WOOD GROUP

News Release

21 February 2017

Full year results for the year ended 31 December 2016

Well positioned in an oil & gas market with ongoing challenges

"Despite challenging conditions in our core oil & gas market in 2016 the Group delivered financial performance in line with expectations. Results benefited from the robust management of utilisation and costs and one off benefits. We enter 2017 as One Wood Group, repositioned to enhance customer delivery and we are encouraged by their support for our services, albeit in a competitive pricing environment. The oil & gas market continues to present challenges and we remain cautious on the near term outlook" - Robin Watson, Chief Executive

Financial Summary	**2016 $m**	**2015 $m**	**% Change**
Total Revenue[1]	**4,934**	5,852	(15.7)%
Total EBITA[1]	**363**	470	(22.8)%
EBITA Margin	**7.4%**	8.0%	(0.6)%
Revenue from continuing operations on an equity accounting basis	**4,121**	5,001	(17.6)%
Operating Profit before exceptional items	**244**	341	(28.4)%
Profit for the year	**34.4**	90.1	(61.8)%
Basic EPS	**7.5c**	21.4c	(65.0%)
Adjusted diluted EPS[2]	**64.1c**	84.0c	(23.7%)
Total Dividend	**33.3c**	30.3c	10.0%

- Oil & gas markets remained very challenging in 2016; lower oil prices endured and activity fell
- EBITA of $363m in line with expectations[2], down 22.8% on 2015. Adjusted EPS of 64.1c down 23.7%.
- Despite lower volumes and pricing pressure, impact on EBITA and margin partly offset by:
    - Robust management of utilisation and decisive action on cost: headcount down 18%, overheads reduced by a further $96m
    - Commercial contract close outs on significant and legacy projects contributed $29m of EBITA
- Balance sheet remains robust: Net debt, including JVs of $331m. Net debt to EBITDA of 0.8x
- Proposed dividend up 10% in line with stated intention. Dividend cover of 1.9 times (2015: 2.8 times). Intention is to pursue a progressive dividend policy from 2017, taking into account cash flows and earnings
- Exceptional costs of $140m net of tax include $89m in respect of further impairment and restructuring of EthosEnergy and charges in respect of reorganisation, delayering and back office rationalisation in our core business
- Oil & gas market continues to present challenges in 2017. Modest recovery anticipated only in selected areas such as US onshore and greenfield offshore projects
- One Wood Group reorganisation together with sustainable overhead savings position the Group well for the longer term

Notes:

1. *See detailed footnotes following the Financial Review. Total Revenue and Total EBITA are presented based on proportionally consolidated numbers, which is the basis used by management to run the business and includes the contribution from joint ventures. A reconciliation to statutory numbers is provided in note 1 to the accounts*
2. *Company compiled publicly available consensus 2016 EBITA on a proportionally consolidated basis is $369m and AEPS is 65.2c, last updated on 31 January 2017. (http://www.woodgroup.com/investors/analyst-consensus/Pages/default.aspx)*

Wood Group is an international energy services company with around $5bn sales and operating in more than 40 countries. The Group designs, modifies, constructs and operates industrial facilities mainly for the oil & gas sector, right across the asset life-cycle. We enhance this with a wide range of specialist technical solutions including our world leading subsea, automation and integrity solutions. Our real differentiators are our range of services, the quality of our delivery, the passion of our people, our culture and values. We are extending the scale and scope of our core services into adjacent industries. Visit Wood Group at www.woodgroup.com and connect with us on LinkedIn and Twitter.

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There will be an analyst and investor presentation at the Lincoln Centre, 18 Lincoln's Inn Fields, WC2A 3ED at 09.00. Early registration is advised from 08.30.

A live webcast of the presentation will be available from www.woodgroup.com/investors/financial-information/financial-events-calendar
Replay facilities will be available later in the day.

Chair's statement

Markets

2016 represented a second successive fall in global E&P customer spending which was down over 20% following a similar reduction in 2015. Oil and gas markets remained very challenging; lower oil prices endured and activity fell across the sector. Early indications for 2017 suggest the potential for some modest increase in spending from 2016 levels, reflecting a recovery in North American onshore spending, largely offset by further reductions elsewhere for a third successive year.

Given the spending outlook for 2017 and the inherent lag of the impact on service company activity, we are cautious on the near term outlook for the Group. However, we remain positive on the longer term recovery.

Overview of 2016

The flexibility of Wood Group's business model, market leading position and the impact of bolt on M&A were key to delivering financial performance in line with expectations. In particular, the management of utilisation and early and decisive actions taken on cost reduction and efficiency in 2015, which continued in 2016, partly mitigated the impact of the tough pricing environment and reduced volumes.

During the year, Robin and the executive leadership reorganised and repositioned the Group across Asset Life Cycle Solutions and Specialist Technical Solutions. This organisational change is reflected in our full year results and our revised reportable segments mirror the new operating structure.

Together, the impact of structural cost reductions and the organisational change will help ensure that Wood Group emerges from this prolonged downturn as a stronger, better business in an oil & gas market that has recalibrated to a lower for longer commodity price environment.

Dividend

The Board has recommended a final dividend of 22.5 cents per share, which makes a total distribution for the year of 33.3 cents, an increase of 10% in line with previously stated intentions. The dividend cover ratio was 1.9 times (2015: 2.8 times). Following successive 10% annual increases in the dividend, we intend to pursue a progressive dividend policy going forward, taking into account cash flows and earnings.

Ian Marchant, Chair

Chief Executive's review

Trading performance	2016 $m	2015 $m	% Change
Total Revenue	**4,934**	5,852	(15.7)%
Total EBITA[1]	**363**	470	(22.8)%
EBITA Margin	**7.4%**	8.0%	(0.6)%
Operating Profit before exceptional items	**244**	341	(28.4)%
Adjusted diluted EPS[2]	**64.1c**	84.0c	(23.7)%

Note: The commentary below on trading performance is presented based on proportionally consolidated numbers, which is the basis used by management to run the business. Total Revenue and Total EBITA include the contribution from joint ventures. A reconciliation to statutory numbers is provided in note 1 to the accounts.

Financial performance in 2016 reflected lower volumes and pricing pressure. The Group delivered EBITA of $363m in line with expectations, down 22.8% on 2015. Adjusted EPS of 64.1c was down 23.7%. EBITA margins fell 0.6%. The impact on EBITA was partly offset by robust management of utilisation and decisive action on cost, with headcount down 18% and overheads down a further $96m.

EBITA also benefitted from the impact of commercial contract close outs on significant and legacy projects of around $15m in Asset Life Cycle Solutions Eastern Region and $14m in Specialist Technical Solutions. Due to the nature of the contracts that completed and the current outlook we do not anticipate that this will repeat in 2017.

Safety remains our top priority. In 2016, whilst there were some areas where we had excellent safety delivery, the overall picture across the business was one where safety performance remained broadly static but we saw an increase in high potential incidents. Looking ahead, we have immediate plans to draw together safety initiatives and ideas generated across the business to improve our programmes. In the Gulf of Mexico, we have entered plea agreements in respect of investigations into certain events in previous years. The plea agreements, which are subject to approval by the court, provide for the payment of fines and penalties, as well as a compliance plan which is still to be finalized. We have taken significant steps to protect against any recurrence. Costs associated with the potential outcome were provided in 2015.

In February 2016, I set out my vision for Wood Group; to be recognised as the best technical services company to work with, work for and invest in, with a relentless focus on excellence. The Group focussed on the short term challenges of cost efficiency and utilisation and positioning for a prolonged period of lower oil prices. We made significant progress against my initial objectives; to ensure our business was appropriately structured to improve delivery to customers; to continue to generate sustainable cost savings; to develop our best talent; to continue to invest both organically in innovation and through acquisition; and to create value for shareholders.

We reorganised and repositioned as One Wood Group, refining our operating structure to enhance customer delivery. We moved to an organisation defined by service provision, with the intention of ensuring that customers understand the breadth of our offering across Asset Life Cycle Solutions and Specialist Technical Solutions. The change increases our effectiveness by enabling easier customer engagement, generates efficiency gains as a simpler business with less internal complexity, and better positions the Group to develop smart solutions.

Asset Life Cycle Solutions accounts for c 90% of revenue and has a Western and Eastern Hemisphere management structure. Specialist Technical Solutions is a smaller discrete business unit that pulls together specialist and niche offerings to ensure they receive appropriate executive attention, investment and strategic direction.

The organisational change has been welcomed by customers and the benefits are already being seen in a number of live bids and contract awards. Our combined experience in pipelines and facility operations & maintenance was key in securing the operatorship scopes for the CATS and SAGE systems. More generally, renewals and awards from some of our largest customers owed much to the improved visibility of our broad offering, including our growing Automation service line, and One Wood Group delivery model.

Following a sustainable overhead cost reduction of $148m in 2015, we reduced overhead costs by a further $96m in 2016. This has meant further tough decisions which directly impact our people. Underlying headcount, excluding acquisitions, is down 36% over a two year period. As expected, the pace of saving has slowed, although we believe the savings achieved are sustainable into 2017.

We recognised exceptional costs of $140m net of tax in 2016. This included $89m in respect of the restructuring of and a further impairment in the carrying value of our investment in EthosEnergy. We are actively pursuing our longer-term strategic options for EthosEnergy, which include a possible disposal of our interest. We recognised a charge of $51m net of tax relating to reorganisation, delayering and back office rationalisation in our core business as we took actions in response to the tough market.

There is no change to our appetite or focus on M&A. Opportunities have been less than anticipated in 2016 and we have remained disciplined as regard to potential targets. We continue to focus on opportunities that may better consolidate our offering or accelerate delivery against our strategic objectives, including broadening our end market exposure.

The Group continues to benefit from a strong balance sheet and we are comfortable with the flexibility, diversity and maturity of our funding. Ongoing dividends, organic investment and M&A remain our preferred uses of cash.

Outlook

Financial performance in 2016 reflected lower volumes and pricing pressure. This was partly offset by the robust management of utilisation and decisive action on costs, significant one off benefits and the contribution from bolt on acquisitions completed in 2015.

We are cautious on the near term outlook for the Group, although customer support for our services remains strong. In a competitive pricing environment, we secured a number of renewals and new awards with some of our largest customers. This gives us confidence that our reorganised business is well positioned to support customers in a lower for longer environment.

Overall, the oil & gas market continues to present challenges in 2017. We anticipate modest recovery only in markets such as US onshore and greenfield offshore projects. 2017 performance will reflect the current pricing environment for work which remains competitive, although we believe our cumulative overhead cost savings since 2015 will be sustainable in 2017.

Our market position remains strong. I am confident that our focus on delivering value through our Asset Life Cycle Solutions and Specialist Technical Solutions together with our customer relationships, global footprint, and strong financial footing position us well over the longer term.

Robin Watson, Chief Executive

Asset Life Cycle Solutions Western Region

	2016 $m	2015 $m	% Change
Total Revenue	**2,115**	2,121	(0.3)%
Total EBITA	**176**	209	(15.8)%
EBITA margin	**8.3%**	9.9%	(1.6)%
People	**10,900**	13,800	(21.0)%

Revenue in 2016 was broadly flat with 2015 due to the contribution from businesses acquired in late 2015 offsetting underlying revenues that fell by over 15%. Despite significant pricing pressure, margin fell by only 1.6%, due to robust and decisive management of utilisation and cost.

Operations and Maintenance work accounted for around 70% of revenue and was up on 2015 due to the contribution of Infinity and Kelchner acquired in 2015. Our US onshore business was significantly impacted by the tough market but remained the largest contributor to this service line in the West. We saw a good contribution from our work in the Gulf coast petrochemical market following the acquisition of Infinity. Performance in East Canada improved significantly. We continue to work on our hook up and commissioning scope on the Hebron topsides and we secured a five year contract on the Hibernia platform.

Projects and Modifications accounted for around 30% of revenue and was down on 2015. US onshore work was the largest contributor to revenue and included the ETC Dakota access pipeline, the Flint Hills refinery project and activity on process plants and transmission pipelines more generally. Activity in greenfield offshore remained in line with prior year and included the detailed design on Stampede for Hess and Peregrino 2 for Statoil, completion of the FEED and commencement of the detailed engineering for Noble Leviathan and ongoing FEED activity for Anadarko Shenandoah. We also commenced detailed engineering for Kiewit on the BP South Pass Platform expansion project in the Gulf of Mexico.

Outlook

There are early signs of improvement for our Operations and Maintenance services in the core US onshore market where we have a breadth of capability across the Permian, Eagle Ford, Marcellus & Utica and Bakken basins. Rig count increases are beginning to have a modest impact on activity. In Projects and Modifications, a number of large projects reached conclusion in 2016 including Flint Hills and Stampede. However, we believe we have increased our market share in the greenfield topsides market albeit in a tougher pricing environment.

Asset Life Cycle Solutions Eastern Region

	2016 $m	2015 $m	% Change
Total Revenue	**2,331**	3,145	(25.9)%
Total EBITA	**143**	217	(34.1)%
EBITA margin	**6.1%**	6.9%	(0.8)%
People	**15,300**	19,000	(19.5)%

Revenue in 2016 fell 26%, principally due to a significant reduction in brownfield modifications work in a very subdued North Sea market. EBITA fell 34% reflecting lower activity, the tougher pricing environment and foreign exchange headwinds, despite the offsetting impact of commercial contract close out on significant and legacy projects of around $15m and further reductions in overhead costs.

Operations and Maintenance accounted for around 60% of Eastern Hemisphere revenues. We faced a tough market in the North Sea, which was down on 2015. We maintained our leading position, having renewed a majority of contracts over the last 18 months that secures access to work as activity levels recover in the longer term. Our duty holder scopes operating both the CATS gas plant and pipeline for Antin Infrastructure and the SAGE gas plant and pipeline for Ancala Midstream demonstrate our strong capability to partner with new entrants to the basin. Elsewhere, activity levels increased on our Exxon contracts in Papua New Guinea, and in Australia we renewed our contract with Melbourne Water. We also secured a five year managed services scope from Hess Malaysia for their offshore facilities in the North Malay basin.

Turbine related Operations & Maintenance activity was down on 2015. We saw weaker than expected performance in our EthosEnergy joint venture with reductions in major maintenance and equipment sales. This has impacted our longer term view of performance, resulting in an impairment of the carrying value of our investment in EthosEnergy. We are actively pursuing our longer-term strategic options for EthosEnergy.

Projects & Modifications accounted for around 40% of revenues. We completed the later stage follow-on engineering and construction support scope on Det Norske's Ivar Aasen project. In the UK North Sea, we experienced a significant fall in brownfield modifications and upgrade activity under existing contracts. Activity on our Saudi Aramco contracts grew and we renewed our General Engineering Services Plus frame agreement in the second half of the year. Work with Exxon in Iraq and BP in Azerbaijan is ongoing, although the pace of activity has been slower than anticipated. In Kazakhstan, we saw strong activity on our work with NCOC.

Outlook

Activity levels in the North Sea Operations, Maintenance and Modifications work are not anticipated to improve significantly in 2017, and results will reflect the margin impact of renegotiated contract renewals secured in 2016. We do expect higher activity elsewhere, with customers including Hess in Malaysia and Exxon on PNG. We have low visibility on larger greenfield projects work in the East and the market generally remains weak, following the completion of a number of projects in 2016 including Ivar Aasen. The Middle East market presents the greatest opportunities for Projects and Modifications in 2017.

Specialist Technical Solutions

	2016 $m	2015 $m	% Change
Total Revenue	**488**	586	(16.7)%
Total EBITA	**79**	92	(14.1)%
EBITA margin	**16.2%**	15.7%	0.5%
People	**2,800**	2,600	7.7%

Financial performance in Specialist Technical Solutions reflects a significant reduction in Subsea activity, partially offset by robust activity in Automation and the contribution of ATG acquired in September 2015. Despite a tough pricing environment, commercial contract close out on significant and legacy projects of around $14m, the release of deferred consideration provisions for acquisitions in the second half of the year and the impact of cost reduction initiatives resulted in an increase in margins.

We have seen significantly reduced Subsea services activity. We are working on a number of early stage, tie back and verification scopes, but there are minimal large projects coming to market. Relationships with our customers remain positive, evidenced by a number of master service agreements secured with Statoil, Apache, BP and Chevron, albeit at lower margins. Within our technology offering, we saw growth in our smart asset integrity and clean energy services.

Following our engagement on early stage engineering, we were formally awarded the $700m main automation contractor scope for Chevron’s Tengiz expansion project in 2016, and this was followed up with a $40m award from ExxonMobil Chemical to provide main automation contractor services for a Texas polyethylene plant following completion of the FEED work.

Outlook

The subsea market remains very subdued for larger projects and it is likely there will be lower activity in 2017. We have strong visibility for our Automation activity that is expected to grow following a number of awards and we also see good opportunities for our clean energy offering within our technology business.

Financial Review

Trading performance

Trading performance is presented based on proportionally consolidated numbers, which is the basis used by management to run the business. Total Revenue and Total EBITA include the contribution from Joint Ventures. A reconciliation to statutory measures of revenue and operating profit from continuing operations excluding joint ventures is included in note 1 to the Financial Statements.

	Full Year 2016 $m	**Full Year 2015 $m**
Total Revenue	**4,934.0**	5,852.4
Total EBITA	**363.4**	469.7
EBITA margin %	***7.4%***	*8.0%*
Amortisation - software and system development	**(54.4)**	(54.8)
Amortisation - intangible assets from acquisitions	**(49.9)**	(54.2)
EBIT	**259.1**	360.7
Net finance expense	**(25.8)**	(23.1)
Profit before tax and exceptional items	**233.3**	337.6
Taxation before exceptional items	**(59.1)**	(88.4)
Profit before exceptional items	**174.2**	249.2
Exceptional items, net of tax	**(139.8)**	(159.1)
Profit for the period	**34.4**	90.1
Basic EPS (cents)	**7.5c**	21.4c
Adjusted diluted EPS (cents)	**64.1c**	84.0c

The review of our trading performance is contained within the Chief Executive Review.

Reconciliation to operating profit

The table below sets out a reconciliation of EBITA to operating profit per the group income statement before exceptional items. Operating profit on a post exceptional basis by segment is included in note 1 to the Financial Statements.

	2016 $m	2015 $m
Total EBITA	**363.4**	469.7
Amortisation	**(104.3)**	(109.0)
EBIT	**259.1**	360.7
Tax and interest charges on joint ventures included within operating profit but not in EBITA	**(15.4)**	(19.7)
Operating profit before exceptional items	**243.7**	341.0

From half year 2017, it is our intention to use Operating profit (pre-exceptional items), as set out in our Group Financial Statements, rather than EBITA as our key financial performance measure. We have chosen to move to Operating profit in order to make our performance measures more straightforward and to remove the need the for additional reconciliations to statutory measures.

'Like for like' trading

The financial performance of the Group, adjusting for acquisitions and on a constant currency basis, is shown below. The 2015 results have been restated to include the results of acquisitions made in 2015 (Infinity, Kelchner, Beta and ATG) as if they had been acquired on 1 January 2015 and also to apply the average exchange rates used to translate the 2016 results. The 2016 results have been restated to exclude the results of acquisitions made in 2016 (SVT and Ingenious).

Unaudited	**2016 Total Revenue $m**	**2016 Total EBITA $m**	**2015 Total Revenue $m**	**2015 Total EBITA $m**
Asset Life Cycle Solutions East	**2,331.2**	**143.3**	2,916.9	200.4
Asset Life Cycle Solutions West	**2,115.3**	**176.3**	2,524.6	239.9
Specialist Technical Solutions	**475.1**	**77.7**	607.0	93.6
Central costs	**-**	**(35.5)**	-	(44.3)
Pro forma	**4,921.6**	**361.8**	6,048.5	489.6
Acquisitions	**12.4**	**1.6**	(460.0)	(40.5)
Constant currency	**-**	**-**	263.9	20.6
Total Revenue and EBITA as reported	**4,934.0**	**363.4**	5,852.4	469.7

Amortisation

The amortisation charge for 2016 of $104.3m (2015: $109.0m) includes $49.9m (2015: $54.2m) of amortisation relating to intangible assets arising from acquisitions. $38.7m (2015: $26.6m) of the charge relates to businesses acquired by Asset Life Cycle Solutions West including Infinity, Elkhorn and Mitchells. Amortisation in respect of software and development costs was $54.4m (2015: $54.8m) and this largely relates to engineering software and ERP system development.

Included in the amortisation charge for the year above is $2.0m (2015: $1.9m) in respect of joint ventures.

Net finance expense

Net finance expense is analysed further below.

	Full year 2016 $m	**Full year 2015 $m**
Interest on debt, arrangement fees and non-utilisation charges	**13.9**	12.9
Interest on US Private Placement debt	**14.1**	14.1
Total finance expense	**28.0**	27.0
Finance income	**(2.2)**	(3.9)
Net finance expense	**25.8**	23.1

Interest cover[4] was 14.1 times (2015: 20.3 times).

Included in the above are net finance charges of $2.4m (2015: $2.3m) in respect of joint ventures.

Taxation

The effective tax rate on profit before tax and exceptional items including joint ventures and discontinued operations on a proportionally consolidated basis is set out below.

	Full year 2016 $m	**Full year 2015 $m**
Profit from continuing operations before tax (pre-exceptional items)	**233.3**	337.6
Tax charge (pre-exceptional items)	**59.1**	88.4
Effective tax rate on continuing operations (pre-exceptional items)	**25.3%**	26.2%

The tax charge above includes $12.4m in relation to joint ventures (2015: $17.4m).

The Group's effective tax rate is likely to reflect a degree of volatility in the near term, principally due to potential changes in the US tax regime. A significant proportion of the Group's income is earned in the US, but the Group also has material deferred tax assets in the US that would need to be revalued should there be a change in the US tax rate. The impact of any change in US rate is therefore difficult to predict at this stage.

Exceptional items

	Full Year 2016 $m	Full year 2015 $m
EthosEnergy impairment and restructuring	**89.0**	159.1
Restructuring charges	**65.9**	36.6
Onerous contract	**-**	(14.1)
Gain on divestment of Well Support division	**-**	(10.4)
Total exceptional items pre-tax	**154.9**	171.2
Tax on exceptional items	**(15.1)**	(12.1)
Total exceptional items, net of tax	**139.8**	159.1

At 31 December 2016, the Group carried out an impairment review of its investment in the EthosEnergy joint venture. The recoverable amount of the investment of $100.0m is lower than the book value and an impairment charge of $56.7m has been booked in the income statement. In addition, the Group has impaired its receivables by $2.4m in relation to a balance due by EthosEnergy and a provision of $29.9m has been recorded by EthosEnergy relating to redundancy costs and the closure of certain operations at the end of 2016. See note 10 for further details. The EthosEnergy impairments are recorded in the Asset Life Cycle Solutions East segment.

As a result of reorganisation, delayering and back office rationalisation, an exceptional charge of $65.9m has been recorded in the period. $27.5m relates to redundancy costs incurred as people have left the business and $38.4m relates to onerous lease provisions in relation to property.

A tax credit of $15.1m has been recorded in respect of the exceptional items included in continuing operations.

Earnings per share

Adjusted diluted EPS for the year was 64.1 cents per share (2015: 84.0 cents). The average number of fully diluted shares used in the EPS calculation for the period was 382.9m (2015: 379.3m).

Adjusted diluted EPS adds back all amortisation. If only the amortisation related to intangible assets arising on acquisition is adjusted and no adjustment is made for that relating to software and development costs, the figure for 2016 would be 53.5 cents per share (2015: 73.3 cents).

Dividend

The Board is recommending a final dividend of 22.5 cents per share, an increase of 10%, which, when added to the interim dividend of 10.8 cents per share makes a total distribution for the year of 33.3 cents per share (2015: 30.3 cents), a full year increase of 10%. The dividend is covered 1.9 times (2015: 2.8 times) by adjusted earnings per share.

Going forward we intend to pursue a progressive dividend policy going forward, taking into account cash flows and earnings.

Cash flow and net debt

The cash flow and net debt position below has been prepared using equity accounting for joint ventures, and as such does not proportionally consolidate the assets and liabilities of joint ventures. The gross and net debt figures including joint ventures are given below.

	Full year 2016 $m	**Full year 2015 $m**
Opening net debt (excluding JV's)	**(293.9)**	(326.6)
Cash generated from operations pre working capital (excluding JV's)	**325.5**	503.7
Working capital movements (excluding JV's)	**(80.4)**	59.2
Cash generated from operations	**245.1**	562.9
Acquisitions	**(36.2)**	(238.0)
Capex and intangibles	**(86.8)**	(82.6)
Tax paid	**(55.6)**	(96.6)
Interest, dividends and other	**(95.2)**	(113.0)
(Increase)/decrease in net debt	**(28.7)**	32.7
Closing net debt (excluding JV's)	**(322.6)**	(293.9)
JV net (debt)/cash	**(8.8)**	3.6
Closing net debt (including JV's)	**(331.4)**	(290.3)

Cash generated from operations pre-working capital decreased by $178.2m to $325.5m and post-working capital decreased by $317.8m to $245.1m.

Days Sales Outstanding ("DSO") increased from 63 to 74 days due to administrative and billing issues with certain of our larger customers and a general increase in the time customers are taking to pay, although bad debts remain low and we have no concerns around the recoverability of the outstanding receivables balances. In line with activity the total level of receivables reduced in the year, however this was more than offset by a reduction in payables and the impact of the increase in DSO, resulting in a net working capital outflow of $80.4m.

Cash conversion, calculated as cash generated from operations as a percentage of EBITDA, reduced to 68% (2015: 119%) due to the net working capital outflow combined with the impact of a net release of provisions following contract close outs.

Expenditure on acquisitions of $36.2m includes $12.2m in relation to the acquisitions of SVT and Ingenious, $5.2m in respect of companies acquired in prior periods and $18.8m in relation to the acquisition of additional shareholdings in Mustang Al-Hejailan, the Group's Saudi Arabian engineering business, and SgurrEnergy Ltd its renewable energy business during the year.

Payments for capex and intangible assets were $86.8m (2015: $82.6m) and included software development and expenditure on ERP systems across the Group.

Net debt of $331.4m (including our share of JV net debt) to Total EBITDA was 0.79 times (2015: 0.55 times). The Board would generally expect net debt to EBITDA on this basis to be in a range of around 0.5 to 1.5 times going forward and to be typically below 1.0 times.

Summary Balance Sheet

The balance sheet below has been prepared using equity accounting for joint ventures, and as such does not proportionally consolidate the joint ventures assets and liabilities.

	Dec 2016 $m	Dec 2015 $m
Non-current assets	**2,450.0**	2,656.8
Current assets	**1,579.5**	2,057.1
Current liabilities	**(1,070.7)**	(1,469.3)
Net current assets	**508.8**	560.8
Non-current liabilities	**(750.6)**	(796.6)
Net assets	**2,208.2**	2,421.0
Equity attributable to owners of the parent	**2,195.2**	2,398.3
Non-controlling interests	**13.0**	22.7
Total equity	**2,208.2**	2,421.0

The reduction in non-current assets during the year reflects the impairment of our investment in EthosEnergy. Current assets and current liabilities are lower than 2015 reflecting the lower level of activity in 2016. Values of both assets and liabilities have been impacted by the weakening of sterling against the US dollar.

The Group's Return on Capital Employed ("ROCE")[5] reduced from 16.3% to 13.0% due to lower profits in the period.

Pensions

The majority of the Group's pension arrangements are on a defined contribution basis. The Group operates one UK defined benefit scheme which had 1,121 deferred, pensionable deferred or pensionable members at 31 December 2016. The scheme was closed to future accrual at 30th June 2014.

At 31 December 2016, based on the actuary's valuation the scheme had a deficit of $7.0m (2015: surplus $4.5m) before recognition of a deferred tax liability of $1.4m (2015: asset $0.9m). In assessing the potential liabilities, judgment is required to determine the assumptions around inflation, investment returns and member longevity. The movement in the year is due to the increase in liabilities resulting from a lower discount rate driven by lower corporate bond yields and an increased inflation rate partly offset by better than expected asset performance and company contributions made in the period. Full details of pension assets and liabilities are provided in note 29 to the Group Financial Statements.

Acquisitions

In April 2016, the Group acquired 100% of the share capital of SVT Holdings Pty Limited. SVT, which is based in Perth, Australia, provides piping and rotating equipment vibration, noise, integrity engineering and asset integrity services to the oil and gas, power, mining and utilities sectors. Also in April, the Group acquired 100% of the share capital of Ingenious Inc. Ingenious, which is based in Houston, Texas, provides proprietary software and consulting services to the global chemical, oil and gas, and energy industries. SVT and Ingenious are reported in the Specialist Technical Solutions segment.

Footnotes

1 Total EBITA represents operating profit including JVs on a proportional basis of $104.2m (2015: $179.1m) before the deduction of amortisation of $104.3m (2015: $109.0m) and continuing exceptional expense of $154.9m (2015: $181.6m) and is provided as it is a key unit of measurement used by the Group in the management of its business. A reconciliation to statutory numbers is provided in note 1 to the accounts.
2 Adjusted diluted earnings per share ("AEPS") is calculated by dividing earnings before exceptional items and amortisation, net of tax, by the weighted average number of ordinary shares in issue during the period, excluding shares held by the Group's employee share ownership trusts and adjusted to assume conversion of all potentially dilutive ordinary shares.
3 Number of people includes both employees and contractors at 31 December 2016 and includes joint ventures.
4 Interest cover is EBITA divided by the net finance expense.
5 Return of Capital Employed ("ROCE") is EBITA divided by average capital employed.

JOHN WOOD GROUP PLC

GROUP FINANCIAL STATEMENTS

FOR THE YEAR TO 31ST DECEMBER 2016

Company Registration Number SC 36219

John Wood Group PLC

Consolidated income statement
for the year to 31 December 2016

		2016			2015		
	Note	**Pre-Exceptional Items $m**	**Exceptional Items (note 4) $m**	**Total $m**	Pre-Exceptional Items $m	Exceptional Items (note 4) $m	Total $m
Revenue from continuing operations	**1**	**4,120.6**	**-**	**4,120.6**	5,000.6	-	5,000.6
Cost of sales		**(3,498.2)**	**-**	**(3,498.2)**	(4,183.4)	-	(4,183.4)
Gross profit		**622.4**	**-**	**622.4**	817.2	-	817.2
Administrative expenses	**4**	**(411.4)**	**(68.3)**	**(479.7)**	(501.3)	(45.9)	(547.2)
Impairment of investment in joint ventures	**4,10**	**-**	**(56.7)**	**(56.7)**	-	(137.2)	(137.2)
Share of post-tax profit from joint ventures	**4,10**	**32.7**	**(29.3)**	**3.4**	25.1	1.5	26.6
Operating profit	**1**	**243.7**	**(154.3)**	**89.4**	341.0	(181.6)	159.4
Finance income	**2**	**2.2**	**-**	**2.2**	3.1	-	3.1
Finance expense	**2**	**(25.6)**	**-**	**(25.6)**	(23.9)	-	(23.9)
Profit before taxation from continuing operations	**3,4**	**220.3**	**(154.3)**	**66.0**	320.2	(181.6)	138.6
Taxation	**4,5**	**(46.1)**	**14.5**	**(31.6)**	(71.0)	9.0	(62.0)
Profit for the year from continuing operations		**174.2**	**(139.8)**	**34.4**	249.2	(172.6)	76.6
Profit from discontinued operations, net of tax	**4**	**-**	**-**	**-**	-	13.5	13.5
Profit for the year		**174.2**	**(139.8)**	**34.4**	249.2	(159.1)	90.1
Profit attributable to:							
Owners of the parent		**167.6**	**(139.8)**	**27.8**	238.1	(159.1)	79.0
Non-controlling interests	**25**	**6.6**	**-**	**6.6**	11.1	-	11.1
		174.2	**(139.8)**	**34.4**	249.2	(159.1)	90.1
Earnings per share (expressed in cents per share)							
Basic	**7**	**45.2**	**(37.7)**	**7.5**	64.5	(43.1)	21.4
Diluted	**7**	**43.8**	**(36.5)**	**7.3**	62.8	(42.0)	20.8

The notes on pages 22 to 81 are an integral part of these consolidated financial statements.

John Wood Group PLC

Consolidated statement of comprehensive income/expense

for the year to 31 December 2016

	Note	**2016 $m**	2015 $m
Profit for the year		**34.4**	90.1
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Re-measurement (losses)/gains on retirement benefit scheme	**29**	**(14.2)**	24.9
Movement in deferred tax relating to retirement benefit scheme	**5**	**2.8**	(4.9)
Total items that will not be reclassified to profit or loss		**(11.4)**	20.0
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges	**24**	**-**	(0.1)
Exchange movements on retranslation of foreign currency net assets	**24**	**(138.8)**	(175.4)
Exchange movements on retranslation of non-controlling interests	**25**	**(0.3)**	(0.5)
Total items that may be reclassified subsequently to profit or loss		**(139.1)**	(176.0)
Other comprehensive expense for the year, net of tax		**(150.5)**	(156.0)
Total comprehensive expense for the year		**(116.1)**	(65.9)
Total comprehensive expense for the year is attributable to:			
Owners of the parent		**(122.4)**	(76.5)
Non-controlling interests		**6.3**	10.6
		(116.1)	(65.9)
Total comprehensive expense for the year is attributable to:			
Continuing operations		**(116.1)**	(79.4)
Discontinued operations	**4**	**-**	13.5
		(116.1)	(65.9)

Exchange movements on the retranslation of net assets could be subsequently reclassified to profit or loss in the event of the disposal of a business.

The notes on pages 22 to 81 are an integral part of these consolidated financial statements.

John Wood Group PLC

Consolidated balance sheet
as at 31 December 2016

	Note	2016 $m	Restated 2015 $m
Assets			
Non-current assets			
Goodwill and other intangible assets	**8**	**1,894.5**	2,004.5
Property plant and equipment	**9**	**171.1**	204.2
Investment in joint ventures	**10**	**205.9**	300.4
Long term receivables	**12**	**87.2**	80.7
Retirement benefit scheme surplus	**29**	**-**	4.5
Deferred tax assets	**19**	**91.3**	62.5
		2,450.0	2,656.8
Current assets			
Inventories	**11**	**7.0**	8.1
Trade and other receivables	**12**	**978.3**	1,176.0
Income tax receivable		**14.7**	21.7
Cash and cash equivalents	**13**	**579.5**	851.3
		1,579.5	2,057.1
Liabilities			
Current liabilities			
Borrowings	**15**	**433.6**	676.7
Trade and other payables	**14**	**589.0**	753.9
Income tax liabilities		**48.1**	65.7
		1,070.7	1,496.3
Net current assets		**508.8**	560.8
Non-current liabilities			
Borrowings	**15**	**495.0**	495.0
Deferred tax liabilities	**19**	**4.7**	6.0
Retirement benefit scheme deficit	**29**	**7.0**	-
Other non-current liabilities	**16**	**173.3**	200.8
Provisions	**18**	**70.6**	94.8
		750.6	796.6
Net assets		**2,208.2**	2,421.0
Equity attributable to owners of the parent			
Share capital	**21**	**23.9**	23.8
Share premium	**22**	**63.9**	63.9
Retained earnings	**23**	**2,098.0**	2,162.4
Other reserves	**24**	**9.4**	148.2
		2,195.2	2,398.3
Non-controlling interests	**25**	**13.0**	22.7
Total equity		**2,208.2**	2,421.0

Following the issue of a decision by the IFRS Interpretations Committee regarding offsetting and cash pooling arrangements, the Group has restated its comparative figures for cash and cash equivalents and short term borrowings at 31 December 2015. The restatement increases both cash and borrowings at 31 December 2015 by $646.8m.

The financial statements on pages 17 to 81 were approved by the board of directors on 20 February 2017 and signed on its behalf by:

Robin Watson, Director David Kemp, Director

The notes on pages 22 to 81 are an integral part of these consolidated financial statements.

John Wood Group PLC
Consolidated statement of changes in equity
for the year to 31 December 2016

	Note	Share capital $m	Share premium $m	Retained earnings $m	Other reserves $m	Equity attributable to owners of the parent $m	Non-controlling interests $m	Total equity $m
At 1 January 2015		**23.7**	**56.0**	**2,142.8**	**323.7**	**2,546.2**	**13.1**	**2,559.3**
Profit for the year		-	-	79.0	-	**79.0**	11.1	**90.1**
Other comprehensive income/(expense):								
Re-measurement gains on retirement benefit scheme	**29**	-	-	24.9	-	**24.9**	-	**24.9**
Movement in deferred tax relating to retirement benefit scheme	**5**	-	-	(4.9)	-	**(4.9)**	-	**(4.9)**
Cash flow hedges	**24**	-	-	-	(0.1)	**(0.1)**	-	**(0.1)**
Net exchange movements on retranslation of foreign currency net assets	**24/25**	-	-	-	(175.4)	**(175.4)**	(0.5)	**(175.9)**
Total comprehensive income/(expense) for the year		**-**	**-**	**99.0**	**(175.5)**	**(76.5)**	**10.6**	**(65.9)**
Transactions with owners:								
Dividends paid	**6/25**	-	-	(104.9)	-	**(104.9)**	(1.0)	**(105.9)**
Credit relating to share based charges	**20**	-	-	12.7	-	**12.7**	-	**12.7**
Tax credit relating to share option schemes	**5**	-	-	7.5	-	**7.5**	-	**7.5**
Shares allocated to employee share trusts	**23**	0.1	7.9	(8.0)	-	**-**	-	**-**
Shares disposed of by employee share trusts	**23**	-	-	5.6	-	**5.6**	-	**5.6**
Exchange movements in respect of shares held by employee share trusts	**23**	-	-	7.7	-	**7.7**	-	**7.7**
At 31 December 2015		**23.8**	**63.9**	**2,162.4**	**148.2**	**2,398.3**	**22.7**	**2,421.0**
Profit for the year		**-**	**-**	**27.8**	**-**	**27.8**	**6.6**	**34.4**
Other comprehensive income/(expense):								
Re-measurement losses on retirement benefit scheme	**29**	**-**	**-**	**(14.2)**	**-**	**(14.2)**	**-**	**(14.2)**
Movement in deferred tax relating to retirement benefit scheme	**5**	**-**	**-**	**2.8**	**-**	**2.8**	**-**	**2.8**
Net exchange movements on retranslation of foreign currency net assets	**24/25**	**-**	**-**	**-**	**(138.8)**	**(138.8)**	**(0.3)**	**(139.1)**
Total comprehensive income/(expense) for the year		**-**	**-**	**16.4**	**(138.8)**	**(122.4)**	**6.3**	**(116.1)**
Transactions with owners:								
Dividends paid	**6/25**	**-**	**-**	**(116.0)**	**-**	**(116.0)**	**(6.7)**	**(122.7)**
Credit relating to share based charges	**20**	**-**	**-**	**10.7**	**-**	**10.7**	**-**	**10.7**
Tax credit relating to share option schemes	**5**	**-**	**-**	**6.4**	**-**	**6.4**	**-**	**6.4**
Shares allocated to employee share trusts	**23**	**0.1**	**-**	**(0.1)**	**-**	**-**	**-**	**-**
Shares disposed of by employee share trusts	**23**	**-**	**-**	**7.5**	**-**	**7.5**	**-**	**7.5**
Exchange movements in respect of shares held by employee share trusts	**23**	**-**	**-**	**20.9**	**-**	**20.9**	**-**	**20.9**
Transactions with non-controlling interests	**23/25**	**-**	**-**	**(10.2)**	**-**	**(10.2)**	**(9.3)**	**(19.5)**
At 31 December 2016		**23.9**	**63.9**	**2,098.0**	**9.4**	**2,195.2**	**13.0**	**2,208.2**

The notes on pages 22 to 81 are an integral part of these consolidated financial statements.

John Wood Group PLC

Consolidated cash flow statement

for the year to 31 December 2016

	Note	2016 $m	Restated 2015 $m
Cash generated from operations	**26**	**245.1**	562.9
Tax paid		**(55.6)**	(96.6)
Net cash generated from operating activities		**189.5**	466.3
Cash flows from investing activities			
Acquisition of subsidiaries (net of cash acquired)	**27**	**(17.4)**	(238.0)
Acquisition of non-controlling interests	**25**	**(18.8)**	-
Purchase of property plant and equipment	**9**	**(29.0)**	(36.1)
Proceeds from sale of property plant and equipment		**24.4**	1.8
Purchase of intangible assets	**8**	**(57.8)**	(46.5)
Interest received		**2.4**	2.4
Repayment of loans from joint ventures		**24.0**	20.7
Net cash used in investing activities		**(72.2)**	(295.7)
Cash flows from financing activities			
(Repayment of)/proceeds from bank loans and overdrafts	**26**	**(241.6)**	85.2
Proceeds from disposal of shares by employee share trusts	**23**	**7.5**	5.6
Interest paid		**(23.4)**	(23.6)
Dividends paid to shareholders	**6**	**(116.0)**	(104.9)
Dividends paid to non-controlling interests	**25**	**(6.7)**	(1.0)
Net cash used in financing activities		**(380.2)**	(38.7)
Net (decrease)/increase in cash and cash equivalents	**26**	**(262.9)**	131.9
Effect of exchange rate changes on cash and cash equivalents	**26**	**(8.9)**	(14.5)
Opening cash and cash equivalents		**851.3**	733.9
Closing cash and cash equivalents	**13**	**579.5**	851.3

Following the issue of a decision by the IFRS Interpretations Committee regarding offsetting and cash pooling arrangements, the Group has restated its comparative figures for cash and cash equivalents and short term borrowings at 31 December 2015 by $646.8m (31 December 2014: $577.3m).

The notes on pages 22 to 81 are an integral part of these consolidated financial statements.

Notes to the financial statements

for the year to 31 December 2016

General information

John Wood Group PLC, its subsidiaries and joint ventures, provide services to the oil and gas and power generation industries worldwide. Details of the Group's activities during the year are provided in the Strategic Report. John Wood Group PLC is a public limited company, incorporated and domiciled in Scotland and listed on the London Stock Exchange.

Accounting Policies

Basis of preparation
These financial statements have been prepared in accordance with IFRS and IFRIC interpretations adopted by the European Union ('EU') and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements are also in compliance with IFRS as issued by the International Accounting Standards Board. The Group financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through the income statement.

Significant accounting policies
The Group's significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

Basis of consolidation
The Group financial statements are the result of the consolidation of the financial statements of the Group's subsidiary undertakings from the date of acquisition or up until the date of divestment as appropriate. Subsidiaries are entities over which the Group has the power to govern the financial and operating policies and generally accompanies a shareholding of more than one half of the voting rights. All Group companies apply the Group's accounting policies and prepare financial statements to 31 December.

Joint ventures
A joint venture is a type of joint arrangement where the parties to the arrangement share rights to its net assets. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

The Group's interests in joint ventures are accounted for using equity accounting. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture from the acquisition date. The results of the joint ventures are included in the consolidated financial statements from the date the joint control commences until the date that it ceases. The Group includes its share of joint venture profit on the line 'Share of post-tax profit from joint ventures' in the Group income statement and its share of joint venture net assets in the 'investment in joint ventures' line in the Group balance sheet.

Critical accounting judgments and estimates
The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. These estimates are based on management's best knowledge of the amount, event or actions and actual results ultimately may differ from those estimates. The estimates and assumptions that could result in a material adjustment to the carrying amounts of assets and liabilities are addressed below.

(a) Impairment of goodwill
The Group carries out impairment reviews whenever events or changes in circumstance indicate that the carrying value of goodwill may not be recoverable. In addition, the Group carries out an annual impairment review. An impairment loss is recognised when the recoverable amount of goodwill is less than the carrying amount. The impairment tests are carried out by CGU ('Cash Generating Unit') and reflect the latest Group budgets as approved by the Board. The budgets are based on various assumptions relating to the Group's businesses

Accounting Policies (continued)

including assumptions relating to market outlook, resource utilisation, contract awards and contract margins. The outlook for the Group is discussed in the Chief Executive Review. Pre-tax discount rates of between 12.0% and 12.8% have been used to discount the CGU cash flows and a terminal value is applied using long term growth rates of between 2% and 3%. A sensitivity analysis has been performed allowing for possible changes to both the discount rate and long term growth rate. See note 8 for further details.

(b) Impairment of investment in EthosEnergy joint venture
The Group's investment in the EthosEnergy joint venture is accounted for using equity accounting. An impairment review was carried out in December 2016 based on the latest forecasts for EthosEnergy. The recoverable amount of the investment per the review was lower than the book value and an impairment of $56.7m was recorded in the income statement. A sensitivity analysis has also been performed to allow for possible changes to the key assumptions. See note 10 for further details.

(c) Income taxes
The Group is subject to income taxes in numerous jurisdictions and judgement is required in determining the provision for income taxes. The Group provides for uncertain tax positions based on the best estimate of the most likely outcome in respect of the relevant issue. Where the final outcome on uncertain tax positions is different from the amounts initially recorded, the difference will have an impact on the Group's tax charge. See note 5 for further details.

(d) Retirement benefit scheme surplus/deficit
The Group operates a defined benefit pension scheme in the UK which is closed to future accrual. The value of the Group's retirement benefit scheme surplus/deficit is determined on an actuarial basis using a number of assumptions. Changes in these assumptions will impact the carrying value of the surplus/deficit. The Group determines the appropriate discount rate to be used in the actuarial valuation at the end of each financial year following consultation with the retirement benefit scheme actuary. In determining the rate used, consideration is given to the interest rates of high quality corporate bonds in the currency in which the benefits will be paid and that have terms to maturity similar to those of the related retirement benefit obligation. See note 29 for further details.

(e) Provisions
The Group records provisions where it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the obligation can be made. Where the outcome is less than probable, but more than remote, no provision is recorded but a contingent liability is disclosed in the financial statements, if material. The recording of provisions is an area which requires the exercise of management judgement relating to the nature, timing and probability of the liability and typically the Group's balance sheet includes provisions for doubtful debts, warranty provisions, contract provisions (including onerous contracts) and pending legal issues. See note 18 for further details.

Functional currency
The Group's earnings stream is primarily US dollars and the principal functional currency is the US dollar, being the most representative currency of the Group. The Group's financial statements are therefore prepared in US dollars.

The following exchange rates have been used in the preparation of these financial statements:

	2016	2015
Average rate £1 = $	**1.3538**	1.5289
Closing rate £1 = $	**1.2357**	1.4739

Foreign currencies
Income statements of entities whose functional currency is not the US dollar are translated into US dollars at average rates of exchange for the period and assets and liabilities are translated into US dollars at the rates of exchange ruling at the balance sheet date. Exchange differences arising on translation of net assets in such

Accounting Policies (continued)

entities held at the beginning of the year, together with those differences resulting from the restatement of profits and losses from average to year end rates, are taken to the currency translation reserve.

In each individual entity, transactions in overseas currencies are translated into the relevant functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the balance sheet date. Any exchange differences are taken to the income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate ruling at the balance sheet date.

The directors consider it appropriate to record sterling denominated equity share capital in the financial statements of John Wood Group PLC at the exchange rate ruling on the date it was raised.

Revenue recognition
Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Group's activities. Revenue is recognised only when it is probable that the economic benefits associated with a transaction will flow to the Group and the amount of revenue can be measured reliably. Revenue is recognised as the services are rendered, including where they are based on contractual rates per man hour in respect of multi-year service contracts. Incentive performance revenue is recognised upon completion of agreed objectives. Revenue is stated net of sales taxes (such as VAT) and discounts.

Revenue on fixed price or lump sum contracts for services, construction contracts and fixed price long-term service agreements is recognised according to the stage of completion reached in the contract by measuring the proportion of costs incurred for work performed to total estimated costs. An estimate of the profit attributable to work completed is recognised, on a basis that the directors consider to be appropriate, once the outcome of the contract can be estimated reliably, which is when a contract is not less than 20% complete. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately. The net amount of costs incurred to date plus recognised profits less progress billings is disclosed within trade and other receivables. Revenue from fixed price and lump sum contracts is not material in the current period.

Details of the services provided by the Group are provided on page 28 under the 'Segmental Reporting' heading.

Exceptional items
Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Group's financial performance. Material transactions which may give rise to exceptional items include gains and losses on divestment of businesses, write downs or impairments of assets including goodwill, restructuring costs or provisions, litigation settlements, provisions for onerous contracts and acquisition and divestment costs. See note 4 for full details of exceptional items.

Finance expense/income
Interest income and expense is recorded in the income statement in the period to which it relates. Arrangement fees and expenses in respect of the Group's debt facilities are amortised over the period which the Group expects the facility to be in place. Interest relating to the unwinding of the discount on deferred and contingent consideration liabilities is included in finance expense. Interest relating to the Group's retirement benefit scheme is also included in finance income/expense. See note 2 for further details.

Dividends
Dividends to the Group's shareholders are recognised as a liability in the period in which the dividends are approved by shareholders. Interim dividends are recognised when paid. See note 6 for further details.

Goodwill
The Group uses the purchase method of accounting to account for acquisitions. Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. Goodwill is carried at cost less

Accounting Policies (continued)

accumulated impairment losses. Goodwill is not amortised. Acquisition costs are expensed and included in administrative expenses in the income statement.

Intangible assets
Intangible assets are carried at cost less accumulated amortisation. Intangible assets are recognised if it is probable that there will be future economic benefits attributable to the asset, the cost of the asset can be measured reliably, the asset is separately identifiable and there is control over the use of the asset. Where the Group acquires a business, intangible assets on acquisition such as customer contracts are identified and evaluated to determine the carrying value on the acquisition balance sheet. Intangible assets are amortised over their estimated useful lives, as follows:

Software	3-5 years
Development costs and licenses	3-5 years
Intangible assets on acquisition (customer contracts and relationships)	5 years

Property plant and equipment
Property plant and equipment (PP&E) is stated at cost less accumulated depreciation and impairment. No depreciation is charged with respect to freehold land and assets in the course of construction.

Depreciation is calculated using the straight line method over the following estimated useful lives of the assets:

Freehold and long leasehold buildings	25-50 years
Short leasehold buildings	period of lease
Plant and equipment	3-10 years

When estimating the useful life of an asset group, the principal factors the Group takes into account are the durability of the assets, the intensity at which the assets are expected to be used and the expected rate of technological developments. Asset lives and residual values are assessed at each balance sheet date.

Impairment
The Group performs impairment reviews in respect of PP&E, investment in joint ventures and intangible assets whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. In addition, the Group carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than its carrying amount.

For the purposes of impairment testing, goodwill is allocated to the appropriate cash generating unit ('CGU'). The CGUs are aligned to the structure the Group uses to manage its business and they were updated during the year to reflect the change to the new service defined structure. Cash flows are discounted in determining the value in use.

See note 8 for further details of goodwill impairment testing and note 10 for details of impairment of investment in joint ventures.

Accounting Policies (continued)

Cash and cash equivalents
Cash and cash equivalents include cash in hand and other short-term bank deposits with maturities of three months or less. Bank overdrafts are included within borrowings in current liabilities.

Following the issue of a decision by the IFRS Interpretations Committee in 2016 regarding offsetting and cash pooling arrangements, the Group now shows balances that are part of a pooling arrangement on a gross basis in both cash and short term borrowings. Previously these balances were netted. The balance sheets at 31 December 2016 and 2015 are presented on this basis.

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The provision is determined by reference to previous experience of recoverability for receivables in each market in which the Group operates.

Trade payables
Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Deferred and contingent consideration
Where deferred or contingent consideration is payable on the acquisition of a business based on an earn out arrangement, an estimate of the amount payable is made at the date of acquisition and reviewed regularly thereafter, with any change in the estimated liability being reflected in the income statement. Where deferred consideration is payable after more than one year the estimated liability is discounted using an appropriate rate of interest. Deferred and contingent consideration is recognised at fair value.

Taxation
The tax charge represents the sum of tax currently payable and deferred tax. Tax currently payable is based on the taxable profit for the year. Taxable profit differs from the profit reported in the income statement due to items that are not taxable or deductible in any period and also due to items that are taxable or deductible in a different period. The Group’s liability for current tax is calculated using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided, using the full liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The principal temporary differences arise from depreciation on PP&E, tax losses carried forward and, in relation to acquisitions, the difference between the fair values of the net assets acquired and their tax base. Tax rates enacted, or substantially enacted, at the balance sheet date are used to determine deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Accounting for derivative financial instruments and hedging activities
Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently re-measured at fair value.

Where hedging is to be undertaken, the Group documents the relationship between the hedging instrument and the hedged item at the inception of the transaction, as well as the risk management objective and strategy for undertaking the hedge transaction. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of the hedged items.

Accounting Policies (continued)

Fair value estimation
The fair value of interest rate swaps is calculated as the present value of their estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward foreign exchange market rates at the balance sheet date. The fair values of all derivative financial instruments are obtained from valuations provided by financial institutions.

The carrying values of trade receivables and payables approximate to their fair values.

The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Operating leases
As lessee
Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the period of lease.

As lessor
Operating lease rental income arising from leased assets is recognised in the income statement on a straight line basis over the period of the lease.

Finance leases
A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the present value of the minimum lease payments. Lease payments are apportioned between finance expense and a reduction of the lease liability so as to achieve a constant rate of interest on the outstanding balance. Leased assets are depreciated over their estimated useful life.

Retirement benefit scheme surplus/deficit
The Group operates a defined benefit scheme and a number of defined contribution schemes. The surplus or deficit recognised in respect of the defined benefit scheme represents the difference between the present value of the defined benefit obligations and the fair value of the scheme assets. The assets of this scheme are held in separate trustee administered funds. The scheme is closed to future accrual.

The defined benefit scheme's assets are measured using fair values. Pension scheme liabilities are measured annually by an independent actuary using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the Group's defined benefit scheme expected to arise from employee service in the period is charged to operating profit. The interest income on scheme assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are netted and included in finance income/expense. Re-measurement gains and losses are recognised in the statement of comprehensive income in full in the period in which they occur. The defined benefit scheme's surplus/deficit is recognised in full and presented on the face of the Group balance sheet.

The Group's contributions to defined contribution schemes are charged to the income statement in the period to which the contributions relate.

The Group operates a pension arrangement in the US for certain employees. Contributions are paid into a separate investment vehicle and invested in a portfolio of US funds that are recognised by the Group as a long term receivable with a corresponding liability in other non-current liabilities. Investments are carried at fair value. The fair value of listed equity investments and mutual funds is based on quoted market prices and so the fair value measurement can be categorised in Level 1 of the fair value hierarchy.

Accounting Policies (continued)

Provisions
Provision is made for the estimated liability on all services under warranty, including claims already received, based on past experience. Other provisions are recognised where the Group is deemed to have a legal or constructive obligation, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate of the obligation can be made. Where amounts provided are payable after more than one year the estimated liability is discounted using an appropriate rate of interest. See note 18 for further details.

Share based charges relating to employee share schemes
The Group has recorded share based charges in relation to a number of employee share schemes.

Charges are booked to the income statement as an employee benefit expense for the fair value of share options expected to be exercised under the Executive Share Option Schemes (‘ESOS’) and the Long Term Retention Plan (‘LTRP’). Amounts are accrued over the vesting period with the corresponding credit taken to retained earnings.

Options are also awarded under the Group’s Long Term Plan (‘LTP’) which is the incentive scheme in place for executive directors and certain senior executives. The charge for options awarded under the LTP is based on the fair value of those options at the grant date, spread over the vesting period. The corresponding credit is taken to retained earnings. For awards that have a market related performance measure, the fair value of the market related element is calculated using a Monte Carlo simulation model.

The Group introduced an Employee Share Plan during 2016. Under the plan employees contribute regular monthly amounts which are used to purchase shares over a one year period. At the end of the year the participating employees are awarded one free share for every three shares purchased providing they remain in employment for a further year. A charge is calculated for the award of free shares and accrued over the vesting period with the corresponding credit taken to retained earnings.

For further details of these schemes, please see note 20 and the Directors Remuneration Report.

Share capital
John Wood Group PLC has one class of ordinary shares and these are classified as equity. Dividends on ordinary shares are not recognised as a liability or charged to equity until they have been approved by shareholders.

The Group is deemed to have control of the assets, liabilities, income and costs of its employee share trusts, therefore they have been consolidated in the financial statements of the Group. Shares acquired by and disposed of by the employee share trusts are recorded at cost. The cost of shares held by the employee share trusts is deducted from equity.

Segmental reporting
The Group has determined that its operating segments are based on management reports reviewed by the Chief Operating Decision Maker (‘CODM’), the Group’s Chief Executive. The Group’s reportable segments were updated during 2016 to reflect the Group’s new service defined structure and the segments are now Asset Life Cycle Solutions (ALCS) and Specialist Technical Solutions (STS). ALCS is split into East and West regions for management purposes and is reported and managed as two separate segments. ALCS provides projects & modifications and operations & maintenance services mainly in the oil and gas sector. STS engages in automation and subsea & technology activities.

The Chief Executive measures the operating performance of these segments using ‘EBITA’ (Earnings before interest, tax and amortisation). Operating segments are reported in a manner consistent with the internal management reports provided to the Chief Executive who is responsible for allocating resources and assessing performance of the operating segments.

Accounting Policies (continued)

Disclosure of impact of new and future accounting standards
(*a) Amended standards and interpretations*

Amendments have also been made to the following standards effective 1 January 2016. These amendments have not had a material impact on the Group's financial statements.

- IFRS 11 'Joint arrangements'
- IAS 16 'Property, plant and equipment'
- IAS 38 'Intangible assets'
- IAS 27 'Separate financial statements'
- IFRS 10 'Consolidated financial statements'
- IAS 1 'Presentation of financial statements'

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2018, but the Group has not early adopted them:

- IFRS 15 'Revenue from contracts with customers' is effective for accounting periods beginning on or after 1 January 2018. The Group is in the process of assessing the likely impact of IFRS 15. At this stage of the process we have identified some specific areas such as revenue recognition on lump sum contracts and the recognition of variable consideration as areas where our existing accounting policies will require to be amended. We are not yet in a position to quantify the impact of any changes, however our current assessment is that the adoption of the standard will not have a significant impact on our reported results.
- IFRS 9 'Financial instruments' is effective for accounting periods on or after 1 January 2018. The Group does not expect the adoption of this standard to have a material impact on the financial statements.
- IFRS 16 'Leases' is effective for accounting periods beginning on or after 1 January 2019. The Group is in the process of assessing the likely impact of this standard on the financial statements.

All other amendments not yet effective and not included above are not material or applicable to the Group.

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2016

1 Segmental reporting

Following the changes in structure during 2016, the Group now operates through three segments, Asset Life Cycle Solutions East (ALCS East), Asset Life Cycle Solutions West (ALCS West), and Specialist Technical Solutions (STS). The 2015 figures in the table below have been restated to reflect the change in structure. Under IFRS 11 'Joint arrangements', the Group is required to account for joint ventures using equity accounting, however for management reporting the Group continues to use proportional consolidation, hence the inclusion of the proportional presentation in this note.

The segment information provided to the Group's Chief Executive for the reportable operating segments for the year ended 31 December 2016 includes the following:

Reportable Operating Segments	**Revenue**		**EBITDA(1)**		**EBITA(1)**		**Operating profit**	
	Year ended 31 Dec 2016	Year ended 31 Dec 2015	**Year ended 31 Dec 2016**	Year ended 31 Dec 2015	**Year ended 31 Dec 2016**	Year ended 31 Dec 2015	**Year ended 31 Dec 2016**	Year ended 31 Dec 2015
	$m	$m	**$m**	$m	**$m**	$m	**$m**	$m
Asset Life Cycle Solutions East	**2,331.3**	3,145.2	**166.7**	245.1	**143.4**	216.6	**(9.5)**	16.8
Asset Life Cycle Solutions West	**2,115.2**	2,121.1	**203.1**	234.4	**176.3**	208.5	**100.8**	133.6
Specialist Technical Solutions	**487.5**	586.1	**82.1**	95.5	**79.2**	91.8	**58.1**	82.8
Central costs (2)	**-**	-	**(32.2)**	(43.3)	**(35.5)**	(47.2)	**(45.2)**	(54.1)
Total	**4,934.0**	5,852.4	**419.7**	531.7	**363.4**	469.7	**104.2**	179.1
Remove share of joint ventures	**(813.4)**	(851.8)	**(60.3)**	(59.9)	**(50.1)**	(46.7)	**(18.2)**	(46.3)
Total continuing operations excluding joint ventures	**4,120.6**	5,000.6	**359.4**	471.8	**313.3**	423.0	**86.0**	132.8
Share of post-tax loss from joint ventures							**3.4**	26.6
Operating profit							**89.4**	159.4
Finance income							**2.2**	3.1
Finance expense							**(25.6)**	(23.9)
Profit before taxation from continuing operations							**66.0**	138.6
Taxation							**(31.6)**	(62.0)
Profit for the year from continuing operations							**34.4**	76.6
Profit from discontinued operations, net of tax (3)							**-**	13.5
Profit for the year							**34.4**	90.1

1 Segmental reporting (continued)

Notes

1 A reconciliation from Operating profit to EBITA is provided in the table below. EBITDA represents EBITA before depreciation of property plant and equipment of $56.3m (2015 : $62.0m). EBITA and EBITDA are provided as they are units of measurement used by the Group in the management of its business.
2 Central costs include the costs of certain management personnel in both the UK and the US, along with an element of Group infrastructure costs.
3 Profit from discontinued operations, net of tax, for 2015 relates to the reassessment of amounts provided on the disposal of the Well Support business in 2011.
4 Revenue arising from sales between segments is not material.

Reconciliation of Operating Profit to EBITA

	2016	2015
	$m	$m
Operating profit	**89.4**	159.4
Share of joint venture interest	**2.4**	2.3
Share of joint venture tax	**12.4**	17.4
Operating profit (including share of joint ventures)	**104.2**	179.1
Exceptional items	**154.9**	181.6
EBIT	**259.1**	360.7
Amortisation (including joint ventures)	**104.3**	109.0
EBITA	**363.4**	469.7

Notes to the financial statements
for the year to 31 December 2016

1 Segmental Reporting (continued)

Segment assets and liabilities

At 31 December 2016	ALCS East $m	ALCS West $m	STS $m	Unallocated $m	Total $m
Segment assets	**1,008.7**	**1,878.8**	**281.7**	**860.3**	**4,029.5**
Segment liabilities	**386.4**	**323.1**	**96.5**	**1,015.3**	**1,821.3**
At 31 December 2015					
Segment assets	1,300.3	2,011.2	352.1	1,050.3	4,713.9
Segment liabilities	547.3	334.3	153.9	1,257.4	2,292.9

Unallocated assets and liabilities include income tax, deferred tax and cash and cash equivalents and borrowings where this relates to the financing of the Group’s operations.

Notes to the financial statements

for the year to 31 December 2016

1 Segmental Reporting (continued)

Other segment items

2016	**ALCS East**	**ALCS West**	**STS**	**Unallocated**	**Total**
	$m	**$m**	**$m**	**$m**	**$m**
Capital expenditure					
- Property plant and equipment	**20.4**	**6.2**	**0.8**	**1.6**	**29.0**
- Intangible assets	**26.8**	**18.5**	**5.0**	**7.5**	**57.8**
Non-cash expense					
- Depreciation of property plant and equipment	**13.5**	**26.4**	**2.9**	**3.3**	**46.1**
- Amortisation of intangible assets	**20.0**	**64.8**	**10.0**	**7.5**	**102.3**
- Exceptional items (non-cash element)	**86.9**	**6.7**	**5.2**	**1.1**	**99.9**

2015	$m	$m	$m	$m	$m
Capital expenditure					
- Property plant and equipment	19.1	14.8	0.6	1.6	36.1
- Intangible assets	19.4	14.8	2.9	9.4	46.5
Non-cash expense					
- Depreciation of property plant and equipment	15.8	25.4	3.7	3.9	48.8
- Amortisation of intangible assets	30.1	64.4	5.7	6.9	107.1
- Exceptional items (non-cash element)	155.7	6.5	(2.0)	(10.4)	149.8

The figures in the tables above are prepared on an equity accounting basis and therefore exclude the share of joint ventures.

Depreciation in respect of joint ventures totals $10.2m (2015: $13.2m) and joint venture amortisation amounts to $2.0m (2015: $1.9m).

Notes to the financial statements
for the year to 31 December 2016

1 Segmental Reporting (continued)

Geographical segments

	Segment assets		Continuing revenue	
	2016	2015	**2016**	2015
	$m	$m	**$m**	$m
UK	**842.3**	1,279.6	**866.7**	1,441.2
US	**1,852.8**	2,012.1	**1,848.0**	1,940.0
Rest of the world	**1,334.4**	1,422.2	**1,405.9**	1,619.4
	4,029.5	4,713.9	**4,120.6**	5,000.6

Revenue by geographical segment is based on the location of the ultimate project. Revenue is entirely attributable to the provision of services.

2 Finance expense/(income)

	2016	2015
	$m	$m
Interest payable on senior loan notes	**14.1**	14.1
Interest payable on borrowings	**8.2**	6.8
Amortisation of bank facility fees	**0.7**	0.6
Interest relating to discounting of deferred and contingent consideration	**2.6**	1.5
Interest expense – retirement benefit obligations (note 29)	**-**	0.9
Finance expense – continuing operations	**25.6**	23.9
Interest receivable	**(2.0)**	(3.1)
Interest income – retirement benefit obligations (note 29)	**(0.2)**	-
Finance income	**(2.2)**	(3.1)
Finance expense – continuing operations - net	**23.4**	20.8

Net interest expense of $2.4m (2015: $2.3m) has been deducted in arriving at the share of post-tax profit from joint ventures.

3 Profit before taxation

	2016	2015
	$m	$m
The following items have been charged in arriving at profit before taxation :		
Employee benefits expense (note 28)	**2,210.1**	2,669.7
Depreciation of property plant and equipment (note 9)	**46.1**	48.8
Amortisation of intangible assets (note 8)	**102.3**	107.1
(Gain)/loss on disposal of property plant and equipment	**(4.7)**	4.0
Other operating lease rentals payable:		
- Plant and machinery	**26.3**	33.7
- Property	**77.0**	90.3
Foreign exchange (gains)/losses	**(3.0)**	0.6

Depreciation of property plant and equipment is included in cost of sales or administrative expenses in the income statement. Amortisation of intangible assets is included in administrative expenses in the income statement.

Services provided by the Group's auditors and associate firms

During the year the Group obtained the following services from its auditors and associate firms at costs as detailed below:

	2016	2015
	$m	$m
Fees payable to the Group's auditors and its associate firms for -		
Audit of parent company and consolidated financial statements	**1.0**	1.0
Audit of Group companies pursuant to legislation	**1.9**	2.0
Tax and other services	**0.1**	0.1
	3.0	3.1

Notes to the financial statements

for the year to 31 December 2016

4 Exceptional items

	2016 $m	2015 $m
Exceptional items included in continuing operations		
Restructuring charges	**65.9**	36.6
Impairment of investment in EthosEnergy	**56.7**	137.2
Impairments recorded by EthosEnergy	**29.9**	12.6
Impairment of Group receivables in relation to EthosEnergy	**2.4**	9.3
Oman onerous contract	**-**	(14.1)
	154.9	181.6
Tax credit	**(15.1)**	(9.0)
Continuing operations exceptional items, net of tax	**139.8**	172.6
Exceptional items included in discontinued operations		
Gain on divestment – Well Support	**-**	(10.4)
	-	(10.4)
Tax relating to Well Support divestment	**-**	(3.1)
Discontinued operations exceptional items, net of tax	**-**	(13.5)
Total exceptional charge, net of tax	**139.8**	159.1

As a result of reorganisation, delayering and back office rationalisation, an exceptional charge of $65.9m has been recorded in the period. $27.5m relates to redundancy costs incurred as people have left the business and $38.4m relates to onerous lease provisions in relation to property.

At 31 December 2016, the Group carried out an impairment review of its investment in the EthosEnergy joint venture. The recoverable amount of the investment, based on management's estimate of value in use, of $100.0m, is lower than the book value and an impairment charge of $56.7m has been booked in the income statement. EthosEnergy has recorded impairment losses of $29.9m relating to the restructuring of its major maintenance business, closure of its power solutions business and the write down of engines and turbine parts. The Group has also impaired its receivables by $2.4m in relation to a balance due by EthosEnergy. The EthosEnergy related exceptional items are recorded in the ALCS East segment. See note 10 for further information.

$130.9m of the exceptional charge is recorded in ALCS East, $10.7m in ALCS West, $11.1m in STS and $2.2m in central costs.

A tax credit of $15.1m has been recorded in relation to the exceptional items. $0.6m of the credit relates to the impairments recorded by EthosEnergy and is shown on the share of post-tax profit from joint ventures line in the income statement.

For further details of the 2015 exceptional items please refer to the 2015 Annual Report and Accounts.

Notes to the financial statements
for the year to 31 December 2016

5 Taxation

	2016 $m	2015 $m
Current tax		
- Current year	**49.6**	74.1
- Adjustment in respect of prior years	**(9.5)**	(2.3)
	40.1	71.8
Deferred tax		
- Current year	**(11.8)**	(1.7)
- Adjustment in respect of prior years	**3.3**	(11.2)
	(8.5)	(12.9)
Total tax charge	**31.6**	58.9
Comprising -		
Tax on continuing operations before exceptional items	**46.7**	71.0
Tax on exceptional items in continuing operations	**(15.1)**	(9.0)
Total tax on continuing operations	**31.6**	62.0
Tax on discontinued operations	**-**	(3.1)
Total tax on discontinued operations	**-**	(3.1)
Total tax charge	**31.6**	58.9

$0.6m of the tax credit on exceptional items relates to joint ventures and is therefore included in the share of post-tax profit from joint ventures line in the income statement.

Tax (credited)/charged to equity	2016 $m	2015 $m
Deferred tax movement on retirement benefit liabilities	**(2.8)**	4.9
Deferred tax relating to share option schemes	**(4.9)**	(5.5)
Current tax relating to share option schemes	**(1.5)**	(2.0)
Total credited to equity	**(9.2)**	(2.6)

5 Taxation (continued)

Tax is calculated at the rates prevailing in the respective jurisdictions in which the Group operates. The expected rate is the weighted average rate taking into account the Group's profits in these jurisdictions. The expected rate has decreased in 2016 due to the change in mix of the tax jurisdictions in which the Group operates. The tax charge for the year is higher (2015: lower) than the expected tax charge due to the following factors:

	2016 $m	2015 $m
Profit before taxation from continuing operations (excluding profits from and impairment of joint ventures)	**119.3**	249.2
Profit before taxation from discontinued operations	**-**	10.4
Total profit before taxation	**119.3**	259.6
Profit before tax at expected rate of 24.7% (2015: 25.4%)	**29.5**	65.9
Effects of:		
Adjustments in respect of prior years	**(6.2)**	(13.5)
Non-recognition of losses and other attributes	**10.0**	12.6
Effect of foreign taxes	**8.0**	9.1
Other permanent differences	**(9.7)**	(15.2)
Total tax charge	**31.6**	58.9

Other permanent differences include adjustments for share based charges, research and development allowances, changes in unrecognised tax attributes and expenditure which is not tax deductible. Tax losses are recognised where there is reasonable certainty that they can be utilised in future years.

Net income tax liabilities in the Group balance sheet include $101.0m relating to uncertain tax positions where management has had to exercise judgement in determining the most likely outcome in respect of the relevant issue. The larger amounts relate to tax payable in relation to divestments ($27.9m), recoverability of withholding taxes ($25.3m), and utilisation of tax losses ($11.8m). Where the final outcome on these issues differs to the amounts provided, the Group's tax charge will be impacted.

Where corporate tax assets and liabilities are in the same jurisdictions, amounts are netted in the Group balance sheet.

6 Dividends

	2016 $m	2015 $m
Dividends on ordinary shares		
Final 2015 dividend paid: 20.5 cents per share (Final 2014: 18.6 cents)	**75.9**	68.6
Interim 2016 dividend paid: 10.8 cents per share (Interim 2015: 9.8 cents)	**40.1**	36.3
	116.0	104.9

The directors are proposing a final dividend in respect of the financial year ended 31 December 2016 of 22.5 cents per share. The final dividend will be paid on 16 May 2017 to shareholders who are on the register of members on 7 April 2017. The financial statements do not reflect the final dividend, the payment of which will result in an estimated $83.8m reduction in equity attributable to owners of the parent.

Notes to the financial statements

for the year to 31 December 2016

7 Earnings per share

	2016			2015		
	Earnings attributable to owners of the parent $m	**Number of shares (millions)**	**Earnings per share (cents)**	Earnings attributable to owners of the parent $m	Number of shares (millions)	Earnings per share (cents)
Basic pre-exceptional	**167.6**	**370.9**	**45.2**	238.1	369.0	64.5
Exceptional items, net of tax	**(139.8)**	**-**	**(37.7)**	(159.1)	-	(43.1)
Basic	**27.8**	**370.9**	**7.5**	79.0	369.0	21.4
Effect of dilutive ordinary shares	**-**	**12.0**	**(0.2)**	-	10.3	(0.6)
Diluted	**27.8**	**382.9**	**7.3**	79.0	379.3	20.8
Exceptional items, net of tax	**139.8**	**-**	**36.5**	159.1	-	42.0
Diluted pre-exceptional items	**167.6**	**382.9**	**43.8**	238.1	379.3	62.8
Amortisation, net of tax	**77.9**	**-**	**20.3**	80.4	-	21.2
Adjusted diluted	**245.5**	**382.9**	**64.1**	318.5	379.3	84.0
Adjusted basic	**245.5**	**370.9**	**66.2**	318.5	369.0	86.3

Basic discontinued earnings per share for the year is nil (2015: 3.7 cents) and diluted discontinued earnings per share is nil (2015: 3.6 cents).

The calculation of basic earnings per share is based on the earnings attributable to owners of the parent divided by the weighted average number of ordinary shares in issue during the year excluding shares held by the Group’s employee share trusts. For the calculation of diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. The Group’s dilutive ordinary shares comprise share options granted to employees under Executive Share Option Schemes and the Long Term Retention Plan, shares and share options awarded under the Group’s Long Term Plan and shares awarded under the Group’s Employee Share Plan. Adjusted basic and adjusted diluted earnings per share are disclosed to show the results excluding the impact of exceptional items and amortisation, net of tax.

8 Goodwill and other intangible assets

	Goodwill $m	Software and development costs $m	Intangible assets arising on acquisition $m	Total $m
Cost				
At 1 January 2016	1,766.1	233.5	433.5	2,433.1
Exchange movements	(78.4)	(14.2)	(7.3)	(99.9)
Additions	-	57.8	-	57.8
Acquisitions (note 27)	18.3	0.1	6.4	24.8
Disposals	-	(20.4)	-	(20.4)
At 31 December 2016	**1,706.0**	**256.8**	**432.6**	**2,395.4**
Aggregate amortisation and impairment				
At 1 January 2016	0.8	155.4	272.4	428.6
Exchange movements	-	(6.7)	(4.3)	(11.0)
Amortisation charge for the year	-	52.4	49.9	102.3
Disposals	-	(19.0)	-	(19.0)
At 31 December 2016	**0.8**	**182.1**	**318.0**	**500.9**
Net book value at 31 December 2016	**1,705.2**	**74.7**	**114.6**	**1,894.5**
Cost				
At 1 January 2015	1,727.9	184.5	380.4	2,292.8
Exchange movements	(97.7)	(8.4)	(24.3)	(130.4)
Additions	-	46.5	-	46.5
Acquisitions	135.9	0.5	77.4	213.8
Disposals	-	(1.7)	-	(1.7)
Reclassifications	-	12.1	-	12.1
At 31 December 2015	**1,766.1**	**233.5**	**433.5**	**2,433.1**
Aggregate amortisation and impairment				
At 1 January 2015	1.2	109.3	238.8	349.3
Exchange movements	(0.4)	(5.1)	(20.6)	(26.1)
Amortisation charge for the year	-	52.9	54.2	107.1
Disposals	-	(1.7)	-	(1.7)
At 31 December 2015	**0.8**	**155.4**	**272.4**	**428.6**
Net book value at 31 December 2015	**1,765.3**	**78.1**	**161.1**	**2,004.5**

In accordance with IAS 36 ‘Impairment of assets’, goodwill was tested for impairment during the year. The impairment tests were carried out by Cash Generating Unit (‘CGU’). Following the change to a service defined structure during the year, the Group has updated its CGU’s accordingly and now has three CGU’s, Asset Life Cycle Solutions East (‘ALCS East’), Asset Life Cycle Solutions West (‘ALCS West’) and Specialist Technical Solutions (‘STS’). These replace the seven CGU’s that existed previously, comprising WG Mustang, WG Kenny and WG PSN (which was split into five regional CGU’s).

8 Goodwill and other intangible assets (continued)

Value-in-use calculations have been prepared for each CGU using the cash flow projections included in the financial budgets prepared by management and approved by the Board for 2017 and 2018. The budgets are based on various assumptions including market outlook, resource utilisation, contract backlog, contract margins and assumed contract awards. Cash flows beyond the budget period are extrapolated using a growth rate of 3% per annum for ALCS East and STS and 2% for ALCS West for a further three year period. A terminal value is applied thereafter in order to calculate long term estimated cash flows using the same anticipated growth rates. The growth rates used do not exceed the long-term average growth rates for the regions in which the CGUs operate. The cash flows have been discounted using pre-tax discount rates appropriate for each CGU, 12.1% for ALCS East, 12.0% for ALCS West and 12.8% for STS (the equivalent post-tax rates are 10.5%, 10.25% and 11.0% respectively).

The carrying value of the goodwill for each CGU is shown in the table below. No goodwill has been written off during the current or prior year.

Cash Generating Unit	**Goodwill carrying value ($m)**
ALCS East	782.0
ALCS West	773.7
STS	149.5

A sensitivity analysis has been performed on the basis that the expected long term growth rate falls by 1% and that the discount rates are 1% higher than those above in order to assess the impact of reasonable possible changes to the assumptions used in the impairment review. This analysis did not identify any impairment.

Intangibles arising on acquisition include the valuation of customer contracts and customer relationships recognised on business combinations. As part of the impairment review, the Group has reviewed these contracts and relationships and no impairment was identified.

9 Property plant and equipment

	Land and Buildings			
	Long leasehold and freehold	**Short leasehold**	**Plant and equipment**	**Total**
	$m	**$m**	**$m**	**$m**
Cost				
At 1 January 2016	52.3	20.7	242.8	315.8
Exchange movements	(2.7)	(1.9)	(11.8)	(16.4)
Additions	0.4	9.4	19.2	29.0
Acquisitions (note 27)	-	0.4	0.7	1.1
Disposals	(3.5)	(1.5)	(47.6)	(52.6)
Reclassifications	-	7.1	5.0	12.1
At 31 December 2016	**46.5**	**34.2**	**208.3**	**289.0**
Accumulated depreciation and impairment				
At 1 January 2016	21.5	9.2	80.9	111.6
Exchange movements	(2.0)	(0.4)	(7.5)	(9.9)
Charge for the year	4.0	2.9	39.2	46.1
Disposals	(1.8)	(0.2)	(30.8)	(32.8)
Impairment	-	-	2.9	2.9
At 31 December 2016	**21.7**	**11.5**	**84.7**	**117.9**
Net book value at 31 December 2016	**24.8**	**22.7**	**123.6**	**171.1**
Cost				
At 1 January 2015	57.8	20.9	245.8	324.5
Exchange movements	(6.6)	(0.7)	(13.8)	(21.1)
Additions	2.7	5.6	27.8	36.1
Acquisitions	-	1.3	17.8	19.1
Disposals	(1.6)	(6.4)	(51.0)	(59.0)
Reclassifications	-	-	16.2	16.2
At 31 December 2015	**52.3**	**20.7**	**242.8**	**315.8**
Accumulated depreciation and impairment				
At 1 January 2015	20.1	11.8	98.0	129.9
Exchange movements	(1.8)	(0.4)	(11.7)	(13.9)
Charge for the year	3.5	3.2	42.1	48.8
Disposals	(0.3)	(5.4)	(47.5)	(53.2)
At 31 December 2015	**21.5**	**9.2**	**80.9**	**111.6**
Net book value at 31 December 2015	**30.8**	**11.5**	**161.9**	**204.2**

Included in the table above is $4.4m of assets under construction at 31 December 2016 (2015: $4.2m). Amounts reclassified to PP&E in the period relate to expenditure initially recorded in current assets and subsequently capitalised when the assets were available for use.

10 Investment in joint ventures

The Group operates a number of joint ventures companies, the most significant of which are its turbine JV's, EthosEnergy Group Limited and RWG Limited. A full list of subsidiary and joint venture entities is included in note 34. The Group's share of its joint venture assets, liabilities, income and expenses is shown below.

	2016 $m	2015 $m
Non-current assets	**33.2**	101.7
Current assets	**529.9**	551.4
Current liabilities	**(321.3)**	(320.4)
Non-current liabilities	**(35.9)**	(32.3)
Net assets	**205.9**	300.4
Revenue	**813.4**	851.8
Cost of sales	**(687.5)**	(719.3)
Administrative expenses	**(77.8)**	(87.7)
Exceptional (expense)/income	**(29.9)**	1.5
Operating profit	**18.2**	46.3
Net finance expense	**(2.4)**	(2.3)
Profit before tax	**15.8**	44.0
Tax	**(12.4)**	(17.4)
Share of post-tax profit from joint ventures	**3.4**	26.6

The assets, liabilities, income and expenses of the Group's two most significant joint ventures, EthosEnergy and RWG are shown below.

	Ethos Energy (100%)		**RWG (100%)**	
	2016 $m	2015 $m	**2016 $m**	2015 $m
Non-current assets	**-**	112.0	**34.6**	42.6
Current assets	**668.6**	706.5	**121.6**	150.2
Current liabilities	**(454.7)**	(425.5)	**(36.6)**	(49.0)
Non-current liabilities	**(17.8)**	(16.1)	**(0.8)**	(0.2)
Net assets	**196.1**	376.9	**118.8**	143.6
Wood Group investment	**100.0**	192.2	**59.4**	71.8
Revenue	**815.1**	916.9	**231.8**	246.6
Cost of sales	**(703.1)**	(783.9)	**(165.0)**	(179.8)
Administrative expenses	**(101.9)**	(117.8)	**(33.4)**	(34.0)
Exceptional expense	**(58.7)**	(24.7)	**-**	-
Operating (loss)/profit	**(48.6)**	(9.5)	**33.4**	32.8
Net finance expense	**(4.4)**	(4.1)	**0.1**	-
(Loss)/profit before tax	**(53.0)**	(13.6)	**33.5**	32.8
Tax	**(4.8)**	(17.6)	**(7.6)**	(7.2)
Post-tax (loss)/profit from joint ventures	**(57.8)**	(31.2)	**25.9**	25.6
Wood Group share	**(29.5)**	(16.0)	**13.0**	12.8

10 Investment in joint ventures (continued)

The EthosEnergy impairment is allocated initially to non-current assets and then to current assets in the table above.

The movement in investments in joint ventures is shown below.

	$m
At 1 January 2016	300.4
Exchange movements on retranslation of net assets	(15.8)
Share of profit after tax	3.4
Impairment of investments	(56.7)
Dividends	(25.4)
At 31 December 2016	**205.9**

The Group recorded an impairment charge against its investment in the EthosEnergy joint venture at 31 December 2015. Trading for the joint venture continued to be challenging in 2016 and management have carried out an impairment review at 31 December 2016. The recoverable amount of the investment, based on management's estimate of value in use, of $100.0m, is lower than the book value and an impairment charge of $56.7m has been booked in the income statement. The recoverable amount is supported by third party market data.

EthosEnergy has also recorded impairment losses of $29.9m (Wood Group share) relating to the restructuring of its major maintenance business, closure of its power solutions business and the write down of engines and turbine parts. The charge is reflected in the exceptional expense line in the table above.

In arriving at the post impairment carrying value of EthosEnergy, the directors have calculated a value in use based on the Group's share of the joint venture's future expected cash flows. These have been discounted at a pre-tax discount rate of 14.7%, which is higher than the Group's weighted average cost of capital to reflect the risks inherent in this business, and the discounted value has been compared to the carrying value of the investment. In calculating the value in use, management has assumed modest future revenue growth of 2.5%, margins remaining below those achieved by the continuing business in 2016, overheads remaining flat and some modest working capital outflows. If the assumptions used in the value in use calculation are not met then a further impairment may require to be recorded in future periods.

A sensitivity analysis was performed on the basis that the expected long-term growth rate falls by 1% and the discount rate is increased by 1% in order to assess the impact of reasonable possible changes to the assumptions used in the impairment review. The sensitivity analysis showed that a 1% reduction in the terminal growth rate would have resulted in an additional impairment of $7.4m and a 1% increase in the discount rate would have resulted in an additional impairment of $10.4m.

A further sensitivity calculation was performed assuming a 10% reduction in revenue each year from 2017-2021, slightly reduced gross profit margins (due to the impact of a partial fixed cost base), overheads at a fixed percentage of revenue and working capital inflows as a result of declining activity. This calculation resulted in an additional impairment of $16.0m.

The joint ventures have no significant contingent liabilities to which the Group is exposed, nor has the Group any significant contingent liabilities in relation to its interest in the joint ventures.

Notes to the financial statements
for the year to 31 December 2016

11 Inventories

	2016 **$m**	2015 $m
Materials	**2.7**	2.9
Work in progress	**0.5**	1.6
Finished goods and goods for resale	**3.8**	3.6
	7.0	8.1

12 Trade and other receivables

	2016 **$m**	2015 $m
Trade receivables	**785.8**	955.0
Less: provision for impairment of trade receivables	**(24.7)**	(39.6)
Trade receivables – net	**761.1**	915.4
Amounts recoverable on contracts	**3.9**	26.1
Prepayments and accrued income	**33.4**	44.1
Loans due from joint ventures	**80.7**	104.7
Restricted cash	**26.5**	26.5
Other receivables	**72.7**	59.2
Trade and other receivables – current	**978.3**	1,176.0
Long term receivables	**87.2**	80.7
Total receivables	**1,065.5**	1,256.7

The Group's trade receivables balance is shown in the table below.

31 December 2016	**Trade receivables - Gross $m**	**Provision for impairment $m**	**Trade receivables – Net $m**	**Receivable days**
ALCS East	**334.9**	**(12.1)**	**322.8**	**80**
ALCS West	**387.0**	**(11.9)**	**375.1**	**69**
STS	**63.9**	**(0.7)**	**63.2**	**77**
Total Group	**785.8**	**(24.7)**	**761.1**	**74**
31 December 2015				
ALCS East	422.3	(8.7)	413.6	63
ALCS West	426.2	(27.0)	399.2	56
STS	106.5	(3.9)	102.6	64
Total Group	955.0	(39.6)	915.4	63

Receivable days are calculated by allocating the closing trade receivables balance to current and prior year revenue including sales taxes. A receivable days calculation of 74 indicates that closing trade receivables represent the most recent 74 days of revenue.

A provision for the impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the terms of the original receivables.

12 Trade and other receivables (continued)

The ageing of the provision for impairment of trade receivables is as follows:

	2016 \$m	2015 \$m
Up to 3 months	**1.9**	15.0
Over 3 months	**22.8**	24.6
	24.7	39.6

The movement on the provision for impairment of trade receivables is as follows:

	ALCS East \$m	**ALCS West \$m**	**STS \$m**	**Total \$m**
2016				
At 1 January	8.7	27.0	3.9	39.6
Exchange movements	(1.5)	-	(0.1)	(1.6)
Provided during the year	5.3	0.4	-	5.7
Released during the year	(0.4)	(15.5)	(3.1)	(19.0)
At 31 December	**12.1**	**11.9**	**0.7**	**24.7**
2015				
At 1 January	3.8	39.2	4.5	47.5
Exchange movements	(0.4)	(0.2)	(0.2)	(0.8)
Provided during the year	5.7	2.6	1.3	9.6
Released during the year	(0.4)	(14.6)	(1.7)	(16.7)
At 31 December	8.7	27.0	3.9	39.6

The other classes within trade and other receivables do not contain impaired assets.

Included within gross trade receivables of \$785.8m above (2015: \$955.0m) are receivables of \$137.6m (2015: \$172.0m) which were past due but not impaired. These relate to customers for whom there is no recent history or expectation of default. The ageing analysis of these trade receivables, net of provisions, is as follows:

	2016 \$m	2015 \$m
Up to 3 months overdue	**82.8**	125.8
Over 3 months overdue	**54.8**	46.2
	137.6	172.0

The restricted cash of \$26.5m (2015: \$26.5m) is cash that is subject to an attachment order. The Group cannot access this cash until it receives a release letter from the Courts and as a result the cash balance is presented in receivables. Management believe it is appropriate to include the restricted cash balance in the Group's net debt figure (see note 26).

Long term receivables include amounts relating to the US pension arrangement referred to in note 29.

13 Cash and cash equivalents

	2016 **$m**	Restated 2015 $m
Cash at bank and in hand	**579.5**	789.7
Short-term bank deposits	**-**	61.6
	579.5	851.3

Cash at bank and in hand at 31 December 2016 includes $420.3m that is part of the Group's cash pooling arrangements. In previous years, this amount would have been netted with short-term overdrafts and presented as a net figure on the Group's balance sheet. However, further to the issue of a decision by the IFRS Interpretations Committee regarding offsetting and cash pooling arrangements, the Group has grossed up both its cash and borrowings figures by this amount. The 31 December 2015 cash figure has also been restated with cash and overdrafts increasing by $646.8m.

The effective interest rate on short-term deposits at 31 December 2015 was 0.4% and those deposits had an average maturity of 13 days.

At 31 December 2015, the Group held $10.0m of cash in its insurance captive subsidiary to comply with local regulatory requirements. The requirement to hold this balance locally was removed during 2016 and the cash was loaned to the parent company.

14 Trade and other payables

	2016 **$m**	2015 $m
Trade payables	**187.3**	224.2
Other tax and social security payable	**21.7**	51.1
Accruals and deferred income	**341.8**	438.2
Deferred and contingent consideration	**26.4**	9.2
Other payables	**11.8**	31.2
	589.0	753.9

Accruals and deferred income includes amounts due to suppliers and sub-contractors that have not yet been invoiced, unpaid wages, salaries and bonuses and amounts invoiced to customers for future periods.

15 Borrowings

	2016 $m	Restated 2015 $m
Bank loans and overdrafts due within one year or on demand		
Unsecured	**433.6**	676.7
Non-current bank loans		
Unsecured	**120.0**	120.0
Senior loan notes		
Unsecured	**375.0**	375.0
Total non-current borrowings	**495.0**	495.0

As mentioned in note 13, borrowings that are part of the Group's cash pooling arrangements that were previously presented net are now grossed up in the short term borrowings figure above. 2016 cash and borrowings have been grossed up by $420.3m and 2015 restated by $646.8m.

Bank overdrafts are denominated in a number of currencies and bear interest based on LIBOR or the relevant foreign currency equivalent.

The Group has $375.0m of unsecured senior loan notes issued in the US private placement market. The notes have 7, 10 and 12 year maturities are interest is payable at an average fixed rate of 3.74%. The non-current bank loans and senior loan notes are all US$ denominated.

The effective interest rates on the Group's bank loans and overdrafts at the balance sheet date were as follows:

	2016 %	2015 %
US dollar	**1.55**	1.38
Sterling	**0.85**	1.10
Euro	**0.60**	0.60
Canadian dollar	**2.70**	2.70
Australian dollar	**2.45**	2.95
Norwegian kroner	**1.53**	-
Other	**4.83**	4.37

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2016 $m	2015 $m
US Dollar	**649.1**	675.4
Sterling	**162.8**	346.6
Euro	**4.1**	32.8
Canadian dollar	**20.0**	25.5
Australian dollar	**69.0**	69.9
Norwegian kroner	**19.3**	-
Other	**4.3**	21.5
	928.6	1,171.7

15 Borrowings (continued)

The Group is required to issue trade finance instruments to certain customers. These include tender bonds, performance bonds, retention bonds, advance payment bonds and standby letters of credit. At 31 December 2016, the Group's bank facilities relating to the issue of bonds, guarantees and letters of credit amounted to $546.7m (2015: $645.0m). At 31 December 2016, these facilities were 33% utilised (2015: 35%).

Borrowing facilities
The Group has the following undrawn borrowing facilities available at 31 December:

	2016 **$m**	2015 $m
Expiring within one year	**100.0**	82.0
Expiring between two and five years	**830.0**	830.0
	930.0	912.0

All undrawn borrowing facilities are floating rate facilities. The facilities expiring within one year are annual facilities subject to review at various dates during 2017. The Group was in compliance with its bank covenants throughout the year. During 2016, the Group's extended its $950m bilateral bank facilities for a further year to February 2021.

16 Other non-current liabilities

	2016 **$m**	2015 $m
Deferred and contingent consideration	**66.3**	90.4
Other payables	**107.0**	110.4
	173.3	200.8

Deferred and contingent consideration represents amounts payable on acquisitions made by the Group and is expected to be paid over the next three years.

Other payables include amounts relating to the US pension arrangement referred to in note 29.

17 Financial instruments

The Group's activities give rise to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy is to hedge exposures wherever practicable in order to minimise any potential adverse impact on the Group's financial performance.

Risk management is carried out by the Group Treasury department in line with the Group's Treasury policies. Group Treasury, together with the Group's business units identify, evaluate and where appropriate, hedge financial risks. The Group's Treasury policies cover specific areas, such as foreign exchange risk, interest rate risk, use of derivative financial instruments and investment of excess cash.

Where the Board considers that a material element of the Group's profits and net assets are exposed to a country in which there is significant geo-political uncertainty a strategy is agreed to ensure that the risk is minimised.

17 Financial instruments (continued)

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currencies. The Group has subsidiary companies whose revenue and expenses are denominated in currencies other than the US dollar. Where possible, the Group's policy is to eliminate all significant currency exposures at the time of the transaction by using financial instruments such as forward currency contracts. Changes in the forward contract fair values are booked through the income statement, except where hedge accounting is used in which case the change in fair value is recorded in equity.

The Group does not have any financial instruments in place to hedge foreign currency movements in its balance sheet. However, strategies such as payment of intercompany dividends are used to minimise the amount of net assets exposed to foreign currency revaluation.

The Group carefully monitors the economic and political situation in the countries in which it operates to ensure appropriate action is taken to minimise any foreign currency exposure.

The Group's largest foreign exchange risk relates to movements in the sterling/US dollar exchange rate. Movements in the sterling/US dollar rate impact the translation of sterling profit earned in the UK and the translation of sterling denominated net assets. The potential impact of changes in the sterling/US dollar exchange rate is summarised in the table below. As the Group reports in US dollars a weakening of the pound has a negative impact on translation of its sterling companies' profits and net assets.

	2016 **$m**	2015 $m
Impact of 10% change to average £/$ exchange rate on profit after tax	**2.4**	6.0
Impact of 10% change to closing £/$ exchange rate on equity	**67.1**	75.2

10% has been used in these calculations as it represents a reasonable possible change in the sterling/US dollar exchange rate. The Group also has foreign exchange risk in relation a number of other currencies, in particular, the Australian dollar, the Canadian dollar, the Euro and the Norwegian kroner.

(ii) Interest rate risk

The Group finances its operations through a mixture of retained profits and debt. The Group borrows in the desired currencies at a mixture of fixed and floating rates of interest and then uses interest rate swaps to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations. At 31 December 2016, 53% (2015: 42%) of the Group's borrowings were at fixed rates after taking account of interest rate swaps. The Group is also exposed to interest rate risk on cash held on deposit. The Group's policy is to maximise the return on cash deposits and where possible, deposit cash with a financial institution with a credit rating of 'A' or better.

If average interest rates had been 1% higher or lower during 2016 (2015: 1%), post-tax profit for the year would have been $0.7m lower or higher respectively (2015: $0.2m). 1% has been used in this calculation as it represents a reasonable possible change in interest rates.

(iii) Price risk

The Group is not exposed to any significant price risk in relation to its financial instruments.

17 Financial instruments (continued)

(b) Credit risk

The Group's credit risk primarily relates to its trade receivables. Responsibility for managing credit risk lies within the businesses with support being provided by Group and divisional management where appropriate. A new Group credit risk policy was introduced during 2016 in order to enhance and improve existing controls. There remains significant management focus on customers that are classified as high risk in the current challenging market although in 2016 the Group had only minimal write offs.

Where required, a customer evaluation is obtained from an appropriate credit rating agency and an assessment of credit risk is carried out for all material customers. Appropriate trade finance instruments such as letters of credit, bonds, guarantees and credit insurance are used to manage credit risk where appropriate.

The Group's major customers are typically large companies which have strong credit ratings assigned by international credit rating agencies. Where a customer does not have sufficiently strong credit ratings, alternative forms of security such as the trade finance instruments referred to above may be obtained.

The Group has a broad customer base and management believe that no further credit risk provision is required in excess of the provision for impairment of trade receivables.

Management review trade receivables across the Group based on receivable days calculations to assess performance. A table showing trade receivables and receivable days is provided in note 12. Receivable days calculations are not provided on non-trade receivables as management do not believe that this information is a relevant metric.

(c) Liquidity risk

With regard to liquidity, the Group's main priority is to ensure continuity of funding. At 31 December 2016, 100% (2015: 100%) of the Group's long term borrowings (including senior loan notes) were due to mature in more than one year. Based on the current outlook the Group has sufficient funding in place to meet its future obligations.

The Group has $375m of unsecured senior loan notes issued in the US private placement market. The notes have a mix of 7, 10 and 12 year maturities. During 2016, the Group's extended its $950m bilateral bank facilities for a further year to February 2021.

(d) Capital risk

The Group seeks to maintain an optimal capital structure. The Group monitors its capital structure on the basis of its gearing ratio, interest cover and when applicable, the ratio of net debt to EBITDA. These ratios are calculated using the proportionally consolidated figures used for management reporting.

Gearing is calculated by dividing net debt by equity attributable to owners of the parent. Gearing at 31 December 2016 was 15.1% (2015: 12.1%).

Interest cover is calculated by dividing total EBITA by net finance expense. Interest cover for the year to 31 December 2016 was 14.1 times (2015: 20.3 times).

The ratio of net debt to total EBITDA at 31 December 2016 was 0.79 (2015: 0.55).

17 Financial instruments (continued)

Financial liabilities
The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Drawdowns under the bilateral bank facilities are for periods of three months or less and therefore loan interest payable is excluded from the amounts below.

At 31 December 2016	**Less than 1 year $m**	**Between 1 and 2 years $m**	**Between 2 and 5 years $m**	**Over 5 years $m**
Borrowings	**447.6**	**14.0**	**238.6**	**339.1**
Trade and other payables	**567.3**	**-**	**-**	**-**
Other non-current liabilities	**-**	**76.6**	**100.4**	**-**
At 31 December 2015				
Borrowings	690.7	14.0	162.1	429.7
Trade and other payables	702.8	-	-	-
Other non-current liabilities	-	55.0	151.2	-

Fair value of non-derivative financial assets and financial liabilities
The fair value of short-term borrowings, trade and other payables, trade and other receivables, short-term deposits and cash at bank and in hand approximates to the carrying amount because of the short maturity of interest rates in respect of these instruments. Drawdowns under long-term bank facilities are for periods of three months or less and as a result, book value and fair value are considered to be the same.

There are three valuation methods used to fair value financial instruments as follows –

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

Details of derivative financial instruments are not disclosed in the financial statements as they are not material.

17 Financial instruments (continued)

Deferred and contingent consideration
Deferred and contingent consideration is payable on the acquisition of businesses based on earn out arrangements and is initially recognised at fair value. The amount payable is dependent on the post-acquisition profits of the acquired entities and the provision made is based on the Group's estimate of the likely profits of those entities based on the relevant Acquisition Approval Paper submitted to the Group Board. Where actual profits are higher or lower than the Group's estimate and the amount of contingent consideration payable is consequently different to the amount estimated then the variance is charged or credited to the income statement. Where deferred and contingent consideration is payable after more than one year the estimated liability is discounted using an appropriate rate of interest. The fair value of contingent consideration is not based on observable market data and as such the valuation method is classified as level 3 as per above. The process for valuation is consistently applied to all acquisitions.

The table below presents the changes in level 3 financial instruments during the year:

Contingent consideration arising from business combinations	**$m**
At 1 January	99.6
Exchange movements	(3.8)
Amounts provided in relation to new acquisitions	8.2
Interest relating to discounting of contingent consideration	2.6
Payments during the year	(1.0)
Amounts released to the income statement	(12.9)
At 31 December	**92.7**

18 Provisions

	Warranty provisions $m	**Other provisions $m**	**Total $m**
At 1 January 2016	28.0	66.8	94.8
Exchange movements	(1.3)	(5.8)	(7.1)
Charge to income statement	-	16.6	16.6
Released to income statement	(14.0)	(19.7)	(33.7)
At 31 December 2016	**12.7**	**57.9**	**70.6**

Warranty provisions
These provisions are recognised in respect of guarantees provided in the normal course of business relating to contract performance. They are based on previous claims history and it is expected that most of the costs in respect of these provisions will be incurred over the next two years.

Other provisions
At 31 December 2016, other provisions of $57.9m (2015: $66.8m) have been recognised. This amount includes provisions for onerous leases, provisions for legal claims, including claims in relation to inspection and maintenance services in the US and provisions relating to the divestment of businesses. It is expected that any payment required in respect of these provisions would be made within the next two years.

19 Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using the tax rate applicable to the territory in which the asset or liability has arisen. The UK rate of corporation tax, currently 20%, will reduce to 19% in April 2017 and 18% in April 2020. The Group has provided deferred tax in relation to UK companies at 19.5% (2015: 19.5%). The movement on the deferred tax account is shown below:

	2016 $m	2015 $m
At 1 January	**(56.5)**	(58.4)
Exchange movements	**(2.7)**	1.8
Credit to income statement (note 5)	**(8.5)**	(12.9)
Acquisitions (note 27)	**-**	7.5
Reclassification from current tax	**-**	6.1
Deferred tax relating to R&D credits	**(11.2)**	-
Deferred tax relating to retirement benefit liabilities	**(2.8)**	4.9
Deferred tax relating to share option schemes	**(4.9)**	(5.5)
At 31 December	**(86.6)**	(56.5)

Deferred tax is presented in the financial statements as follows:

	2016 $m	2015 $m
Deferred tax assets	**(91.3)**	(62.5)
Deferred tax liabilities	**4.7**	6.0
	(86.6)	(56.5)

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries and joint ventures. As these earnings are continually reinvested by the Group, no tax is expected to be payable on them in the foreseeable future.

The Group has unrecognised tax losses of $164.3m (2015: $140.6m) to carry forward against future taxable income. Tax losses are recognised where there is reasonable certainty that they can be utilised in future years.

Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

19 Deferred tax (continued)

The deferred tax balances are analysed below:-

2016	Accelerated tax depreciation $m	Pension $m	Share based charges $m	Temporary differences $m	Losses $m	Total $m
Deferred tax assets	**42.3**	**(1.4)**	**(19.7)**	**(76.6)**	**(35.9)**	**(91.3)**
Deferred tax liabilities	**-**	**-**	**-**	**4.7**	**-**	**4.7**
Net deferred tax asset	**42.3**	**(1.4)**	**(19.7)**	**(71.9)**	**(35.9)**	**(86.6)**
2015						
Deferred tax assets	49.7	-	(14.3)	(71.8)	(26.1)	(62.5)
Deferred tax liabilities	-	0.9	-	5.1	-	6.0
Net deferred tax asset	49.7	0.9	(14.3)	(66.7)	(26.1)	(56.5)

20 Share based charges

The Group currently has a number of share schemes that give rise to share based charges. These are the Executive Share Option Scheme ('ESOS'), the Long Term Retention Plan ('LTRP'), the Long Term Plan ('LTP') and the Employee Share Plan. The charge to operating profit for these schemes amounted to $10.7m (2015: $12.3m).

The assumptions made in arriving at the charge for each scheme are detailed below.

ESOS and LTRP
For the purposes of calculating the fair value of the share options, a Black-Scholes option pricing model has been used. Based on past experience, it has been assumed that options will be exercised, on average, six months after the earliest exercise date, which is four years after grant date, and there will be a lapse rate of 20% for ESOS and 25% for LTRP. The share price volatility used in the calculation of 40% is based on the actual volatility of the Group's shares since IPO as well as that of comparable companies. The risk free rate of return is based on the implied yield available on zero coupon gilts with a term remaining equal to the expected lifetime of the options at the date of grant.

Long Term Plan
The Group's Long Term Plan ('LTP') was introduced during 2013. There are two distinct awards made under the LTP. Nil value share options will be awarded on the same basis as awards under the LTRP (see above). In addition, awards to senior management are made based on achievement of performance measures, these being total shareholder return and adjusted diluted earnings per share. Participants may be granted conditional share awards or nil cost options at the start of the cycle. Performance is measured over a three year period and up to 80% of an award may vest based on the performance over that period. The vesting of at least 20% of any award is normally deferred for a further period of at least two years.

Performance based awards
Details of the LTP awards are set out in the table below. The charge for market related performance targets has been calculated using a Monte Carlo simulation model taking account of share price volatility against peer group companies, risk free rate of return, dividend yield and the expected lifetime of the award. Further details of the LTP are provided in the Directors' Remuneration Report.

Cycle	**4**	**5**	**6**	**7**	**8**	**9**
Performance period	2011-13	2012-14	2013-15	2014-16	2015-17	2016-18
Fair value of awards	£5.10	£6.18	£7.53	£7.26	£5.95	£5.82
Type of award	Shares/options	Shares/options	Options	Options	Options	Options
Outstanding at 31/12/16	30,911	94,086	97,773	2,091,395	2,808,245	2,965,298

20 Share based charges (continued)

The awards outstanding under cycles 4, 5 and 6 represent 20% of the award at vesting which is deferred for two years.

Further details on the LTP are provided in the Directors' Remuneration Report.

Share options
A summary of the basis for the charge for ESOS, LTRP and LTP options is set out below together with the number of options granted, exercised and lapsed during the year.

	ESOS		LTRP		LTP	
	2016	2015	**2016**	2015	**2016**	2015
Number of participants	**605**	735	**135**	215	**262**	291
Lapse rate	**25%**	25%	**20%**	20%	**10-20%**	10-20%
Risk free rate of return on grants during year	**N/A**	N/A	**N/A**	N/A	**0.15%-0.58%**	1.09%-1.14%
Share price volatility	**40%**	40%	**40%**	40%	**40%**	40%
Dividend yield on grants during year	**N/A**	N/A	**N/A**	N/A	**3.50%**	2.69%
Fair value of options granted during year	**N/A**	N/A	**N/A**	N/A	**£5.79-£5.96**	£5.25-£5.91
Weighted average remaining contractual life	**5.5 years**	6.3 years	**1.2 years**	1.7 years	**2.3 years**	3.3 years

Options outstanding 1 January	**5,308,594**	6,868,494	**1,106,986**	1,845,558	**1,421,864**	962,396
Options granted during the year	-	-	-	-	**530,228**	565,769
Options exercised during the year	**(1,013,892)**	(858,478)	**(548,278)**	(564,319)	**(42,575)**	(9,405)
Options lapsed during the year	**(444,548)**	(701,422)	**(76,646)**	(174,253)	**(109,153)**	(96,896)
Options outstanding 31 December	**3,850,154**	5,308,594	**482,062**	1,106,986	**1,800,364**	1,421,864

No. of options exercisable at 31 December	**1,835,482**	1,976,732	**48,875**	111,000	-	-
Weighted average share price of options exercised during year	**£7.21**	£6.69	**£6.52**	£6.26	**£6.92**	£6.16

20 Share based charges (continued)

Executive Share Option Schemes
The following options to subscribe for new or existing shares were outstanding at 31 December:

Year of Grant	Number of ordinary shares under option 2016	2015	Exercise price (per share)	Exercise period
2006	**-**	25,000	265¼p	2010-2016
2007	**15,000**	27,000	268½p	2011-2017
2008	**37,000**	42,000	381¾p	2012-2018
2008	**-**	5,000	354⅓p	2012-2018
2009	**239,200**	325,113	222p	2013-2019
2009	**-**	5,000	283⅔p	2013-2019
2010	**352,114**	571,152	377½p	2014-2020
2011	**484,340**	926,467	529½p	2015-2021
2012	**707,828**	1,093,308	680½p	2016-2022
2012	**-**	2,500	802p	2016-2022
2013	**1,077,481**	1,239,243	845⅓p	2017-2023
2013	**4,000**	4,000	812p	2017-2023
2014	**933,191**	1,042,811	767⅔p	2018-2024
	3,850,154	5,308,594		

Share options are granted at an exercise price equal to the average mid-market price of the shares on the three days prior to the date of grant.

Long Term Retention Plan
The following options granted under the Group's LTRP were outstanding at 31 December:

Year of Grant	Number of ordinary shares under option 2016	2015	Exercise price (per share)	Exercise period
2011	**-**	111,000	$4\frac{2}{7}$p	2015-2016
2012	**48,875**	459,469	$4\frac{2}{7}$p	2016-2017
2013	**433,187**	536,517	$4\frac{2}{7}$p	2017-2018
	482,062	1,106,986		

Options are granted under the Group's LTRP at par value. There are no performance criteria attached to the exercise of options under the LTRP.

Employee share plan
The Group introduced an Employee Share Plan during 2016. Under the plan employees contribute regular monthly amounts which are used to purchase shares over a one year period. At the end of the year, the participating employees are awarded one free share for every three shares purchased, providing they remain in employment for a further year. At 31 December 2016, it is estimated that 195,414 shares will be awarded under the scheme.

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20 Share based charges (continued)

Nil value share options

The following options granted under the Group's LTP were outstanding at 31 December:

Year of Grant	Number of ordinary shares under option 2016	2015	Exercise price (per share)	Exercise period
2013	**11,500**	11,500	0.00p	2017-2018
2014	**705,575**	844,595	0.00p	2018-2019
2015	**330,769**	330,769	0.00p	2017-2018
2015	**222,292**	235,000	0.00p	2019-2020
2016	**235,228**	-	0.00p	2018-2019
2016	**295,000**	-	0.00p	2020-2021
	1,800,364	1,421,864		

Options are granted under the Group's LTP at nil value. There are performance criteria relating to the creation of the pool available but none relating to the exercise of the options. Further details on the LTP are provided in the Directors' Remuneration Report.

21 Share capital

Ordinary shares of $4^{2}/_{7}$ pence each (2015: $4^{2}/_{7}$ pence) Issued and fully paid	2016 shares	2016 $m	2015 shares	2015 $m
At 1 January	**378,875,384**	**23.8**	376,975,384	23.7
Allocation of new shares to employee share trusts	**2,150,000**	**0.1**	1,900,000	0.1
At 31 December	**381,025,384**	**23.9**	378,875,384	23.8

22 Share premium

	2016 $m	2015 $m
At 1 January	**63.9**	56.0
Allocation of new shares to employee share trusts	**-**	7.9
At 31 December	**63.9**	63.9

The shares allocated to the trust during the year were issued at $4^{2}/_{7}$ pence (2015: $4^{2}/_{7}$ pence and 529½ pence).

23 Retained earnings

	2016 $m	2015 $m
At 1 January	**2,162.4**	2,142.8
Profit for the year attributable to owners of the parent	**27.8**	79.0
Dividends paid (note 6)	**(116.0)**	(104.9)
Credit relating to share based charges (note 20)	**10.7**	12.7
Re-measurement (loss)/gain on retirement benefit liabilities (note 29)	**(14.2)**	24.9
Movement in deferred tax relating to retirement benefit liabilities	**2.8**	(4.9)
Shares allocated to employee share trusts	**(0.1)**	(8.0)
Shares disposed of by employee share trusts	**7.5**	5.6
Tax credit relating to share option schemes	**6.4**	7.5
Exchange movements in respect of shares held by employee share trusts	**20.9**	7.7
Transactions with non-controlling interests	**(10.2)**	-
At 31 December	**2,098.0**	2,162.4

Retained earnings are stated after deducting the investment in own shares held by employee share trusts. No options have been granted over shares held by the employee share trusts (2015: nil).

Shares held by employee share trusts

	2016		2015	
	Shares	**$m**	Shares	$m
Balance 1 January	**8,985,323**	**133.8**	9,489,797	139.1
New shares allocated	**2,150,000**	**0.1**	1,900,000	8.0
Shares issued to satisfy option exercises	**(1,604,745)**	**(7.5)**	(1,432,202)	(5.6)
Shares issued to satisfy awards under Long Term Incentive Plan	**(430,818)**	**-**	(972,272)	-
Shares issued to satisfy awards under Employee Share Plan	**(2,408)**	**-**		
Exchange movement	**-**	**(20.9)**	-	(7.7)
Balance 31 December	**9,097,352**	**105.5**	8,985,323	133.8

Shares acquired by the employee share trusts are purchased in the open market using funds provided by John Wood Group PLC to meet obligations under the Employee Share Option Schemes, LTRP and LTP. Shares are allocated to the employee share trusts in order to satisfy future option exercises at various prices.

The costs of funding and administering the trusts are charged to the income statement in the period to which they relate. The market value of the shares at 31 December 2016 was $98.5m (2015: $81.1m) based on the closing share price of £8.76 (2015: £6.13). The employee share trusts have waived their rights to receipt of dividends on ordinary shares.

Transactions with non-controlling interests include $9.5m relating to the acquisition of minority shareholdings (see note 25).

The amount of John Wood Group PLC's reserves that are considered distributable is disclosed in note 13 to the Company Financial Statements.

24 Other reserves

	Capital reduction reserve $m	Capital redemption reserve $m	Currency translation reserve $m	Hedging reserve $m	Total $m
At 1 January 2015	88.1	439.7	(203.2)	(0.9)	323.7
Exchange movements on retranslation of foreign currency net assets	-	-	(175.4)	-	(175.4)
Cash flow hedges	-	-	-	(0.1)	(0.1)
At 31 December 2015	88.1	439.7	(378.6)	(1.0)	148.2
Exchange movements on retranslation of foreign currency net assets	-	-	(138.8)	-	(138.8)
At 31 December 2016	**88.1**	**439.7**	**(517.4)**	**(1.0)**	**9.4**

The currency translation reserve relates to the retranslation of foreign currency net assets on consolidation. This was reset to zero on transition to IFRS at 1 January 2004. The movement during the year relates to the retranslation of foreign currency net assets, including goodwill and intangible assets recognised on acquisition. The hedging reserve relates to the accounting for derivative financial instruments under IAS 39. Fair value gains and losses in respect of effective cash flow hedges are recognised in the hedging reserve.

25 Non-controlling interests

	2016 $m	2015 $m
At 1 January	**22.7**	13.1
Exchange movements	**(0.3)**	(0.5)
Share of profit for the year	**6.6**	11.1
Dividends paid to non-controlling interests	**(6.7)**	(1.0)
Transactions with non-controlling interests	**(9.3)**	-
At 31 December	**13.0**	22.7

During the year the Group made payments totalling $18.8m to acquire non-controlling interests. $9.3m represents the share of net assets acquired and the excess has been recorded against retained earnings.

26 Cash generated from operations

	Note	**2016 $m**	2015 $m
Reconciliation of operating profit to cash generated from operations:			
Operating profit from continuing operations		**89.4**	159.4
Less share of post-tax profit from joint ventures		**(3.4)**	(26.6)
		86.0	132.8
Operating profit from discontinued operations		**-**	10.4
		86.0	143.2
Adjustments for:			
Depreciation	**9**	**46.1**	48.8
(Gain)/loss on disposal of property plant and equipment	**3**	**(4.7)**	4.0
Amortisation of intangible assets	**8**	**102.3**	107.1
Share based charges	**20**	**10.7**	12.3
(Decrease)/increase in provisions	**18**	**(43.8)**	27.0
Dividends from joint ventures	**10**	**25.4**	23.6
Exceptional items - non cash impact	**1,4**	**99.9**	149.8
Changes in working capital (excluding effect of acquisition and divestment of subsidiaries)			
Decrease/(increase) in inventories		**0.9**	(0.6)
Decrease in receivables		**98.3**	333.8
Decrease in payables		**(179.6)**	(274.0)
Exchange movements		**3.6**	(12.1)
Cash generated from operations		**245.1**	562.9

Analysis of net debt

	At 1 January 2016 $m	Cash flow $m	Exchange movements $m	At 31 December 2016 $m
Cash and cash equivalents	851.3	(262.9)	(8.9)	**579.5**
Restricted cash	26.5	-	-	**26.5**
Short-term borrowings	(676.7)	241.6	1.5	**(433.6)**
Long-term borrowings	(495.0)	-	-	**(495.0)**
Net debt	(293.9)	(21.3)	(7.4)	**(322.6)**

Net debt of $8.8m (2015: net cash $3.6m) was held by joint ventures at 31 December.

The restricted cash of $26.5m (2015: $26.5m) is cash that is subject to an attachment order. The Group cannot access this cash until it receives a release letter from the Courts and as a result the cash balance is presented in receivables. Management believe it is appropriate to include the restricted cash balance in the Group's net debt figure.

27 Acquisitions

The assets and liabilities acquired in respect of business combinations were as follows:

	$m
Property plant and equipment	1.1
Intangible assets recognised on acquisition	6.4
Other intangible assets	0.1
Trade and other receivables	3.6
Cash and cash equivalents	1.0
Trade and other payables	(4.9)
Total identifiable net assets acquired	**7.3**
Goodwill	18.3
Consideration	**25.6**
Consideration satisfied by:	
Cash	18.4
Deferred and contingent consideration	7.2
	25.6

The Group has used acquisition accounting for the purchases and, in accordance with the Group's accounting policies, the goodwill arising on consolidation of $18.3m has been capitalised. The table reflects payments in respect of deferred and contingent consideration made in relation to acquisitions in prior periods.

In April 2016, the Group acquired 100% of the share capital of SVT Holdings Pty Ltd for an initial consideration of $9.1m, net of $1.0m cash acquired. SVT provides piping and rotating equipment vibration, noise, integrity engineering and asset integrity services to the oil and gas, power, mining and utilities sectors. SVT, which is based in Perth, Australia is reported in the STS segment.

Also in April, the Group acquired 100% of the share capital of Ingenious Inc for an initial consideration of $3.1m with a further $8.2m of estimated contingent consideration provided. Ingenious provides proprietary software and consulting services to the global chemical, oil and gas, and energy industries. Ingenious, which is based in Houston, Texas is reported in the STS segment.

Contingent consideration has been provided in relation to the Ingenious acquisition and is payable over the next three years. The amount payable is dependent on post-acquisition profits and the provision made is based on the Group's estimate of the likely profits of the entity. Where deferred consideration is payable after more than one year the estimated liability is discounted using an appropriate rate of interest.

Neither acquisition is considered material in its own right and amounts have therefore been aggregated in the table above.

The acquired companies will be in a position to access the Group's wider client base and use the Group's resources to further grow and develop their businesses. The acquisitions expand the Group's existing service lines and provide increased diversification and entry into new markets. These factors contribute to the goodwill recognised on the acquisitions.

27 Acquisitions (continued)

Intangible assets of $6.4m, representing the fair value of customer contracts and relationships, have been recorded in relation to the acquisitions made in the year. Trade and other receivables acquired of $3.6m are expected to be recovered in full. The accounting for these acquisitions will be finalised in the next accounting period.

Acquisition costs incurred in relation to the companies acquired during the year are included in administrative expenses in the income statement.

The outflow of cash and cash equivalents in respect of acquisitions is analysed as follows:

	$m
Cash consideration	**18.4**
Cash acquired	**(1.0)**
Cash outflow	**17.4**

Included in the cash outflow above are contingent consideration payments of $5.2m made during the year in respect of acquisitions made in prior periods. Deferred and contingent consideration payments were reassessed during the year resulting in the release of $12.9m to the income statement. Total deferred and contingent consideration outstanding at 31 December amounted to $92.7m (2015: $99.6m).

The results of the Group, as if the above acquisitions had been made at the beginning of period, are presented in the table below. Note that total revenue and EBITA includes share of joint venture revenue and EBITA and is consistent with the presentation in note 1.

	$m
Total Revenue	**4,938.2**
Total EBITA	**363.6**

From the date of acquisition to 31 December 2016, the acquisitions contributed $12.4m to revenue and $1.6m to EBITA.

28 Employees and directors

Employee benefits expense	2016 $m	2015 $m
Wages and salaries	**1,964.6**	2,367.9
Social security costs	**166.5**	210.7
Pension costs – defined contribution schemes (note 29)	**68.3**	78.8
Share based charges	**10.7**	12.3
	2,210.1	2,669.7

Average monthly number of employees (including executive directors)	2016 No.	2015 No.
By geographical area:		
UK	**7,169**	8,907
US	**10,736**	10,082
Rest of the World	**7,626**	9,186
	25,531	28,175

The average number of employees excludes contractors and employees of joint venture companies.

Key management compensation	2016 $m	2015 $m
Salaries and short-term employee benefits	**5.6**	8.5
Amounts receivable under long-term incentive schemes	**0.8**	1.3
Social security costs	**0.8**	0.8
Post-employment benefits	**0.3**	0.6
Share based charges	**1.3**	1.3
	8.8	12.5

Key management compensation represents the charge to the income statement in respect of the remuneration of the Group board and Group Executive Leadership Team members.

Directors	2016 $m	2015 $m
Aggregate emoluments	**2.6**	4.3
Aggregate amounts receivable under long-term incentive schemes	**0.4**	0.6
Aggregate gains made on the exercise of share options	**-**	0.7
Share based charges	**0.6**	0.6
	3.6	6.2

At 31 December, two directors (2015: two) had retirement benefits accruing under a defined contribution pension plan and no directors (2015: none) had benefits accruing under the Group's defined benefit pension scheme. Further details of directors' emoluments are provided in the Directors' Remuneration Report.

29 Retirement benefit scheme surplus/deficit

The Group operates a defined benefit pension scheme in the UK, the John Wood Group PLC Retirement Benefits Scheme, and a number of defined contribution plans. The assets of the defined benefits scheme are held separately from those of the Group, being invested with independent investment companies in trustee administered funds. On 30 June 2014, the scheme was closed to future accrual.

The most recent actuarial valuation of the scheme was carried out at 5 April 2016 by a professionally qualified actuary. The Group has agreed to pay deficit reduction contributions of £1.7m per annum until 2021, although this is currently under review following the recent actuarial valuation.

At 31 December 2016, there were no active members (2015: nil), 397 pensioners (2015: 370) and 724 deferred members (2015: 774) of the scheme.

The principal assumptions made by the actuaries at the balance sheet date were:

	2016	2015
	%	%
Discount rate	**2.60**	3.90
Rate of increase in pensions in payment and deferred pensions	**3.55**	3.20
Rate of retail price index inflation	**3.55**	3.20
Rate of consumer price index inflation	**2.55**	2.20

At 31 December 2016, the mortality assumption used to determine pension liabilities is based on the most recent mortality tables which consider UK wide mortality data relevant to the Group's pension scheme. The mortality rates are then adjusted to allow for expected future improvements in mortality using up to date projections. The mortality assumption used a base table of S2NA with CMI 2015 projections with a long term rate of improvement of 1.25% pa.

The amounts recognised in the balance sheet are determined as follows:

	2016	2015
	$m	$m
Present value of funded obligations	**(246.3)**	(249.7)
Fair value of scheme assets	**239.3**	254.2
Net (deficit)/surplus	**(7.0)**	4.5

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2016	**2016**	2015	2015
	$m	**%**	$m	%
Equity securities	**188.8**	**78.9**	206.9	81.4
Corporate bonds	**25.6**	**10.7**	24.9	9.8
Gilts	**14.1**	**5.9**	13.2	5.2
Annuity policies	**6.0**	**2.5**	6.4	2.5
Cash	**4.8**	**2.0**	2.8	1.1
	239.3	**100.0**	254.2	100.0

29 Retirement benefit surplus/deficit (continued)

The amounts recognised in the income statement are as follows:

	2016 $m	2015 $m
Interest cost	**8.8**	10.1
Interest income on scheme assets	**(9.0)**	(9.2)
Total included within finance (income)/expense	**(0.2)**	0.9

There is no current service cost included in employee benefit expense following the closure of the scheme to future accrual 30 June 2014.

Changes in the present value of the defined benefit liability are as follows:

	2016 $m	2015 $m
Present value of funded obligations at 1 January	**249.7**	293.1
Interest cost	**8.8**	10.1
Re-measurements:		
- actuarial losses/(gains) arising from changes in financial assumptions	**72.7**	(15.1)
- actuarial gains arising from changes in demographic assumptions	**(10.9)**	-
- actuarial gains arising from changes in experience	**(15.3)**	(3.1)
Benefits paid	**(14.8)**	(15.6)
Settlement of unfunded liability	**-**	(4.7)
Exchange movements	**(43.9)**	(15.0)
Present value of funded obligations at 31 December	**246.3**	249.7

At 31 December 2016, the present value of funded obligations comprised $177.8m relating to deferred members and $68.5m relating to pensioners.

Changes in the fair value of scheme assets are as follows:

	2016 $m	2015 $m
Fair value of scheme assets at 1 January	**254.2**	266.1
Interest income on scheme assets	**9.0**	9.2
Contributions	**2.3**	2.5
Benefits paid	**(14.8)**	(15.6)
Expenses paid	**-**	(0.1)
Re-measurement gain on scheme assets	**32.3**	6.7
Exchange movements	**(43.7)**	(14.6)
Fair value of scheme assets at 31 December	**239.3**	254.2

29 Retirement benefit scheme surplus/deficit (continued)

Analysis of the movement in the balance sheet (surplus)/deficit:

	2016 **$m**	2015 $m
(Surplus)/deficit at 1 January	**(4.5)**	27.0
Finance (income)/ expense	**(0.2)**	0.9
Contributions	**(2.3)**	(2.5)
Expenses paid	**-**	0.1
Re-measurement losses/(gains) recognised in the year	**14.2**	(24.9)
Settlement of unfunded liability	**-**	(4.7)
Exchange movements	**(0.2)**	(0.4)
Deficit/(surplus) at 31 December	**7.0**	(4.5)

The contributions expected to be paid during the financial year ending 31 December 2017 amount to $2.1m (£1.7m).

Scheme risks
The retirement benefit scheme is exposed to a number of risks, the most significant of which are –

Volatility
The defined benefit obligation is measured with reference to corporate bond yields and if scheme assets underperform relative to this yield, this will create a deficit, all other things being equal. The scheme investments are well diversified such that the failure of a single investment would not have a material impact on the overall level of assets.

Changes in bond yields
A decrease in corporate bond yields will increase the defined benefit obligation. This would however be offset to some extent by a corresponding increase in the value of the scheme's bond asset holdings.

Inflation risk
The majority of benefits in deferment and in payment are linked to price inflation so higher actual inflation and higher assumed inflation will increase the defined benefit obligation.

Life expectancy
The defined benefit obligation is generally made up of benefits payable for life and so increases to members' life expectancies will increase the defined benefit obligation, all other things being equal.

Sensitivity of the retirement benefit obligation
The impact of changes to the key assumptions on the retirement benefit obligation is shown below. The sensitivity is based on a change in an assumption whilst holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the pension obligation recognised in the Group balance sheet.

Assumption	**Approximate effect on liabilities**
Discount rate	
- Minus 0.5%	$26.9m
- Plus 0.5%	$(23.4)m
Inflation	
- Plus 0.25%	$6.4m
- Minus 0.25%	$(6.2)m
Life expectancy	
- Plus 1 year	$6.4m
- Minus 1 Year	$(6.2)m

29 Retirement benefit scheme surplus/deficit (continued)

Defined contribution plans

Pension costs for defined contribution plans were as follows:

	2016 $m	2015 $m
Defined contribution plans	**68.3**	78.8

There were no material contributions outstanding at 31 December 2016 in respect of defined contribution plans.

The Group operates a pension arrangement in the US for certain employees. During the year, the Group made contributions of $0.6m (2015: $0.8m) to the arrangement. Contributions are invested in a portfolio of US funds and the fair value of the funds at the balance sheet date are recognised by the Group as a long term receivable. Investments held by the Group at 31 December amounted to $77.4m (2015: $75.5m) and will be used to pay benefits when employees retire. The corresponding liability is recorded in other non-current liabilities.

30 Operating lease commitments – minimum lease payments

	2016 Property $m	**2016 Vehicles, plant and equipment $m**	2015 Property $m	2015 Vehicles, plant and equipment $m
Amounts payable under non-cancellable operating leases due:				
Within one year	**79.0**	**9.2**	78.4	9.3
Later than one year and less than five years	**225.2**	**5.5**	251.7	11.4
After five years	**208.0**	**-**	232.2	-
	512.2	**14.7**	562.3	20.7

The Group leases various offices and facilities under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights. The Group also leases vehicles, plant and equipment under non-cancellable operating lease agreements.

31 Contingent liabilities

At the balance sheet date, the Group had cross guarantees without limit extended to its principal bankers in respect of sums advanced to subsidiaries.

From time to time, the Group is notified of claims in respect of work carried out. Where management believes we are in a strong position to defend these claims no provision is made.

The Group is aware of a challenge to historic employment practices which may have an impact on the Group, including the application of National Insurance Contributions to workers in the UK Continental Shelf. In addition, recent court cases have challenged the UK's historic interpretation of EU legislation relating to holiday pay and this may have an impact on all companies who have employees in the UK, including Wood Group. At this point, we do not believe that it is probable that a liability, if any, will arise from any of these claims and therefore no provision has been made.

32 Capital and other financial commitments

	2016 **$m**	2015 $m
Contracts placed for future capital expenditure not provided in the financial statements	**8.1**	5.0

The capital expenditure above relates to property plant and equipment. In addition, joint venture companies have commitments amounting to $2.2m.

33 Related party transactions

The following transactions were carried out with the Group's joint ventures. These transactions comprise sales and purchases of goods and services and funding provided in the ordinary course of business. The receivables include loans to joint venture companies.

	2016 **$m**	2015 $m
Sale of goods and services to joint ventures	**29.6**	47.6
Purchase of goods and services from joint ventures	**8.5**	11.6
Receivables from joint ventures	**119.5**	147.0
Payables to joint ventures	**13.3**	18.6

Key management compensation is disclosed in note 28.

The Group currently pays an annual fee of £15,000 (2015: £10,000) to Dunelm Energy, a company in which Ian Marchant, the Group Chairman, has an interest, for secretarial and administration services and the provision of office space.

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for the year to 31 December 2016

34 Subsidiaries and joint ventures

The Group's subsidiary and joint venture undertakings at 31 December 2016 are listed below. All subsidiaries are fully consolidated in the financial statements. Ownership interests noted in the table reflect holdings of ordinary shares.

Company name	Country of incorporation	Registered address	Ownership interest %
AG Offshore Engineering (China) Ltd	China	Room A25, 3rd Floor, No 473 West Fute 1st Road, Shanghai	100%
Altablue Australia Pty Ltd	Australia	Wood Group House, Level 1, 432 Murray Street, Perth WA 6000	100%
Altablue Inc.	United States	2215-B Renaissance Dr. Las Vegas, NV 89119	100%
AltaBlue Limited	Jersey	La Motte Chambers, La Motte Street, St Helier	100%
Australian Skills Training Pte. Ltd.	Singapore	Shaw Tower #28-09, 100 Beach Road, Singapore, 189702	100%
Automated Technology Group Holdings Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
Autotech Controls Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
Baker Energy International Equatorial Guinea S.A.	Equatorial Guinea	Bioko, Island Region, Malabo	65%
BMA Engineering Sdn. Bhd.	Malaysia	Unit C-12-4, Level 12, Block C, Megan Avenue II, 50450 Kuala Lumpur, Wilayah Persekutuan	100%
BMA Solutions Inc	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
Brazos M & E (Nevada), Inc.	United States	2215-B Renaissance Dr., Las Vegas, NV 89119	100%
Brazos M & E Management, L.L.C.	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
Brazos M & E, Ltd.	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
Caliber Holding, Inc.	United States	2215-B Renaissance Dr., Las Vegas, NV 89119	100%
Caliber Services, L.P.	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
Cape Software, Inc.	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
CSGP, LLC	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
East Mediterranean Energy Services Limited	United Kingdom	3rd Floor, 68-70 George Street, Edinburgh	100%
Elkhorn Construction, Inc.	United States	1821 Logan Avenue, Cheyenne, WY 82001	100%
Elkhorn Holdings, Inc.	United States	1821 Logan Avenue, Cheyenne, WY 82001	100%
Enterprise Engineering Services Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Enterprise Fabrication Services Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Erbus AS	Norway	Fokserodveien 12, Sandefjord, 3241	100%
Feng Neng Sgurr (Beijing) Renewable Energy Technology Co. Ltd	China	1217, No 5 Dongzhimen South Avenue, Dongcheng	100%
Garlan Insurance Limited	Guernsey	St Martins House, Le Bordage, St Peter Port, GY1 4AU	100%
Ghabet El Iraq for General Contracting and Engineering Services, Engineering Consultancy (LLC)	Iraq	Suite 24, Building 106, St 19, Sec 213, Al-Kindi St, Al-Haritheeya Qts, Baghdad	100%
Global Performance, LLC	United States	1703 Laurel Street, Columbia, SC 57501	100%
Greenwell Services (UK) Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%

Company name	Country of incorporation	Registered address	Ownership interest %
Grenland Group (China) Limited	China	Room D2, 6th Floor, No 2446, Jin Qiao Road, Pudong, Shanghai	100%
GTS Power Solutions Limited	Jersey	La Motte Chambers, La Motte Street, St Helier	100%
Harwat International Finance Corporation N.V.	Curaçao	Penstraat 35, P.O. Box 4888, Curacao	100%
Harwood Production Services Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Hexagon Sociedad Anonima con Consejo de Administracion	Equatorial Guinea	Solege, Calle Kenia S/N, Malabo	65%
HFA Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
ICGP, LLC	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
Igranic Control Systems Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
IMGP, LLC	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
Infinity Construction Holding, LLC	United States	2711 Centerville Road, Suite 400, Wilmington, DE 19808	100%
Infinity Construction Services, LP	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
Infinity Maintenance Holding, LLC	United States	2711 Centerville Road, Suite 400, Wilmington, DE 19808	100%
Infinity Maintenance Services, L.P.	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
Ingenious Inc.	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
Ingenious Process Solutions Private Limited	India	307, Atlanta Estate, 3rd Floor, Hanuman TekdiI Road Vitbhatti, Off. W. E. Highway, Goregaon (East) Mumbai MH 400063	100%
Innofield Services Pty Ltd	Australia	Level 6, 54-58 Mounts Bay Road, Perth WA 6000	100%
Integrated Maintenance Services Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
ISI Group, L.L.C.	United States	211 E. 7th Street, Suite 620, Austin TX 78701	90%
ISI Mustang (Argentina) S.A.	Argentina	Pedro Molina 714, Ciudad de Mendoza, Province de Mendoza	91%
ISI Mustang Bolivia S.R.L.	Bolivia	Avenida San Martin Calle 6 Este, Equipetrol No. 5, Barrio, Santa Cruz	100%
ISI Mustang Chile SpA	Chile	Calle Providencia 337, off. 7, Comuna de Providencia, Santiago	90%
ISI Mustang Peru S.A.C.	Peru	Calle Martir Olaya 201, off. 801 Miraflores, Lima	90%
ISI Mustang Servicios de Ingenieria de Mexico, S de R.L. De C.V.	Mexico	Homero 1804 Piso 11, Col. Los Morales - Delegacion Miguel Hidalgo, Mexico City, Distrito Federal, C.P. 11540	89%
ISI Solutions Colombia Limitada	Colombia	Carrera 12 No.90 19, Floor 3, Bogota D.C.	90%
ISI Solutions, Inc.	United States	211 E. 7th Street, Suite 620, Austin TX 78701	90%
J P Kenny Overseas Limited	Cyprus	Themistokli Dervi 5, Elenion Building, 2nd Floor, P.C. 1005, Nicosia	100%
J P Kenny Technology Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
J W G Trustees Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
John Brown E & C Ltd	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
John Wood Group B.V.	Netherlands	Atrium Building, 8th Floor, Strawinskylaan 3127, Amsterdam, 1077 ZX	100%

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Company name	Country of incorporation	Registered address	Ownership interest %
John Wood Group Holdings B.V.	Netherlands	Atrium Building, 8th Floor, Strawinskylaan 3127, Amsterdam, 1077 ZX	100%
John Wood Group US Company	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
JWG 16 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
JWG Cooperatief B.A.	Netherlands	Herikerbergweg 214, 1101 CM, Amsterdam Zuidoost	100%
JWG Ireland CAD Unlimited Company	Ireland	Second Floor, Blocks 4 and 5, Galway Technology Park, Parkmore, Galway	100%
JWG Ireland NOK Unlimited Company	Ireland	Second Floor, Blocks 4 and 5, Galway Technology Park, Parkmore, Galway	100%
JWG Ireland USD Unlimited Company	Ireland	Second Floor, Blocks 4 and 5, Galway Technology Park, Parkmore, Galway	100%
JWG Ireland USD 2 Unlimited Company	Ireland	Second Floor, Blocks 4 and 5, Galway Technology Park, Parkmore, Galway	100%
JWG Ireland USD 3 Unlimited Company	Ireland	Second Floor, Blocks 4 and 5, Galway Technology Park, Parkmore, Galway	100%
JWG Netherlands 1 B.V.	Netherlands	Herikerbergweg 214, 1101 CM, Amsterdam Zuidoost	100%
JWG Netherlands 2 B.V.	Netherlands	Herikerbergweg 214, 1101 CM, Amsterdam Zuidoost	100%
JWG Netherlands 3 B.V.	Netherlands	Herikerbergweg 214, 1101 CM, Amsterdam Zuidoost	100%
JWG Netherlands 4 B.V.	Netherlands	Herikerbergweg 214, 1101 CM, Amsterdam Zuidoost	100%
JWG Nigeria Limited	Nigeria	13 Sumbo Jibowu Street, Ikoyi, Lagos	49%*
JWG Norway Investments Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
JWGUS Company Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
JWGUSA Holdings Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
JWGUSA Holdings, Inc.	United States	2711 Centerville Road, Suite 400, Wilmington, DE 19808	100%
Kelchner, Inc.	United States	1300 East 9th Street, Cleveland, OH 44114	100%
Kelwat Investments Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
M & O Global Pty Ltd	Australia	432 Murray Street, Perth WA 6000	100%
M&O Pacific Limited	New Zealand	28 Manadon Street, New Plymouth	100%
Marine & Offshore Group Pty Limited	Australia	Wood Group House, Level 6, 432 Murray Street, Perth WA 6000	100%
Marine Computation Services Kenny Group Limited	Ireland	70 Sir John Rogerson's Quay, Dublin 2	100%
MCS Kenny International (UK) Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Melwat Finance Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Mitchell's Oil Field Services, Inc.	United States	26 West Sixth Avenue, Helena, MT 59624	100%
Mustang and Faisal Jamil Al-Hejailan Consulting Engineering Company	Saudi Arabia	PO Box 9175, Riyadh	75%
Mustang Engineering (North Carolina) PC	United States	327 Hillsborough Street, Raleigh, NC 27603	100%
Mustang Engineering Florida, Inc.	United States	1200 South Pine Island Road, Plantation, FL 33324	100%
Mustang Engineering India Private Limited	India	R9, F -3 RD W: B, P-214, B- Wing, Laxmikant Apartment, Sitaram Keer Marg, Mahim, Mumbai 400016	100%

Company name	Country of incorporation	Registered address	Ownership interest %
Mustang Engineering Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Mustang Engineering Pty. Ltd.	Australia	Wood Group House, Level 6, 432 Murray Street, Perth WA 6000	100%
Mustang International, L.P.	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
Mustang Malaysia Sdn. Bhd.	Malaysia	Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan	100%
Mustang of New Jersey, Inc.	United States	830 Bear Tavern Road, West Trenton, NJ 08628	80%
Mustang Process and Industrial Inc.	United States	2 Office Park Court, Columbia SC 29223	100%
Mustang Saudi Arabia Co. Ltd.	Saudi Arabia	P.O. Box 17411, Riyadh	100%
Mustang Subs GP, Inc.	United States	2215-B Renaissance Dr., Las Vegas, NV 89119	100%
Mustang Subs LP, Inc.	United States	2215-B Renaissance Dr., Las Vegas, NV 89119	100%
NDT Systems, Inc.	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
O.T.S. Finance and Management Limited	Vanuatu	Law Partners House, Rue Pasteur, Port Vila	100%
ODL pty Ltd	Australia	Wood Group House, Level 6, 432 Murray Street, Perth WA 6000	100%
Offshore Design Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Onshore Pipeline Engineering, D.P.C.	United States	245 Park Avenue, New York, NY 10167	100%
Overseas Technical Service International Limited	Vanuatu	Law Partners House, Rue Pasteur, Port Vila	100%
Overseas Technical Services Nigeria Limited	Nigeria	No 13 Sumbo Jibowu Street, Ikoyi, Lagos	93%
Patrie Investments B.V.	Netherlands	Drenstestraat 24 BG, 1083 HK Amsterdam	100%
Procesos y Disenos Energeticos SA	Colombia	Carrera 11 A No. 96-51 5th floor, Bogota D.C.	100%
Production Services Network (UK) Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Production Services Network Angola Limitada	Angola	RuaKima Kienda, Edificio SGEP, 2nd Floor, Apartment 16, Boavista District, Ingombota, Luanda	49%*
Production Services Network Bangladesh Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
Production Services Network Corporate Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Production Services Network Emirates LLC	United Arab Emirates	Floor 5, International Tower, Capital Centre, 24th (Karama) Street, P.O. Box 105828, Abu Dhabi	49%*
Production Services Network Eurasia LLC	Russia	Tverskaya St. 16/3, Moscow	50%*
Production Services Network Gabon Sole Limited	Gabon	Place of Independence, En face de la BVMAC, Libreville, Gabon BP 922	100%
Production Services Network Holdings Corp.	Philippines	585 ME National Road HW, Barangay Alangilan, Batangas City, Batangas	100%
Production Services Network International Limited	Bermuda	Canon's Court, 22 Victoria Street, Hamilton, Bermuda HM12	100%
Production Services Network Qatar LLC	Qatar	PO Box 2515, Doha	24%*
Production Services Network Sakhalin LLC	Russia	2-6 Floors, 88 Amurskaya, 693020, Yuzhno-Sakhalinsk	50%*
PSJ Fabrications Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
PSN (Angola) Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
PSN (Philippines) Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%

Company name	Country of incorporation	Registered address	Ownership interest %
PSN Asia Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
PSN Overseas Holding Company Limited	United Arab Emirates	The Maze Tower, 15th Floor, Sheikh Zayed Road, PO Box 9275, Dubai	100%
PSN Overseas Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
PSN Overseas Romania SRL	Romania	Ploiesti, 225 Gheorghe Doja Street, 2nd Floor, Prahova County	100%
PSN Production Services Network Philippines Corp	Philippines	12th Floor, Net One Center, 26th Street Corner, 3rd Avenue, Crescent Park West, Bonifacio Global City, Taguig, Metro Manilla 1634	40%*
PT Australian Skills Training	Indonesia	Green Town Warehouse No. 2, Bengkong-Batam-Indonesia	95%
PT Wood Group Kenny Indonesia	Indonesia	Office 88 Tower, 20th - H Floor, Jl. Casablanca Kav 88, South Jakarta 12870	90%
Pyeroy (Ireland) Limited	Ireland	70 Sir John Rogerson's Quay, Dublin 2	95%
Pyeroy Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	95%
Sakhalin Technical Services Network LLC	Russia	Suite 417, Kommunistichesy Prospekt 32, Yuzhno-Sakhalinsk, Sakhalin	40%*
Santos Barbosa Tecnica Comercio e Servicios Ltda	Brazil	Estrada Sao Jose do Mutum, 301 - Imboassica, Cidade de Macae, Rio de Janeiro, CEP 27973-030	100%
SARL Wood Group Algeria	Algeria	Cite Zone Industrielle BP 504, Hassi Messaoud	100%
SD FortyFive Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
Sigma 3 (North Sea) Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	63%
SgurrControl Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	51%
SgurrEnergy Hong Kong Limited	Hong Kong	1301 Bank of America Tower, 12 Harcourt Rd., Central Hong Kong	100%
SgurrEnergy Inc.	United States	2711 Centerville Road, Suite 400, Wilmington, DE 19808	100%
SgurrEnergy Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Simco	Venezuela	Avenida 5 de Julio, Ebtre avs. 3Ey3F, Edificio Geminis, Piso 5, Maracaibo	90%
SVT Holdings Pty Ltd	Australia	Wood Group House, Level 6, 432 Murray Street, Perth WA 6000	100%
Swaggart Brothers, Inc.	United States	1127 Broadway St. NE, Ste 310, Salem, OR 97301	100%
Swaggart Logging & Excavation LLC	United States	1127 Broadway St. NE, Ste 310, Salem, OR 97301	100%
Talentworx Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
The Automated Technology Group (Slovakia) s.r.o.	Slovakia	Hviezdoslavovo namestie 13, Mestska cast Stare Mesto, Bratislava 811 02	100%
The Automated Technology Group Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
The Igranic Group Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
United Electrical & Instrumentation (Nevada), Inc.	United States	2215-B Renaissance Dr., Las Vegas, NV 89119	100%
United Electrical & Instrumentation Management, L.L.C.	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
United Electrical & Instrumentation, Ltd.	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%

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Company name	Country of incorporation	Registered address	Ownership interest %
W L S Holdings Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WG International Services Limited	Cyprus	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia	100%
WG Intetech Holdings Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	90%
WG Power US Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD003 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD004 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD005 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD006 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD007 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD008 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD010 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD013 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD014 Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
WGD016 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD017 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD018 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD021 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD023 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD024 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD025 Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
WGD026 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD028 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD030 Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
WGD034 Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGD035 Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
WGPF Contracting Limited	Cyprus	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia	100%
WGPS International Limited	Cyprus	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia	100%

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Company name	Country of incorporation	Registered address	Ownership interest %
WGPS Peru S.A.C.	Peru	Avenida De la Floresta 497, Edificio Parque Las Lomas, Fifth floor, San Borja, Lima	100%
WGPSN (Holdings) Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
WGPSN Eurasia Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	50%*
WGPSN Queensland Pty Ltd	Australia	Santos Place, Level 9, 32 Turbot Street, Brisbane QLD 4000	100%
Wood Group (South Africa) Pty Ltd	South Africa	PO Box 2506, Houghton 2041	100%
Wood Group Algeria Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Algiers Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Angola Limited	Cyprus	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia	100%
Wood Group Annaba Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Arzew Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Asset Integrity Solutions, Inc.	Canada	Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, Alberta, T2P 0R3	100%
Wood Group Asset Management Solutions Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Australia Pty Ltd	Australia	Wood Group House, Level 6, 432 Murray Street, Perth WA 6000	100%
Wood Group Azerbaijan B.V.	Netherlands	Atrium Building, 8th Floor, Strawinskylaan 3127, Amsterdam, 1077 ZX	100%
Wood Group Canada, Inc.	Canada	Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, Alberta, T2P 0R3	100%
Wood Group de Mexico S.A. de C.V.	Mexico	Blvd. Manuel Avila Camacho 40 - 1801, Lomas de Cahpultepec, Delgacion Miguel Hidalgo, D.F. 11000	100%
Wood Group E & PF Holdings, Inc.	United States	2711 Centerville Road, Suite 400, Wilmington, DE 19808	100%
Wood Group E&PF (Canada) Limited	Canada	Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, Alberta, T2P 0R3	100%
Wood Group Engineering & Operations Support Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Engineering (Colombia) Ltd.	British Virgin Islands	Geneva Place, 2nd Floor, 333 Waterfront Drive, PO Box 3339, Road Town, Tortola	100%
Wood Group Engineering (North Sea) Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Engineering and Production Facilities Australia Pty Ltd	Australia	Wood Group House, Level 6, 432 Murray Street, Perth WA 6000	100%
Wood Group Engineering and Production Facilities Brasil Ltda	Brazil	Rua Ministro Salgado Filho, 119, Cavaleiros, Cidade de Macae, Estado do Rio de Janeiro, CEP 27920-210	100%
Wood Group Engineering and Production Facilities de Mexico S.A. de C.V.	Mexico	Blvd. Manuel Avila Camacho 40 - 1801, Lomas de Cahpultepec, Delgacion Miguel Hidalgo, D.F. 11000	100%
Wood Group Engineering Contractors Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Engineering International Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Engineering Pte. Limited	Singapore	Shaw Tower #28-09, 100 Beach Road, Singapore, 189702	100%
Wood Group Engineering Sdn. Bhd	Malaysia	Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan	0%*
Wood Group Engineering Services (France) SAS	France	6Pl de la Madeleine, Paris, 75008	100%

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Company name	Country of incorporation	Registered address	Ownership interest %
Wood Group Engineering Services (Middle East) Limited	Jersey	La Motte Chambers, La Motte Street, St Helier	100%
Wood Group Engineering Services (North Africa) Limited	Cyprus	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia	100%
Wood Group Equatorial Guinea Limited	Cyprus	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia	100%
Wood Group ESP Saudi Arabia Limited	Saudi Arabia	PO Box 1280, Al-Khobar	51%
Wood Group Frontier Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Gas Turbine Services Holdings Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Gas Turbines De Venezuela, S.A.	Venezuela	Av. Ppal Las Delicas Edf. Exon, Oficina 13-D-Maracay, Aragua 2101	99%
Wood Group Gas Turbines Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Ghana Limited	Ghana	20 Jones Nelson Road, Adabraka, Accra	49%*
Wood Group Hassi Messaoud Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Holdings (International) Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group HR Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Industrial Services Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	95%
Wood Group Integrity Management Pty Ltd	Australia	Wood Group House, Level 6, 432 Murray Street, Perth WA 6000	100%
Wood Group Integrity Management UK Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group International Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group International Services Pte. Ltd.	Singapore	Shaw Tower #28-09, 100 Beach Road, Singapore, 189702	100%
Wood Group Intetech Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines, TW18 1DT	90%
Wood Group Investments Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Kazakhstan LLP	Kazakhstan	55 Ablai Khan Ave., Room #112/114, Almaty 050004	100%
Wood Group Kenny Australia Pty Ltd	Australia	Wood Group House, Level 6, 432 Murray Street, Perth WA 6000	100%
Wood Group Kenny Canada Ltd.	Canada	Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, Alberta, T2P 0R3	100%
Wood Group Kenny Corporate Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Kenny do Brasil Servicos de Engenharia Ltda	Brazil	Rua Sete de Setembro, 54 - 4 andares, Centro, Rio de Janeiro - RJ, CEP 20050-009	100%
Wood Group Kenny India Private Limited	India	Floor 15, Building No 5, DLF Cyber City, Phase III, Gurgaon - 122002, Haryana	100%
Wood Group Kenny Ireland Limited	Ireland	70 Sir John Rogerson's Quay, Dublin 2	100%
Wood Group Kenny Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
Wood Group Kenny Norge AS	Norway	Lkkeveien 99, Stavanger	100%
Wood Group Kenny SAS	France	15-19 rue des Mathurins, Paris 75009	100%
Wood Group Kenny Sdn Bhd	Malaysia	Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan	0%*

Company name	Country of incorporation	Registered address	Ownership interest %
Wood Group Kenny UK Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
Wood Group Kenny, Inc.	United States	2711 Centerville Road, Suite 400, Wilmington, DE 19808	100%
Wood Group Kianda Limitada	Angola	No 201, Rua Engenheiro Armindo de Andrade, Bairro Miramar, Simbizanga, Luanda	41%*
Wood Group Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
Wood Group Management Services de Mexico S.A. de C.V.	Mexico	Blvd. Manuel Avila Camacho 40 - 1801, Lomas de Cahpultepec, Delgacion Miguel Hidalgo, D.F. 11000	100%
Wood Group Management Services Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Mocambique, Limitada	Mozambique	73 Rua Jose Sidumo, Bairro da Polana, Maputo	100%
Wood Group Mustang (Canada) Construction Management Inc.	Canada	Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, Alberta, T2P 0R3	100%
Wood Group Mustang (M) Sdn. Bhd.	Malaysia	Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan	100%
Wood Group Mustang Holdings, Inc.	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
Wood Group Mustang, Inc.	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
Wood Group Norway AS	Norway	Fokserodveien 12, Sandefjord	100%
Wood Group Norway Holdings AS	Norway	Fokserodveien 12, Sandefjord	100%
Wood Group Norway Operations AS	Norway	Kanalsletta 2, 4033 Stavanger	100%
Wood Group O&M International, Ltd.	Cayman Islands	Whitehall House, 238 North Church Street, George Town, Grand Cayman KY1-1102	100%
Wood Group Offshore Services Limited	Guernsey	Ogier House, St Julian's Avenue, St Peter Port	100%
Wood Group Oilfield Rentals Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	98%
Wood Group Operations Holdings Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group OTS International Inc.	Cayman Islands	Whitehall House, 238 North Church Street, George Town, Grand Cayman KY1-1102	100%
Wood Group PDE Limited	British Virgin Islands	Geneva Place, 2nd Floor, 333 Waterfront Drive, PO Box 3339, Road Town, Tortola	100%
Wood Group Peru S.A.C.	Peru	Av. de la Floresta 407, 5th Floor, San Borja, Lima	100%
Wood Group Power Investments Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Production Facilities Limited	Jersey	La Motte Chambers, La Motte Street, St Helier	100%
Wood Group Production Facilities Pty Limited	Australia	Wood Group House, Level 1, 432 Murray Street, Perth WA 6000	100%
Wood Group Production Services UK Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group Properties Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Wood Group PSN Australia Pty Ltd	Australia	Level 3, 171 Collins Sreet, Melbourne, VIC 3000	100%
Wood Group PSN Azerbaijan LLC	Azerbaijan	96E Nizami Street, Sabail, Baku, AZ 1010	100%
Wood Group PSN India Private Limited	India	Floor 15, Building No 5, Tower B, Cyber Terraces, Gurgaon - 122002, Haryana	100%
Wood Group PSN Lease Maintenance & Construction LLC	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
Wood Group PSN Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%

Notes to the financial statements

for the year to 31 December 2016

Company name	Country of incorporation	Registered address	Ownership interest %
Wood Group PSN Uganda Limited	Uganda	KAA House, Plot 41, Nakasero Road, PO Box 9566, Kampala	100%
Wood Group PSN, Inc.	United States	2215-B Renaissance Dr., Las Vegas, NV 89119	100%
Wood Group Somias SPA	Algeria	PO Box 67, Elmalaha Road (Route des Salines), Elbouni, Annaba	55%
Wood Group Support Services, Inc.	United States	2215-B Renaissance Dr., Las Vegas, NV 89119	100%
Wood Group Trinidad & Tobago Limited	Trinidad and Tobago	18 Scott Bushe Street, Port of Spain	100%
Wood Group US Holdings, Inc.	United States	2215-B Renaissance Dr., Las Vegas, NV 89119	100%
Wood Group US International, Inc.	United States	2215-B Renaissance Dr., Las Vegas, NV 89119	100%
Wood Group, LLC	Iraq	Shoresh, Hadid and Khashab St., Erbil	100%
Wood Group/MO Services, Inc.	United States	211 E. 7th Street, Suite 620, Austin TX 78701	100%
Wood Group/OTS Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	100%
Woodhill Frontier Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	100%
Yeskertkish Kyzmet Kazakhstan LLP	Kazakhstan	Atyrau City, Airport Area, Atyrau	100%

*Companies consolidated for accounting purposes as subsidiaries on the basis of control.

Details of the direct subsidiaries of John Wood Group PLC are provided in note 1 to the parent company financial statements.

Notes to the financial statements

for the year to 31 December 2016

Joint venture name	Country of incorporation	Registered address	Ownership interest %
Dockside Services (Devonport) Limited	United Kingdom	Compass Point, 79-87 Kingston Road, Staines	47%
Energy Logistics, Inc.	United States	160 Greentree Drive, Suite 101, Dover, DE 19904	33%
EthosEnergy Group Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	51%
Libyan-Australian Joint Venture Company for Safety Services	Libya	Injilla Complex, Injilla, Tripoli	50%
Massy Wood Group Ltd.	Trinidad and Tobago	3rd Floor, Tatil Building, 11A Maraval Road, Port of Spain	50%
Mustang Diavaz, S.A.P.I. de C.V.	Mexico	Av. Revolucion 468, Col. San Pedro de los Pinos Mexico, D.F.	50%
Northern Integrated Services Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	50%
ODL Canada Limited	Canada	689 Water Street, St. John's, NF A1E 1B5	50%
PSN KazStroy JSC	Kazakhstan	Satpayev str. 46, Atyrau	50%
RWG (Repair & Overhauls) Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	50%
Servicios EHC Training C.A.	Venezuela	Calle Paris y New York, Edif. Themis Mary, Piso 2, Oficina 202, Las Mercedes, Caracas	50%
SgurrEnergy India Pvt. Ltd	India	58/2 Kausar Baugh, Off NIBM Road, Kondhwa, Pune, Maharashtra 411048	50%
Ship Support Services Limited	United Kingdom	Drayton Hall, Church Road, West Drayton, UB7 7PS	47%
SKS Wood Sdn Bhd	Brunei	Lot No 23, G-25 Area, Simpang 81-4, Seria KB2533, PO Box 105, Seria KB1133, Negara	43%
Sulzer Wood Limited	United Kingdom	15 Justice Mill Lane, Aberdeen	49%
Transcanada Turbines Ltd.	Canada	TransCanada PipeLines Tower, 111 Fifth Avenue S.W., P.O. Box 1000, Station M, Calgary AB T2P 4KE	50%
Vista-Mustang JV Corp.	Canada	Suite B12, 6020 2nd Street S. E., Calgary AB T2H 2L8	50%
Wood Group - CCC Limited	Cyprus	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia	50%
Wood Group Production Facilities (Malaysia) Sdn. Bhd.	Malaysia	Lot 1-3, Level 5, Block G (South), Pusat Bandar Damansara, 50490 Kuala Lumpur	48%

Shareholder information

Payment of dividends
The Company declares its dividends in US dollars. As a result of the shareholders being mainly UK based, dividends will be paid in sterling, but if you would like to receive your dividend in US dollars please contact the Registrars at the address below. All shareholders will receive dividends in sterling unless requested. If you are a UK based shareholder, the Company encourages you to have your dividends paid through the BACS (Banker's Automated Clearing Services) system. The benefit of the BACS payment method is that the Registrars post the tax vouchers directly to the shareholders, whilst the dividend is credited on the payment date to the shareholder's Bank or Building Society account. UK shareholders who have not yet arranged for their dividends to be paid direct to their Bank or Building Society account and wish to benefit from this service should contact the Registrars at the address below. Sterling dividends will be translated at the closing mid-point spot rate on 7 April 2017 as published in the Financial Times on 8 April 2017.

Officers and advisers

Secretary and Registered Office
W G Setter
John Wood Group PLC
15 Justice Mill Lane
Aberdeen
AB11 6EQ

Tel: 01224 851000

Registrars
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Tel: 0871 384 2649

Stockbrokers
JPMorgan Cazenove Limited
Credit Suisse

Independent Auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Capitol
431 Union Street
Aberdeen
AB11 6DA

Company Solicitors
Slaughter and May

Financial calendar

Results announced	21 February 2017
Ex-dividend date	6 April 2017
Dividend record date	7 April 2017
Annual General Meeting	10 May 2017
Dividend payment date	16 May 2017

The Group's Investor Relations website can be accessed at www.woodgroup.com.