

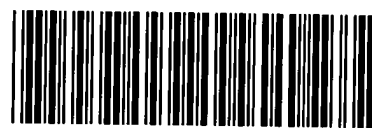
Registered number: 09861566

AFW INVESTMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

THURSDAY



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AFW INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	CA Chatfield (appointed 30 November 2017) WG Setter (appointed 30 November 2017)
Company secretary	IA Jones
Registered number	09861566
Registered office	Booths Park Chelford Road Knutsford Cheshire WA16 8QZ
Independent auditors	Ernst & Young LLP 2 St Peter's Square Manchester M2 3EY

AFW INVESTMENTS LIMITED

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AFW INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their report and the financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The Company acts as a group holding company.

Going concern

As part of a group wide restructuring that took place on 28 December 2017, all receivables have been waived, the preference shares redeemed and the share capital reduced to \$1. As at 31 December 2017, the Company has retained its investment in Foster Wheeler Finance LLC. As a result of the Company having no liabilities, the directors consider that it is appropriate to continue to adopt the going concern basis in preparing the accounts.

AFW INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

Results and dividends

The profit for the year, after taxation, amounted to \$34,921,000 (2016 - loss of \$287,239,000).

During the year the Company paid dividends of \$874,576,000 (2016: nil). The Directors do not recommend the payment of any further dividends for the year. Dividends of \$263,857,000 were received from subsidiary undertakings during the year (2016: \$138,289,000).

On 12 May 2017, Euro denominated preference shares with a value of \$33,831,000 held in FW Investments S.a.r.l, were converted to ordinary shares.

On 4 October 2017, ordinary shares held in FW Investments S.a.r.l, with a value of \$3,568,000 were converted to Euro denominated preference shares.

On the same day, the Company undertook a capital reduction reducing the share premium account from \$1,107,789,000 to nil.

On 28 December 2017 as part of a group wide restructuring the following transactions occurred:

- the Company undertook a capital reduction reducing its ordinary share capital to 1 ordinary share of £1 and 1 ordinary share of \$1;
- the immediate parent company, Amec Foster Wheeler International Holdings Limited, agreed to release the Company from its Euro denominated intercompany debt with a value of \$14,307,000. This has been classed as an introduction of new capital and has been recorded in the capital contribution reserve;
- the Company redeemed its outstanding preference share liabilities;
- a review of the carrying value of the investment in FW Investment Holdings S.a.r.l compared to its recoverable amount resulted in an impairment charge of \$306,723,000; and
- the Company then disposed of its investment on FW Investment Holdings S.a.r.l at its revised book value.

Following the restructuring, the Company has retained its investment in Foster Wheeler Finance LLC.

Directors

The Directors who served during the year were:

A Dick (resigned 30 November 2017)
GR Ling (resigned 30 November 2017)
CA Chatfield (appointed 30 November 2017)
WG Setter (appointed 30 November 2017)

Future developments

The Company is expected to remain as a group holding company.

Strategic Report

The Company is entitled to the small companies' exemption from the requirement to prepare a Strategic Report.

AFW INVESTMENTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Qualifying third party indemnity provisions

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

Disclosure of information to auditors

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

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

Post balance sheet events

There were no significant post balance sheet events.

Auditors

The term as auditor for Ernst & Young LLP ceased with effect from the end of the 2017 financial year. Following a tender process, the firm of KPMG LLP has been appointed as auditor for 2018.

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



IA Jones
Secretary

Date: 17 August 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AFW INVESTMENTS LIMITED

Opinion

We have audited the financial statements of AFW Investments Limited for the year ended 31 December 2017 which comprise the Income Statement, 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 101 "Reduced Disclosure Framework".

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 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.

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 annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AFW INVESTMENTS LIMITED

- 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 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 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 are not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, 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.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Mark Morritt (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP, Statutory Auditor
Manchester

Date: *17th August 2018*

AFW INVESTMENTS LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

		<i>Period ended</i>
		31
	December	<i>December</i>
	2017	<i>2016</i>
Note	\$000	\$000
Impairment of investments in subsidiary undertakings	(306,723)	<i>(412,976)</i>
Income from investments	263,857	<i>138,289</i>
Intercompany loan waivers	2,992	<i>-</i>
Operating loss	(39,874)	<i>(274,687)</i>
Interest receivable and similar income	5 76,374	<i>19,347</i>
Interest payable and similar expenses	6 (1,534)	<i>(31,899)</i>
Profit/(loss) before tax	34,966	<i>(287,239)</i>
Tax on profit/(loss)	7 (45)	<i>-</i>
Profit/(loss) for the financial year	34,921	<i>(287,239)</i>


There were no recognised gains and losses for 2017 or 2016 other than those included in the income statement.

AFW INVESTMENTS LIMITED
REGISTERED NUMBER:09861566

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 \$000	2017 \$000	2016 \$000	2016 \$000
Fixed assets					
Investments	8		-		820,970
			<u>-</u>		<u>820,970</u>
Current assets					
Debtors	9	-		18,411	
		<u>-</u>		<u>18,411</u>	
Creditors: amounts falling due within one year	10	-		(1,372)	
		<u>-</u>		<u>(1,372)</u>	
Net current assets			-		17,039
			<u>-</u>		<u>17,039</u>
Total assets less current liabilities			-		838,009
			<u>-</u>		<u>838,009</u>
Creditors: amounts falling due after more than one year	11		-		(12,661)
			<u>-</u>		<u>(12,661)</u>
Net assets			-		825,348
			<u>-</u>		<u>825,348</u>
Capital and reserves					
Called up share capital	12		-		4,726
Share premium account			-		1,107,789
Capital contribution reserve			-		72
Retained loss			-		(287,239)
			<u>-</u>		<u>(287,239)</u>
			<u>-</u>		<u>825,348</u>

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


WG Setter
 Director

Date: 17 August 2018

AFW INVESTMENTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Share premium account	Capital contribution reserve	Retained loss	Total equity
	\$000	\$000	\$000	\$000	\$000
At 1 January 2017	4,726	1,107,789	72	(287,239)	825,348
Comprehensive income for the year					
Profit for the year	-	-	-	34,921	34,921
Total comprehensive income for the year	-	-	-	34,921	34,921
Capital contribution	-	-	14,307	-	14,307
Capital reduction	(4,726)	(1,107,789)	-	1,112,515	-
Dividends: Equity capital	-	-	(14,379)	(860,197)	(874,576)
Total transactions with owners	(4,726)	(1,107,789)	(72)	252,318	(860,269)
At 31 December 2017	-	-	-	-	-

AFW INVESTMENTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital \$000	Share premium account \$000	Capital redemption reserve \$000	Profit and loss account \$000	Total equity \$000
Comprehensive income for the period					
Loss for the period	-	-	-	(287,239)	(287,239)
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(287,239)</u>	<u>(287,239)</u>
Shares issued during the period	4,726	1,107,789	-	-	1,112,515
Capital contribution	-	-	72	-	72
Total transactions with owners	<u>4,726</u>	<u>1,107,789</u>	<u>72</u>	<u>-</u>	<u>1,112,587</u>
At 31 December 2016	<u><u>4,726</u></u>	<u><u>1,107,789</u></u>	<u><u>72</u></u>	<u><u>(287,239)</u></u>	<u><u>825,348</u></u>

The notes on pages 10 to 19 form part of these financial statements.

AFW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies

1.1 Basis of preparation of financial statements

AFW Investments Limited is a private company, limited by shares and is incorporated and domiciled in England and Wales.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The results of the Company are included in the consolidated accounts of John Wood Group PLC which are available from 15 Justice Mill Lane, Aberdeen, AB11 6EQ.

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

1.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

1.3 Going concern

As part of a group wide restructuring that took place on 28 December 2017, all receivables have been waived, the preference shares redeemed and the share capital reduced to \$1. As at 31 December 2017, the Company has retained its investment in Foster Wheeler Finance LLC. As a result of the Company having no liabilities, the directors consider that it is appropriate to continue to adopt the going concern basis in preparing the accounts.

1.4 Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment.

AFW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

1.5 Financial instruments

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

Financial assets

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

Other than the financial assets in a qualifying hedging relationship, the Company's accounting policy for each category is as follows:

Fair value through profit and loss

This category comprises only in-the-money derivatives. These are carried in the Balance Sheet at fair value with changes in fair value recognised in the Income Statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to group undertakings, but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

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

Financial liabilities

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

Other than financial liabilities in a qualifying hedging relationship, the Company's accounting policy for each category is as follows:

Fair value through profit and loss

This category comprises only out-of-the-money derivatives. These are carried in the Balance Sheet at fair value recognised in the Income Statement.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

AFW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

1.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income Statement within 'other operating income'.

1.7 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.8 Preference shares

Preference shares which carry the right to dividends which are not discretionary are classified as financial assets. Dividends received in respect of these shares are included within interest receivable.

1.9 Interest income

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

AFW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

1.10 Taxation

Tax is recognised in the Income Statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

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

Tax is recognised in the Income Statement except to the extent that it relates to items recognised in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity as appropriate.

A current tax provision is recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account risks and uncertainties surrounding the obligation. Separate provisions for interest and penalties are also recorded if appropriate. Movements in interest and penalty amounts in respect of tax provisions are not included in the tax charge, but are disclosed within profit/(loss) before income tax.

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

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

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

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

Determination of functional currency

IAS 21 The Effects of Changes in Foreign Exchange Rates requires an entity to determine its functional currency and measure its results and financial position in that currency. Functional currency is the currency of the primary economic environment in which the entity operates. IAS 21 lists indicators that may provide evidence of an entity's functional currency. Where these indicators are mixed and the functional currency is not obvious, judgement is required in determining the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

3. Directors' remuneration

None of the Directors received any remuneration in respect of their services to the Company in the year.

AFW INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

4. Auditors' remuneration

Auditors' remuneration for the audit of the financial statements of £500 was borne by another group company (2016: £500).

5. Interest receivable

	<i>Period ended</i>	
	31	31
	December	December
	2017	2016
	\$000	\$000
Interest receivable from group companies	1,500	-
Dividend receivable on preference shares	11,104	19,347
Foreign exchange gains on preference shares	50,840	-
Foreign exchange gains on group loans and interest	12,930	-
	76,374	19,347

6. Interest payable and similar charges

	<i>Period ended</i>	
	31	31
	December	December
	2017	2016
	\$000	\$000
Foreign exchange losses on preference share accrued dividend	-	935
Foreign exchange losses on preference shares and derivatives	1,534	30,949
Dividend payable on preference shares	-	15
	1,534	31,899

7. Tax on profit/(loss) on ordinary activities

	<i>Period ended</i>	
	31	31
	December	December
	2017	2016
	\$000	\$000
Corporation tax		
Current tax on profits for the period at 19.25% (2016: 20.00%)	26	-
Adjustments in respect of previous periods	19	-
Total current tax	45	-

AFW INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. Tax on profit/(loss) on ordinary activities (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2016 - *lower than*) the standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%). The differences are explained below:

	31 December 2017 \$000	<i>Period ended</i> 31 December 2016 \$000
Profit/(loss) on ordinary activities before tax	34,966	(287,239)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%)	6,731	(57,448)
Effects of:		
Non deductible expenses	59,708	88,975
Non taxable income	(65,209)	(31,527)
Controlled foreign company tax charge	26	-
Adjustments to tax charge in respect of prior periods	19	-
Group relief for nil consideration	(1,230)	-
Total tax charge for the year/period	45	-

Factors that may affect future tax charges

As at 31 December 2017, the reduction in the rate of corporation tax to 17% on 1 April 2020 had been substantively enacted. The reduction in the rate of corporation tax to 17% is forecast not to have a significant impact on future tax charges in the Income Statement.

AFW INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. Fixed asset investments

	Investments in subsidiary companies \$000	Preference share investments \$000	Total \$000
Cost			
At 1 January 2017	823,023	410,923	1,233,946
Additions	29,638	-	29,638
Disposals	(744,635)	(430,102)	(1,174,737)
Foreign exchange movement	-	49,442	49,442
Conversion of preference shares	30,263	(30,263)	-
	<hr/>	<hr/>	<hr/>
At 31 December 2017	138,289	-	138,289
	<hr/>	<hr/>	<hr/>
Impairment			
At 1 January 2017	412,976	-	412,976
Charge for the period	306,723	-	306,723
Disposals	(581,410)	-	(581,410)
	<hr/>	<hr/>	<hr/>
At 31 December 2017	138,289	-	138,289
	<hr/>	<hr/>	<hr/>
At 31 December 2017	<hr/> -	<hr/> -	<hr/> -
	<hr/>	<hr/>	<hr/>
At 31 December 2016	<hr/> 410,047	<hr/> 410,923	<hr/> 820,970
	<hr/>	<hr/>	<hr/>

AFW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

8. Fixed asset investments (continued)

Impairment

Following a review of the carrying value of the investment in the subsidiary undertakings, with reference to its recoverable amount, an impairment charge of \$306,723,000 (2016 - \$412,976,000) was recorded in the period.

Disposals

On 28 December 2017, the Company disposed of its ordinary share investments and preference share investments in FW Investment Holdings S.a.r.l., incorporated in Luxembourg, and its indirect subsidiary undertakings, as part of a group wide restructuring project.

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company as at 31 December 2017:

Name	Holding	Registered address
Foster Wheeler Finance LLC	100 %	{a}

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company as at 31 December 2017:

Name	Holding	Registered address
AFW Investments 2 Limited	100 %	{a}

Registered addresses

Registered addresses of the direct and indirect subsidiary undertakings are as follows:

{a} Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England

9. Debtors

	2017	2016
	\$000	\$000
Dividend on preference share investment	-	18,411
	<hr/>	<hr/>
	-	18,411
	<hr/>	<hr/>

AFW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

10. Creditors: Amounts falling due within one year

	2017 \$000	2016 \$000
Amounts owed to group undertakings	-	1,358
Dividend on preference shares	-	14
	<u>-</u>	<u>1,372</u>

11. Creditors: Amounts falling due after more than one year

	2017 \$000	2016 \$000
Preference shares classified as liabilities	-	12,661
	<u>-</u>	<u>12,661</u>

On 28 December 2017, the Company redeemed its outstanding preference share liabilities as part of a group wide restructuring project.

The rights of the preference shares, under the subscription agreement, were as follows:

Voting

The preference shares entitle the holder thereof to attend and vote at any meeting where a resolution relating to any matter affecting their rights is due to be discussed and voted upon.

Income

The preference shares carry the rights to a fixed cumulative preferential dividend of 0.1 percent per share payable in arrears on 31 December in each year.

Capital

The preference shares rank ahead of the ordinary shares on a winding-up or the return of capital and the holders are entitled in priority to any payment of any other class of shares up to a maximum of the redemption amount.

12. Share capital

	2017 \$000	2016 \$000
Allotted, called up and fully paid		
Ordinary shares	<u>-</u>	<u>4,726</u>

On 28 December 2017, the Company performed a capital reduction reducing its ordinary share capital to 1 ordinary share of £1 and 1 ordinary share of \$1.

The Company does not have an authorised share capital.

AFW INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. Controlling party

The immediate parent company is Amec Foster Wheeler International Holdings Limited, which is incorporated in England & Wales.

On 9 October 2017, Amec Foster Wheeler Limited (formerly Amec Foster Wheeler plc) and its subsidiaries were acquired by John Wood Group PLC and as of that date the Directors consider the Company's ultimate parent company to be John Wood Group PLC, a company incorporated in Scotland.

The largest group in which the results of the Company were consolidated for the year ended 31 December 2017 was John Wood Group PLC.