account		6,176	5,187
Shareholder's funds		6,869	5,880

The financial statements were approved by the board of directors on 19 February 2018 and signed on behalf of the board by:

D Baker
Director

Statement of changes in equity
for the year ended 30 June 2017

	Share capital	*Profit and loss account*	*Total shareholder's funds*
	£'000	*£'000*	*£'000*
As at 1 July 2015	693	3,601	4,294
Total comprehensive income for the financial year	–	1,586	1,586
As at 30 June 2016	693	5,187	5,880
As at 1 July 2016	693	5,187	5,880
Total comprehensive income for the financial year	–	989	989
As at 30 June 2017	693	6,176	6,869

Notes to the financial statements
at 30 June 2017

1. Accounting policies

General information

INTECSEA (UK) Limited is a company incorporated in England under the Companies Act. The nature of the Company's operations and its principal activities are set out in the directors' report on page 4.

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 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 FRS 102, the Company meets the definition of a qualifying entity and has adopted the 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;
- provide certain financial instrument disclosures, on the basis that equivalent disclosures are included in the consolidated financial statements of its ultimate parent company.

Going concern

The company has net assets and net current assets at 30 June 2017. The directors are confident that the company has adequate resources to continue operating for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the financial statements. The business is in solid financial health, continues to maintain a flexible cost base, and is well positioned for long-term growth.

Revenue

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding VAT and similar taxes.

The company enters into contracts for the design, engineering or construction management of substantial assets, where the time taken to complete the contract is such that the contract activity falls into different accounting periods. Attributable profit is recognised when the outcome of a contract can be estimated reliably. The excess of revenue recognised over payments received is shown as accrued income. Amounts received in excess of revenue recognised are shown as deferred revenue. Anticipated losses on contracts are charged to income in their entirety when the losses become evident. The calculation of revenue recognition is determined by contractual terms, of which there are two main types as follows:

Reimbursable service contracts

Revenue from the provision of reimbursable services where the company's contractual obligations are performed gradually over time is recognised as contract activity progresses to reflect the company's partial performance of its contractual obligations.

Fixed price service contracts

Revenue on fixed price service contracts is recognised using the percentage of completion method. Under this method revenues recorded represent the aggregate of costs incurred during the year and a portion of estimated profit on individual contracts based on the relationship of costs incurred to total estimated costs for each contract. Revisions in estimates are reflected in the accounting period when the revision becomes known.

Cost of sales

Cost of sales consists primarily of direct labour and subcontractors (i.e. engineers' time) all of which are recognised on an accruals basis.

Notes to the financial statements (continued)

at 30 June 2017

1. Accounting policies (continued)

Administrative expenses

Administrative expenses consist primarily of staff costs, rental, office supplies, and corporate professional expenses, all of which are recognised on an accruals basis, including depreciation.

Interest income and expense

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

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible assets is their purchase cost, together with any incidental expenses of acquisition. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value based on prices prevailing at the date of acquisition, evenly over the useful economic life of that asset as follows:

Leasehold property improvements	–	straight line over the lease term
Computer equipment	–	3 years
Fixtures and fittings	–	10 years

Residual values and useful lives are reviewed and adjusted, at the end of each reporting period. The effect of any change is accounted for prospectively.

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.

Cash

Cash comprises cash in hand and balances with banks.

Creditors

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

Provisions for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of obligation can be estimated reliably.

Share capital

Shares issued by the Company are recorded as the proceeds received from the issue of shares, net of direct issue costs.

Operating lease agreements

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the lease term. Amounts received as incentives in respect of new leases entered into are held on the balance sheet and released on a straight line basis over the period of the lease.

Foreign currencies

The company's functional and presentational currency is GBP. 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 to sterling at the rate of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of transaction is included as an exchange gain or loss in the statement of comprehensive income.

Notes to the financial statements (continued)

at 30 June 2017

1. Accounting policies (continued)

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 differences 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.

Research and development expenditure

Expenditure on research and development is written off to the statement of comprehensive income in the year in which it is incurred.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Related party transactions

The company has adopted the exemption in section 33.1A of FRS 102 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. Critical accounting judgments 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 as 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. The following judgments and estimates have had the most significant effect on amounts recognised in the financial statements:

- Taxation
  Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the tax effect of future tax planning strategies.
- Impairment of assets
  Management judgement is required to determine whether there are indicators of impairment of the company's assets. Factors taken into consideration in reaching such a decision include the economic activity and expected future financial performance of the asset.
- Impairment of trade receivables
  The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade receivables, directors considers factors including the credit rating of receivables, the ageing profile of receivables and historic experience.

Notes to the financial statements (continued)
at 30 June 2017

3. Turnover

Turnover comprises the value of work performed (excluding VAT and similar taxes), primarily under project contracts, and is attributable to one continuing activity being the provision of engineering, design and project services. An analysis of turnover by geographical market is:

	2017	*2016*
	£000	*£000*
Europe	3,534	9,765
Africa	15,461	12,870
Asia	199	124
Other	530	1,926
	19,724	24,685

4. Operating profit

This is stated after charging:

	2017	*2016*
	£000	*£000*
Depreciation of owned fixed assets	41	112
Auditors' remuneration:		
– audit of the financial statements	17	19
Operating lease charges	598	614

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2017	*2016*
	£000	*£000*
Remuneration	359	404
Company contributions to defined contribution pension schemes	40	43
	399	447

Remuneration of highest paid director:

	2017	*2016*
	£000	*£000*
Remuneration	188	214
Company contributions to defined contribution pension schemes	21	22
	209	236

The number of directors who accrued benefits under company pension schemes was as follows:

	2017	*2016*
	No.	*No.*
Defined contribution pension schemes	2	2

Notes to the financial statements (continued)
at 30 June 2017

6. Staff costs

The average monthly number of staff employed by the company during the financial year:

	2017	*2016*
	No.	*No.*
Engineering	58	75
Administration	18	21
	76	96

The aggregate payroll costs of the above were:

	2017	*2016*
	£000	*£000*
Wages and salaries	6,021	7,420
Social security costs	685	849
Other pension costs	483	620
	7,189	8,889

7. Interest receivable and similar income

	2017	*2016*
	£000	*£000*
Interest receivable from group undertakings	508	305

8. Interest payable and similar charges

	2017	*2016*
	£000	*£000*
Interest payable to group undertakings	455	195

9. Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £480,000 (2016: £620,000).

Contributions amounting to £38,000 (2016: £46,000) were payable to the scheme and are included in creditors.

10. Commitments under operating leases

The company had future minimum rental payables under non-cancellable operating leases as set out below.

	2017	*2016*
	£000	*£000*
Operating leases which expire:		
Within 1 year	182	146
Within 2 to 5 years	77	113
	259	259

Notes to the financial statements (continued)

at 30 June 2017

11. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2017	2016
	£000	£000
Current tax:		
UK corporation tax	196	362
Total current tax	196	362
Deferred tax:		
Origination and reversal of timing differences (note 14)	47	62
Total deferred tax	47	62
Tax charge on profit on ordinary activities (note 11(b))	243	424

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

The tax assessed for the year is equal to (2016: higher than) the standard rate of corporation tax in the UK of 19.75% (2016: 20%). The differences are explained below:

	2017	2016
	£000	£000
Profit on ordinary activities before taxation	1,232	2,010
Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 19.75% (2016: 20%)	243	402
Expenses not deductible for tax purposes	2	7
Adjustments in respect of previous periods	(2)	15
Total tax charge (note 11(a))	243	424

The company has submitted claims for Research and Development tax credits to HMRC for the years up to 30 June 2016 and intends to submit a further claim for the year to 30 June 2017. It has reflected the associated tax impact in the financial statements as an above the line credit for the estimated claim for the year to 30 June 2017. All submitted claims up to 30 June 2015 have been formally agreed by HMRC.

(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 (continued)
at 30 June 2017

12. Tangible fixed assets

	Leasehold property improvements	*Computer equipment*	*Fixtures & fittings*	*Total*
	£000	*£000*	*£000*	*£000*
Cost:				
At 30 June 2016	1,363	235	155	1,753
Additions	–	–	–	–
At 30 June 2017	1,363	235	155	1,753
Depreciation:				
At 30 June 2016	1,351	226	64	1,641
Charge for the year	12	6	23	41
At 30 June 2017	1,363	232	87	1,682
Net book value:				
At 30 June 2017	–	3	68	71
At 30 June 2016	12	9	91	112

13. Debtors

	2017	*2016*
	£000	*£000*
Trade debtors	3,290	3,387
Amounts recoverable on contracts	1,785	1,445
Amounts owed by group undertakings	9,025	7,808
Other debtors	634	472
Corporation tax	1,167	1,224
Prepayments	292	443
Deferred taxation (note 14)	243	290
	16,436	15,069

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

Notes to the financial statements (continued)
at 30 June 2017

14. Deferred taxation

	2017	2016
	£000	£000
Included in debtors (note 13)	243	290
	243	290

Recognised deferred tax arises from depreciation in advance of capital allowances and other short-term timing differences.

The movement in the recognised deferred taxation asset during the year was:

	2017	2016
	£000	£000
Balance brought forward	290	352
Charge to statement of comprehensive income	(47)	(62)
Balance carried forward	243	290

Deferred tax assets of £49,000 are expected to unwind in the next 12 months.

15. Creditors: amounts falling due within one year

	2017	2016
	£000	£000
Trade creditors	1,191	1,244
Amounts owed to group undertakings	7,009	6,373
Other taxation and social security	191	246
Accruals and deferred income	1,366	1,508
	9,757	9,371

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

16. Called-up share capital

		2017		2016
Allotted, called up and fully paid	*No*	*£000*	*No*	*£000*
Ordinary shares of £1 each	693,000	693	693,000	693
	693,000	693	693,000	693

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