COMPANY REGISTRATION NUMBER: 02667945

INTECSEA (UK) Limited

Annual Report and Financial Statements

30 June 2016

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 2016 financial year, driven by decreased administrative expenses. Administrative expenses were lower in the current year as a result of one off streamlining costs in the prior year. During the year, there was a focus on reducing overhead costs which contributed to operating profit for the 2016 financial year. The company's revenue decreased in 2016 to £24,685,000 from £35,524,000 in 2015. The mix of projects executed resulted in a lower gross margin and gross margin percentage (%) compared to last year.

The debt ratio improved from 0.71 at last year end to 0.61. 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:

	2016	*2015*
	£000	*£000*
Revenue	24,685	35,524
Gross profit	26%	36%
Operating profit	1,900	4,133
Profit for the year, after tax	1,586	3,484
Debt ratio (total liabilities/total assets)	0.61	0.71

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 2016, global oil prices have dropped significantly, 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.

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 subsequent to the year end. The directors will revisit the impact assessment as the nature of these changes become clearer.

On behalf of the board

D Baker
Director

15 MAY 2017

Registered No. 02667945

Directors' report

The directors present their report and financial statements for the year ended 30 June 2016.

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 (2015: £1,500,000).

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 12.

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 at 30 June 2016 of £5,880,000 and net current assets of £5,768,000. 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.

Registered No. 02667945

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)

B Connell (resigned 30 April 2016)

D Baker

A Gordon (appointed 9 January 2017)

R Lawson (appointed 30 April 2016)

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

15 MAY 2017

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 auditors' report

to the members of INTECSEA (UK) Limited

We have audited the financial statements of INTECSEA (UK) Limited for the year ended 30 June 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 18. 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 102, 'The Financial Reporting Standard' applicable to the UK and Republic and Ireland.

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 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 to the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report (continued)

to the members of INTECSEA (UK) Limited

Matters on which we are required to report by exception

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

Ernst & Young LLP

Peter Campbell (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date 15 May 2017

Statement of comprehensive income
for the year ended 30 June 2016

	Notes	2016 £000	2015 £000
Turnover	3	24,685	35,524
Cost of sales		(18,223)	(22,855)
Gross profit		6,462	12,669
Administrative expenses		(4,562)	(8,536)
Operating profit	4	1,900	4,133
Interest receivable and similar income	7	305	57
Interest payable and similar charges	8	(195)	(41)
Profit on ordinary activities before taxation		2,010	4,149
Taxation on profit on ordinary activities	9	(424)	(665)
Profit for the financial year		1,586	3,484
Other comprehensive income		-	-
Total comprehensive income for the financial year		1,586	3,484

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

Balance sheet
at 30 June 2016

	Notes	*2016* *£000*	2015 £000
Fixed assets			
Tangible assets	11	112	224
Current assets			
Debtors	12	15,069	14,250
Cash at bank and in hand		70	151
		15,139	14,401
Creditors: Amounts falling due within one year	14	(9,371)	(10,331)
Net current assets		5,768	4,070
Net assets		5,880	4,294
Capital and reserves			
Called-up share capital	16	693	693
Profit and loss account		5,187	3,601
Shareholder's funds		5,880	4,294

The financial statements were approved by the board of directors on 15 May 2017 and signed on behalf of the board by:

D Baker
Director

Statement of changes in equity
for the year ended 30 June 2016

	Share capital	*Profit and loss account*	*Total shareholder's funds*
	£'000	*£'000*	*£'000*
As at 1 July 2014	693	1,617	2,310
Total comprehensive income for the financial year	–	3,484	3,484
Dividends paid (note 10)	–	(1,500)	(1,500)
As at 30 June 2015	693	3,601	4,294
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

Notes to the financial statements
at 30 June 2016

1. Accounting policies

General information

INTECSEA (UK) Limited is a company incorporated in England under the Companies Act. The registered office is Lansbury Estate, 102 Lower Guildford Road, Knaphill, Surrey GU21 2EP. 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) and under the historical cost convention in accordance with the Companies Act 2006. This is the first year that the Company has presented its financial statements under FRS 102. The last financial statements under previous UK GAAP were for the year ended 30 June 2015 and the date of transition to FRS 102 was therefore 1 July 2014. The transition to FRS 102 had no impact on the reported financial performance and financial position of the company at the transition date and in the prior year.

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 at 30 June 2016 of £5,880,000 and net current assets of £5,768,000. 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.

Notes to the financial statements (continued)
at 30 June 2016

1. Accounting policies (continued)

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.

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.

Notes to the financial statements (continued)
at 30 June 2016

1. Accounting policies (continued)

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.

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.

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.

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.

Notes to the financial statements (continued)
at 30 June 2016

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.

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:

	2016	*2015*
	£000	*£000*
Europe	9,765	14,984
Africa	12,870	18,843
Asia	124	1,462
Other	1,926	235
	24,685	35,524

Notes to the financial statements (continued)
at 30 June 2016

4. Operating profit
This is stated after charging:

	2016	*2015*
	£000	*£000*
Depreciation of owned fixed assets	112	345
Auditors' remuneration:		
– audit of the financial statements	19	19
Operating lease charges	614	626

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

	2016	*2015*
	£000	*£000*
Remuneration	404	362
Company contributions to defined contribution pension schemes	43	32
	447	394

Remuneration of highest paid director:

	2016	*2015*
	£000	*£000*
Remuneration	214	249
Company contributions to defined contribution pension schemes	22	22
	236	271

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

	2016	*2015*
	No.	*No.*
Defined contribution pension schemes	2	2

Notes to the financial statements (continued)
at 30 June 2016

6. Staff costs

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

	2016	*2015*
	No.	*No.*
Engineering	75	100
Administration	21	23
	96	123

The aggregate payroll costs of the above were:

	2016	*2015*
	£000	*£000*
Wages and salaries	7,420	9,404
Social security costs	849	1,025
Other pension costs	620	658
	8,889	11,087

7. Interest receivable and similar income

	2016	*2015*
	£000	*£000*
Interest receivable from group undertakings	305	57

8. Interest payable and similar charges

	2016	*2015*
	£000	*£000*
Interest payable to group undertakings	195	41

Notes to the financial statements (continued)
at 30 June 2016

9. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2016	*2015*
	£000	*£000*
Current tax:		
UK corporation tax	362	860
Adjustments in respect of previous periods	–	(98)
Foreign corporation tax	–	12
Adjustments in respect of previous periods	–	(127)
Total current tax	362	647
Deferred tax:		
Origination and reversal of timing differences (note 13)	62	18
Total deferred tax	62	18
Tax charge on profit on ordinary activities (note 9(b))	424	665

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

The tax assessed for the year is higher (2015: lower) than the standard rate of corporation tax in the UK of 20% (2015: 20.75%). The differences are explained below:

	2016	2015
	£000	£000
Profit on ordinary activities before taxation	2,010	4,149
Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 20% (2015: 20.75%)	402	861
Expenses not deductible for tax purposes	7	18
Withholding tax suffered	–	12
Adjustments in respect of previous periods	15	(226)
Total tax charge (note 9(a))	424	665

The company has submitted claims for Research and Development tax credits to HMRC for the years up to 30 June 2015 and intends to submit a further claim for the year to 30 June 2016. It has reflected the associated tax impact in

Notes to the financial statements (continued)
at 30 June 2016

9. Tax (continued)

the financial statements as an above the line credit for the estimated claim for the year to 30 June 2016. All submitted claims up to 30 June 2014 have been formally agreed by HMRC.

(c) Factors that may affect future tax charges

The UK Corporation tax rate reduced to 20% from April 2015. The Finance Act (No.2) 2015 introduced reductions to 19% from 1 April 2017 and 18% from 1 April 2020. As these reductions were enacted at the balance sheet date the closing deferred tax balance has been calculated at the appropriate rate. A further reduction to 17% with effect from 1 April 2020 was introduced in The Finance Act 2016 which was enacted in September 2016. As the enactment was after the balance sheet date, the impact of this reduction has not been taken into account. The effect of the reduction in the tax rate to 17% would be to reduce the company's deferred tax asset by £30,000. The rate changes will impact the amount of future tax payments to be made by the company.

10. Dividends

	2016	*2015*
	£000	*£000*
Dividends declared and paid on ordinary shares	–	1,500

11. Tangible fixed assets

	Leasehold property improvements	*Computer Equipment*	*Fixtures & fittings*	*Total*
	£000	*£000*	*£000*	*£000*
Cost:				
At 30 June 2015	1,363	235	155	1,753
Additions	-	-	-	-
At 30 June 2016	1,363	235	155	1,753
Depreciation:				
At 30 June 2015	1,278	204	47	1,529
Charge for the year	73	22	17	112
At 30 June 2016	1,351	226	64	1,641
Net book value:				
At 30 June 2016	12	9	91	112
At 30 June 2015	85	31	108	224

Notes to the financial statements (continued)
at 30 June 2016

12. Debtors

	2016	*2015*
	£000	*£000*
Trade debtors	3,387	1,533
Amounts recoverable on contracts	1,445	1,674
Amounts owed by group undertakings	7,808	8,671
Other debtors	472	471
Corporation tax	1,224	1,094
Prepayments	443	455
Deferred taxation (note 13)	290	352
	15,069	14,250

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

13. Deferred taxation

	2016	*2015*
	£000	*£000*
Included in debtors (note 12)	290	352
	290	352

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:

	2016	*2015*
	£000	*£000*
Balance brought forward	352	370
Charge to statement of comprehensive income	(62)	(18)
Balance carried forward	290	352

Deferred tax assets of £47,000 are expected to unwind in the next 12 months.

Notes to the financial statements (continued)
at 30 June 2016

14. Creditors: amounts falling due within one year

	2016	*2015*
	£000	*£000*
Trade creditors	1,244	461
Amounts owed to group undertakings	6,373	7,449
Other taxation and social security	246	296
Accruals and deferred income	1,508	2,125
	9,371	10,331

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

15. Commitments under operating leases

At 30 June 2016 the company had future minimum rental payables under non-cancellable operating leases as set out below.

	2016	*2015*
	£000	*£000*
Operating leases which expire:		
Within 1 year	146	–
Within 2 to 5 years	113	668
	259	668

16. Called-up share capital

		2016		*2015*
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. 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 £620,000 (2015: £775,000).

Contributions amounting to £46,000 (2015: £54,000) were payable to the scheme and are included in creditors.

Notes to the financial statements (continued)
at 30 June 2016

18. 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.