

JOHN WOOD GROUP PLC

GROUP FINANCIAL STATEMENTS

FOR THE YEAR TO 31st DECEMBER 2017

Company Registration Number SC 36219

John Wood Group PLC

Consolidated income statement
for the year to 31 December 2017

| | | 2017 | | | 2016 | | |
|---|------------|-------------------------------------|---|----------------|-------------------------------------|---|--------------|
| | 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 | 5,394.4 | - | 5,394.4 | 4,120.6 | - | 4,120.6 |
| Cost of sales | | (4,714.4) | - | (4,714.4) | (3,498.2) | - | (3,498.2) |
| Gross profit | | 680.0 | - | 680.0 | 622.4 | - | 622.4 |
| Administrative expenses | 4 | (500.0) | (146.9) | (646.9) | (411.4) | (68.3) | (479.7) |
| Impairment of investment in joint ventures | 4,10 | - | (28.0) | (28.0) | - | (56.7) | (56.7) |
| Share of post-tax profit from joint ventures | 4,10 | 32.4 | (1.1) | 31.3 | 32.7 | (29.3) | 3.4 |
| Operating profit | 1 | 212.4 | (176.0) | 36.4 | 243.7 | (154.3) | 89.4 |
| Finance income | 2 | 2.8 | - | 2.8 | 2.2 | - | 2.2 |
| Finance expense | 2 | (52.3) | (8.5) | (60.8) | (25.6) | - | (25.6) |
| Profit/(loss) before taxation from continuing operations | 3,4 | 162.9 | (184.5) | (21.6) | 220.3 | (154.3) | 66.0 |
| Taxation | 4,5 | (27.8) | 19.4 | (8.4) | (46.1) | 14.5 | (31.6) |
| Profit/(loss) for the year from continuing operations | | 135.1 | (165.1) | (30.0) | 174.2 | (139.8) | 34.4 |
| Profit/(loss) attributable to: | | | | | | | |
| Owners of the parent | | 132.7 | (165.1) | (32.4) | 167.6 | (139.8) | 27.8 |
| Non-controlling interests | 26 | 2.4 | - | 2.4 | 6.6 | - | 6.6 |
| | | 135.1 | (165.1) | (30.0) | 174.2 | (139.8) | 34.4 |
| Earnings per share (expressed in cents per share) | | | | | | | |
| Basic | 7 | | | (7.4) | | | 7.5 |
| Diluted | 7 | | | (7.4) | | | 7.3 |

The notes on pages 7 to 82 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 2017

| | Note | 2017 \$m | 2016 \$m |
|---|------|---------------|-------------|
| (Loss)/profit for the year | | (30.0) | 34.4 |
| Other comprehensive (expense)/income | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Re-measurement losses on retirement benefit scheme | 30 | (1.2) | (14.2) |
| Movement in deferred tax relating to retirement benefit scheme | 5 | 0.7 | 2.8 |
| <i>Total items that will not be reclassified to profit or loss</i> | | (0.5) | (11.4) |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Cash flow hedges | 25 | 1.3 | - |
| Exchange movements on retranslation of foreign currency net assets | 25 | 119.2 | (138.8) |
| Exchange movements on retranslation of non-controlling interests | 26 | - | (0.3) |
| <i>Total items that may be reclassified subsequently to profit or loss</i> | | 120.5 | (139.1) |
| Other comprehensive income/(expense) for the year, net of tax | | 120.0 | (150.5) |
| Total comprehensive income/(expense) for the year | | 90.0 | (116.1) |
| Total comprehensive income/(expense) for the year is attributable to: | | | |
| Owners of the parent | | 87.6 | (122.4) |
| Non-controlling interests | | 2.4 | 6.3 |
| | | 90.0 | (116.1) |

Total comprehensive income/(expense) for the year is attributable to continuing operations.

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 7 to 82 are an integral part of these consolidated financial statements.

John Wood Group PLC

Consolidated balance sheet

as at 31 December 2017

| | Note | 2017 \$m | 2016 \$m |
|--|------|----------------|----------------|
| Assets | | | |
| Non-current assets | | | |
| Goodwill and other intangible assets | 8 | 6,870.8 | 1,894.5 |
| Property plant and equipment | 9 | 233.5 | 171.1 |
| Investment in joint ventures | 10 | 239.9 | 205.9 |
| Long term receivables | 12 | 241.3 | 87.2 |
| Retirement benefit scheme surplus | 30 | 331.5 | - |
| Deferred tax assets | 19 | 108.5 | 91.3 |
| | | 8,025.5 | 2,450.0 |
| Current assets | | | |
| Inventories | 11 | 14.2 | 7.0 |
| Trade and other receivables | 12 | 2,628.7 | 951.7 |
| Financial assets | 12 | 88.2 | 26.6 |
| Income tax receivable | | 93.0 | 14.7 |
| Cash and cash equivalents | 13 | 1,225.5 | 579.5 |
| | | 4,049.6 | 1,579.5 |
| Liabilities | | | |
| Current liabilities | | | |
| Borrowings | 15 | 543.2 | 433.6 |
| Trade and other payables | 14 | 2,447.6 | 589.0 |
| Income tax liabilities | | 252.7 | 48.1 |
| | | 3,243.5 | 1,070.7 |
| Net current assets | | | |
| | | 806.1 | 508.8 |
| Non-current liabilities | | | |
| Borrowings | 15 | 2,336.1 | 495.0 |
| Deferred tax liabilities | 19 | 181.5 | 4.7 |
| Retirement benefit scheme deficit | 30 | 163.8 | 7.0 |
| Other non-current liabilities | 16 | 312.3 | 173.3 |
| Provisions | 18 | 865.9 | 70.6 |
| | | 3,859.6 | 750.6 |
| Net assets | | | |
| | | 4,972.0 | 2,208.2 |
| Equity attributable to owners of the parent | | | |
| Share capital | 21 | 40.5 | 23.9 |
| Share premium | 22 | 63.9 | 63.9 |
| Retained earnings | 23 | 1,935.2 | 2,098.0 |
| Merger reserve | 24 | 2,790.8 | - |
| Other reserves | 25 | 129.9 | 9.4 |
| | | 4,960.3 | 2,195.2 |
| Non-controlling interests | 26 | 11.7 | 13.0 |
| | | 4,972.0 | 2,208.2 |

The financial statements on pages 2 to 82 were approved by the board of directors on 19 March 2018 and signed on its behalf by:

Robin Watson, Director

David Kemp, Director

The notes on pages 7 to 82 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 2017

| | Note | Share capital \$m | Share premium \$m | Retained earnings \$m | Merger reserve \$m | Other reserves \$m | Equity attributable to owners of the parent \$m | Non-controlling interests \$m | Total equity \$m |
|--|-------|----------------------|----------------------|--------------------------|-----------------------|-----------------------|--|----------------------------------|---------------------|
| At 1 January 2016 | | 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 | 30 | - | - | (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 | 25/26 | - | - | - | - | (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 | 6/26 | - | - | (116.0) | - | - | (116.0) | (6.7) | (122.7) |
| Credit relating to share based charges | 20 | - | - | 10.7 | - | - | 10.7 | - | 10.7 |
| Tax relating to share option schemes | 5 | - | - | 6.4 | - | - | 6.4 | - | 6.4 |
| Shares allocated to employee share trusts | 23 | 0.1 | - | (0.1) | - | - | - | - | - |
| Shares issued by employee share trusts to satisfy option exercises | 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 | 23/26 | - | - | (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 |
| (Loss)/profit for the year | | - | - | (32.4) | - | - | (32.4) | 2.4 | (30.0) |
| Other comprehensive income/(expense): | | | | | | | | | |
| Re-measurement losses on retirement benefit scheme | 30 | - | - | (1.2) | - | - | (1.2) | - | (1.2) |
| Movement in deferred tax relating to retirement benefit scheme | 5 | - | - | 0.7 | - | - | 0.7 | - | 0.7 |
| Cash flow hedges | 25 | - | - | - | - | 1.3 | 1.3 | - | 1.3 |
| Net exchange movements on retranslation of foreign currency net assets | 25/26 | - | - | - | - | 119.2 | 119.2 | - | 119.2 |
| Total comprehensive income/(expense) for the year | | - | - | (32.9) | - | 120.5 | 87.6 | 2.4 | 90.0 |
| Transactions with owners: | | | | | | | | | |
| Dividends paid | 6/26 | - | - | (125.6) | - | - | (125.6) | (4.5) | (130.1) |
| Issue of shares in relation to acquisition of Amec Foster Wheeler | 21/24 | 16.5 | - | - | 2,790.8 | - | 2,807.3 | - | 2,807.3 |
| Share based charges attributable to purchase consideration | 28 | - | - | 2.1 | - | - | 2.1 | - | 2.1 |
| Non-controlling interests acquired on Amec Foster Wheeler acquisition | 28 | - | - | - | - | - | - | 1.2 | 1.2 |
| Credit relating to share based charges | 20 | - | - | 10.2 | - | - | 10.2 | - | 10.2 |
| Tax relating to share option schemes | 5 | - | - | (4.0) | - | - | (4.0) | - | (4.0) |
| Deferred tax impact of rate change in equity | 19 | - | - | (4.2) | - | - | (4.2) | - | (4.2) |
| Shares allocated to employee share trusts | 23 | 0.1 | - | (0.1) | - | - | - | - | - |
| Shares issued by employee share trusts to satisfy option exercises | 23 | - | - | 2.4 | - | - | 2.4 | - | 2.4 |
| Gain on sale of shares sold by employee share trusts | 23 | - | - | 3.2 | - | - | 3.2 | - | 3.2 |
| Exchange movements in respect of shares held by employee share trusts | 23 | - | - | (9.9) | - | - | (9.9) | - | (9.9) |
| Transactions with non-controlling interests | 23/26 | - | - | (4.0) | - | - | (4.0) | (0.4) | (4.4) |
| At 31 December 2017 | | 40.5 | 63.9 | 1,935.2 | 2,790.8 | 129.9 | 4,960.3 | 11.7 | 4,972.0 |

The notes on pages 7 to 82 are an integral part of these consolidated financial statements.

John Wood Group PLC

Consolidated cash flow statement

for the year to 31 December 2017

| | Note | 2017 \$m | 2016 \$m |
|---|-----------|----------------|-------------|
| Cash generated from operations | 27 | 250.0 | 245.1 |
| Tax paid | | (99.6) | (55.6) |
| Net cash generated from operating activities | | 150.4 | 189.5 |
| Cash flows from investing activities | | | |
| Acquisition of subsidiaries (cash acquired less consideration paid) | 28 | 359.8 | (17.4) |
| Disposal of businesses (net of cash disposed) | 28 | 254.9 | - |
| Purchase of property plant and equipment | 9 | (22.1) | (29.0) |
| Proceeds from sale of property plant and equipment | | 5.2 | 24.4 |
| Purchase of intangible assets | 8 | (57.0) | (57.8) |
| Interest received | | 3.1 | 2.4 |
| Repayment of loans from joint ventures | | 20.8 | 24.0 |
| Net cash from/(used in) investing activities | | 564.7 | (53.4) |
| Cash flows from financing activities | | | |
| Proceeds from/(repayment of) bank loans and overdrafts | 27 | 1,939.2 | (241.6) |
| Borrowings acquired and repaid on acquisition of subsidiaries | 28 | (1,809.7) | - |
| Proceeds from finance leases | | 0.5 | - |
| Settlement of derivative financial instruments | 17 | (21.3) | - |
| Proceeds from disposal of shares by employee share trusts | 23 | 5.6 | 7.5 |
| Interest paid | | (53.3) | (23.4) |
| Dividends paid to shareholders | 6 | (125.6) | (116.0) |
| Dividends paid to non-controlling interests | 26 | (4.5) | (6.7) |
| Acquisition of non-controlling interests | 26 | (3.9) | (18.8) |
| Net cash used in financing activities | | (73.0) | (399.0) |
| Net increase/(decrease) in cash and cash equivalents | 27 | 642.1 | (262.9) |
| Effect of exchange rate changes on cash and cash equivalents | 27 | 3.9 | (8.9) |
| Opening cash and cash equivalents | | 579.5 | 851.3 |
| Closing cash and cash equivalents | 13 | 1,225.5 | 579.5 |

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John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

General information

John Wood Group PLC, its subsidiaries and joint ventures, ('the Group') delivers comprehensive services to support its customers across the complete lifecycle of their assets, from concept to decommissioning, across a range of energy, process and utility markets. 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 the United Kingdom and listed on the London Stock Exchange. Copies of the Group financial statements are available from the Company's registered office at 15 Justice Mill Lane, Aberdeen AB11 6EQ.

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 judgements 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 and judgements 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 (estimate)

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 and

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

Accounting Policies (continued)

forecasts as approved by the Board. The budgets and forecasts are based on various assumptions relating to the Group's businesses including acquisition 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 10.3% and 11.4% 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 the discount rate, the long term growth rate and the short term EBITA growth rate for certain businesses. See note 8 for further details.

(b) Accounting for acquisition of Amec Foster Wheeler plc (judgement)

The Group acquired Amec Foster Wheeler on 6 October 2017 for a total consideration of \$2,809.4m. The provisional acquisition accounting for the transaction is set out in note 28 to the accounts. In completing the accounting, management have been required to make judgements relating to the fair value of the assets and liabilities acquired. In particular, judgement has been used in assessing the valuation of intangible assets acquired and in valuing certain liabilities. Intangible assets of \$1,343.6m have been recognised comprising customer relationships, order backlog and brands. The Group used an independent expert to assist in the valuation process. Deferred tax liabilities of \$261.5m have been recognised in relation to these intangible assets. Management reviewed the Amec Foster Wheeler balance sheet at the acquisition date and recorded additional net liabilities of \$211.4m. This amount comprised \$104.5m of fair value adjustments relating to management's assessment of possible claims made against Amec Foster Wheeler and other judgements made on certain contracts, \$49.4m of additional tax provisions and a \$57.5m adjustment required to align AFW's revenue recognition policy on lump sum contracts with Wood Group's policy. The accounting for the acquisition will be finalised during 2018.

(c) Impairment of investment in EthosEnergy joint venture (estimate)

The Group's investment in the EthosEnergy joint venture is accounted for using equity accounting. An impairment review was carried out in December 2017. Group management's estimate of fair value less costs of disposal of \$77.0m is lower than the book value and an impairment of \$28.0m has been recorded in the income statement. If fair value less costs of disposal are ultimately less than \$77.0m then a further impairment will be required. See note 10 for further details.

(d) Income taxes (judgement and estimate)

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. There is also judgement required in determining whether deferred tax assets arising on losses should be recognised. The Group recognises deferred tax assets to the extent they can be utilised against future taxable profits. See notes 5 and 19 for further details.

(e) Retirement benefit schemes (estimate)

The Group operates a number of defined benefit pension schemes which are largely closed to future accrual. The value of the Group's retirement benefit schemes 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 valuations at the end of each financial year following consultation with the retirement benefit schemes' actuaries. 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 30 for further details.

(f) Provisions (judgement and estimate)

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

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

Accounting Policies (continued)

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.

As a result of the acquisition of Amec Foster Wheeler the Group has acquired a significant asbestos related liability. Some of AFW's legacy US and UK subsidiaries are defendants in asbestos related lawsuits and there are out of court informal claims pending in both jurisdictions. Plaintiffs claim damages for personal injury alleged to have arisen from exposure to the use of asbestos in connection with work allegedly performed by subsidiary companies in the 1970's and earlier. The provision for asbestos liabilities is the Group's best estimate of the obligation required to settle claims up until 2050. See note 18 for further details.

(g) Revenue recognition on fixed price and long term contracts (estimate and judgement)

The Group has a significant number of fixed price long term contracts which are accounted for in accordance with IAS 11 and requires estimates to be made for contract costs and revenues. Contract costs and revenues are affected by a variety of uncertainties that depend on the outcome of future events. Estimates are updated regularly and significant changes are highlighted through established internal review procedures. The contract reviews focus on timing and recognition of revenue including any incentive payments and the recoverability of income from variations to the contract scope or claims. The impact of any change in accounting estimates is then reflected in the ongoing results.

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:

| | 2017 | 2016 |
|----------------------|--------|--------|
| Average rate £1 = \$ | 1.2886 | 1.3538 |
| Closing rate £1 = \$ | 1.3528 | 1.2357 |

Foreign currencies

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.

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 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.

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

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

Accounting Policies (continued)

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. Revenue from variations is only recognised when it is probable that the customer will approve the variations and the related adjustment to contract price can be measured reliably.

A claim is an amount that the contractor seeks to collect from the customer as reimbursement for costs whose inclusion in the contract price is disputed, and may arise from, for example, delays caused by the customer, errors in specification or design and disputed variations in contract work. Claims are included in contract revenue when negotiations with the customer have reached an advanced stage such that it is probable that the customer will accept the claim and the amount of the claim can be measured reliably.

Incentive payments are additional amounts payable to the contractor if specified performance standards are met or exceeded. Incentive payments are recognised when the contract is sufficiently far advanced that it is probable that the required performance standards will be met and the amount of the payment can be measured reliably.

The net amount of costs incurred to date plus recognised profits less progress billings is presented as gross amounts due from customers within trade and other receivables. Gross amounts due to customers are included in trade and other payables and represent payments on account received in excess of amounts due from customers.

Details of the services provided by the Group are provided 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 discount on deferred and contingent consideration and asbestos liabilities is included in finance expense. Interest relating to the Group's retirement benefit schemes are 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 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

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Notes to the financial statements

for the year to 31 December 2017

Accounting Policies (continued)

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 are identified and evaluated to determine the carrying value on the acquisition balance sheet. Intangible assets are amortised over their estimated useful lives on a straight line basis, as follows:

| | |
|--|------------|
| Software | 3-5 years |
| Development costs and licenses | 3-5 years |
| Intangible assets on acquisition | |
| - Customer contracts and relationships | 5-13 years |
| - Order backlog | 2-5 years |
| - Brands | 20 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. 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.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and other short-term bank deposits with original 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 regarding offsetting and cash pooling arrangements, the Group presents balances that are part of a pooling arrangement on a gross basis in both cash and short term borrowings.

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.

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

Accounting Policies (continued)

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 substantively 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.

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 lease period.

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

Accounting Policies (continued)

As lessor

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

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 number of defined benefit and defined contribution pension schemes. The surplus or deficit recognised in respect of the defined benefit schemes represents the difference between the present value of the defined benefit obligations and the fair value of the scheme assets. The assets of these schemes are held in separate trustee administered funds. The schemes are largely closed to future accrual.

The defined benefit schemes 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 schemes 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 schemes 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 schemes surplus or 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 SERP 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.

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 recorded in the income statement as an employee benefit expense for the fair value of share options (as at the grant date) 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 recorded in 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 recorded in retained earnings. For awards that have a market related performance measure, the fair value of the market

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

Accounting Policies (continued)

related element is calculated using a Monte Carlo simulation model.

The Group has an Employee Share Plan under which 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 are Asset Solutions Europe, Africa, Asia, Australia ('ASEAAA'), Assets Solutions Americas ('ASA'), Specialist Technical Solutions ('STS'), Environmental and Infrastructure Solutions ('E&IS') and Investment Services.

Asset Solutions is focused on increasing production, improving efficiency, reducing cost and extending asset life and provides initial design, construction, operations, maintenance and decommissioning services mainly in the oil and gas sector. STS provides a range of specialist, largely technology related services focused on solving complex technological challenges across a broad range of energy and industrial sectors. E&IS provides consulting, engineering, project and construction management services to a range of sectors including government, water, transport, energy and pharmaceuticals. Investment Services manages a range of legacy or non-core businesses and investments with a view to generating value via remediation and restructuring prior to their eventual disposal.

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.

Assets and liabilities held for sale

Disposal groups are classified as assets and liabilities held for sale if it is highly probable that they will be recovered primarily through sale rather than continuing use. Assets are measured at the lower of cost and fair value less costs to sell.

Research and development government credits

The Group claims research and development government credits in the UK, US and Canada. These credits are similar in nature to grants and are offset against the related expenditure category in the income statement. The credits are recognised when there is reasonable assurance that they will be received, which in some cases can be some time after the original expense is incurred.

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

Accounting Policies (continued)

Disclosure of impact of new and future accounting standards

(a) Amended standards and interpretations

The following standards and interpretations apply for the first time to accounting periods commencing on or after 1 January 2017:

- Amendments to IAS 12 'Income taxes' on the recognition of deferred tax assets for unrealised losses
- Amendments to disclosure requirements of IAS 7 'Statement of cash flows'
- Amendments to disclosure requirements of IFRS 12 'Disclosure of interests in other entities'

The introduction of these standards and interpretations does not have a material impact on the Group's 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. This standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts'. Group management has reviewed its existing revenue recognition processes from a sample of legacy Wood Group contracts in each of its businesses to assess whether current practice is compliant with IFRS 15. The review concluded that current practices are compliant with IFRS 15 and although there are some areas where existing processes may require to be amended slightly, management does not believe that the application of the new standard will have a material impact on the legacy Wood Group businesses. Management also initiated a review of legacy Amec Foster Wheeler contracts in each of its businesses. Due to the timing and scale of the Amec Foster Wheeler acquisition, this review was well progressed but not fully completed at the date of signing these financial statements.
- IFRS 9 'Financial instruments' is effective for accounting periods on or after 1 January 2018. In assessing the impact of this standard on the Group's financial statements, management has prepared an analysis of credit losses incurred over the last three years. Total credit losses incurred amounted to around 0.05% of revenue and thus the application of the expected credit loss methodology required by the standard is not expected 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. Under IFRS 16, all operating leases will be brought onto the balance sheet and will increase assets and debt as well as impacting EBITDA.

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 2017

1 Segmental reporting

The Group operates through five segments, Asset Solutions EAAA, Asset Solutions Americas, Specialist Technical Solutions, Environment & Infrastructure Solutions and Investment Services. Asset Solutions EAAA and Asset Solutions Americas have been renamed and Environment & Infrastructure Solutions and Investment Services are new reportable segments following the Amec Foster Wheeler acquisition in 2017.

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 2017 includes the following:

| Reportable Operating Segments | Revenue | | EBITDA(1) | | EBITA(1) | | Operating profit | |
|---|----------------|----------------|--------------|--------------|--------------|--------------|------------------|--------------|
| | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended |
| | 31 Dec 2017 | 31 Dec 2016 | 31 Dec 2017 | 31 Dec 2016 | 31 Dec 2017 | 31 Dec 2016 | 31 Dec 2017 | 31 Dec 2016 |
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Asset Solutions EAAA | 2,617.0 | 2,331.3 | 162.6 | 166.7 | 139.8 | 143.4 | 57.1 | (9.5) |
| Asset Solutions Americas | 2,387.2 | 2,115.2 | 179.8 | 203.1 | 157.7 | 176.3 | 69.0 | 100.8 |
| Specialist Technical Solutions | 755.9 | 487.5 | 85.8 | 82.1 | 82.1 | 79.2 | 61.9 | 58.1 |
| Environment & Infrastructure Solutions | 321.3 | - | 26.0 | - | 24.7 | - | 12.1 | - |
| Investment Services | 85.4 | - | 5.3 | - | 5.3 | - | 1.2 | - |
| Central costs (2) | 2.2 | - | (36.4) | (32.2) | (38.0) | (35.5) | (147.0) | (45.2) |
| Total | 6,169.0 | 4,934.0 | 423.1 | 419.7 | 371.6 | 363.4 | 54.3 | 104.2 |
| Remove share of joint ventures | (774.6) | (813.4) | (61.9) | (60.3) | (52.2) | (50.1) | (49.2) | (18.2) |
| Total continuing operations excluding joint ventures | 5,394.4 | 4,120.6 | 361.2 | 359.4 | 319.4 | 313.3 | 5.1 | 86.0 |
| Share of post-tax profit from joint ventures | | | | | | | 31.3 | 3.4 |
| Operating profit | | | | | | | 36.4 | 89.4 |
| Finance income | | | | | | | 2.8 | 2.2 |
| Finance expense | | | | | | | (60.8) | (25.6) |
| (Loss)/profit before taxation from continuing operations | | | | | | | (21.6) | 66.0 |
| Taxation | | | | | | | (8.4) | (31.6) |
| (Loss)/profit for the year from continuing operations | | | | | | | (30.0) | 34.4 |

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

1 Segmental reporting (continued)

Notes

- 1 A reconciliation from Operating profit (before exceptional items) to EBITA and EBITDA is provided in the table below. EBITDA represents EBITA before depreciation of property plant and equipment of \$51.5m (2016 : \$56.3m). 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 Revenue arising from sales between segments is not material.

Reconciliation of Operating Profit to EBITA and EBITDA

| | 2017 | 2016 |
|---|--------------|-------|
| | \$m | \$m |
| Operating profit | 36.4 | 89.4 |
| Share of joint venture interest | 3.4 | 2.4 |
| Share of joint venture tax | 14.5 | 12.4 |
| Operating profit (including share of joint ventures) | 54.3 | 104.2 |
| Continuing exceptional items | 176.0 | 154.9 |
| EBIT | 230.3 | 259.1 |
| Amortisation (including joint ventures) | 141.3 | 104.3 |
| EBITA | 371.6 | 363.4 |
| Depreciation (including joint ventures) | 51.5 | 56.3 |
| EBITDA | 423.1 | 419.7 |

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

Segmental Reporting (continued)

Segment assets and liabilities

| | Asset Solutions EAAA \$m | Asset Solutions Americas \$m | Specialist Technical Solutions \$m | Environment and Infrastructure Solutions \$m | Investment Services \$m | Unallocated \$m | Total \$m |
|----------------------------|--------------------------------|------------------------------------|--|---|-------------------------------|--------------------|--------------|
| At 31 December 2017 | | | | | | | |
| Segment assets | 3,177.0 | 3,595.7 | 1,541.6 | 1,295.9 | 430.9 | 2,034.0 | 12,075.1 |
| Segment liabilities | 1,063.0 | 997.7 | 380.9 | 241.7 | 324.1 | 4,095.7 | 7,103.1 |
| At 31 December 2016 | | | | | | | |
| 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 |

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.

Environment & Infrastructure Solutions and Investment Services are new reportable segments in 2017 following the Amec Foster Wheeler acquisition.

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

1 Segmental Reporting (continued)

Other segment items

| | Asset Solutions EAAA | Asset Solutions Americas | Specialist Technical Solutions | Environment and Infrastructure Solutions | Investment Services | Unallocated | Total |
|----------------------------|-------------------------|-----------------------------|-----------------------------------|--|------------------------|-------------|-------|
| At 31 December 2017 | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Capital expenditure | | | | | | | |
| PP&E | 9.1 | 9.1 | 2.6 | 0.4 | 0.1 | 0.8 | 22.1 |
| Intangible assets | 20.1 | 24.7 | 4.8 | 0.1 | - | 7.3 | 57.0 |
| Non-cash expense | | | | | | | |
| Depreciation | 13.3 | 21.9 | 3.7 | 1.3 | - | 1.6 | 41.8 |
| Amortisation | 33.5 | 80.3 | 16.2 | 8.1 | 0.9 | 0.4 | 139.4 |
| Exceptional items | 42.9 | 3.7 | 2.3 | 3.4 | 2.4 | 45.1 | 99.8 |
| <hr/> | | | | | | | |
| At 31 December 2016 | | | | | | | |
| Capital expenditure | | | | | | | |
| PP&E | 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 | 13.5 | 26.4 | 2.9 | - | - | 3.3 | 46.1 |
| Amortisation | 20.0 | 64.8 | 10.0 | - | - | 7.5 | 102.3 |
| Exceptional items | 86.9 | 6.7 | 5.2 | - | - | 1.1 | 99.9 |

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 \$9.7m (2016: \$10.2m) and joint venture amortisation amounts to \$1.9m (2016: \$2.0m).

Environment & Infrastructure Solutions and Investment Services are new reportable segments in 2017 following the Amec Foster Wheeler acquisition.

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

1 Segmental Reporting (continued)

Geographical segments

| | Segment assets | | Continuing revenue | |
|-------------------|-----------------|---------|--------------------|---------|
| | 2017 | 2016 | 2017 | 2016 |
| | \$m | \$m | \$m | \$m |
| UK | 2,665.2 | 842.3 | 900.5 | 866.7 |
| US | 4,939.9 | 1,852.8 | 2,253.0 | 1,848.0 |
| Rest of the world | 4,470.0 | 1,334.4 | 2,240.9 | 1,405.9 |
| | 12,075.1 | 4,029.5 | 5,394.4 | 4,120.6 |

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

2 Finance expense/(income)

| | 2017 | 2016 |
|--|--------------|-------|
| | \$m | \$m |
| Interest payable on senior loan notes | 14.1 | 14.1 |
| Interest payable on borrowings | 20.8 | 4.8 |
| Amortisation of bank facility fees | 1.6 | 0.7 |
| Interest expense – retirement benefit obligations (note 30) | 2.6 | - |
| Unwinding of discount on deferred and contingent consideration liabilities | 2.3 | 2.6 |
| Unwinding of discount on asbestos provision (note 18) | 4.0 | - |
| Other interest expense | 6.9 | 3.4 |
| Finance expense – pre-exceptional items | 52.3 | 25.6 |
| Bank fees relating to Amec Foster Wheeler acquisition | 8.5 | - |
| Finance expense – continuing operations | 60.8 | 25.6 |
| Interest receivable | (2.8) | (2.0) |
| Interest income – retirement benefit obligations (note 30) | - | (0.2) |
| Finance income | (2.8) | (2.2) |
| Finance expense – continuing operations – net | 58.0 | 23.4 |

\$15.5m of participation fees were paid in relation to the new bank facilities and this amount is being amortised over the facility term.

Bank fees of \$8.5m relating to the acquisition of Amec Foster Wheeler have been treated as exceptional items and include \$6.4m of one-off underwriting and ticking fees and \$2.1m relating to the write off of capitalised fees in respect of the previous bank facilities.

Net interest expense of \$3.4m (2016: \$2.4m) has been deducted in arriving at the share of post-tax profit from joint ventures.

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

3 Profit before taxation

| | 2017 | 2016 |
|--|---------|---------|
| | \$m | \$m |
| The following items have been charged/(credited) in arriving at profit before taxation : | | |
| Employee benefits expense (note 29) | 2,741.6 | 2,210.1 |
| Depreciation of property plant and equipment (note 9) | 41.8 | 46.1 |
| Amortisation of intangible assets (note 8) | 139.4 | 102.3 |
| Gain on disposal of property plant and equipment | (1.3) | (4.7) |
| Other operating lease rentals payable: | | |
| - Plant and machinery | 22.9 | 26.3 |
| - Property | 110.7 | 77.0 |
| Foreign exchange losses/(gains) | 0.7 | (3.0) |

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, PwC and associate firms at costs as detailed below:

| | 2017 | 2016 |
|--|------------|------------|
| | \$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 | 2.9 | 1.9 |
| Reporting accountant and due diligence services in relation to AFW acquisition | 2.5 | - |
| Tax and other services | 0.2 | 0.1 |
| | 6.6 | 3.0 |

In addition to the above, fees totalling \$5.8m are payable to Ernst & Young LLP for work done in relation to the audit of Amec Foster Wheeler and its subsidiaries.

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

4 Exceptional items

| | 2017 | 2016 |
|--|---------------|--------|
| | \$m | \$m |
| Exceptional items included in continuing operations | | |
| Acquisition costs in respect of the acquisition of Amec Foster Wheeler | 58.9 | - |
| Redundancy, restructuring and integration costs | 51.4 | 65.9 |
| Arbitration settlement provision | 19.2 | - |
| Investigation support costs | 8.2 | - |
| Impairment of investment in EthosEnergy | 28.0 | 56.7 |
| Impairments recorded by EthosEnergy | 1.1 | 29.9 |
| Other write offs relating to EthosEnergy | 9.2 | 2.4 |
| | 176.0 | 154.9 |
| Bank fees relating to Amec Foster Wheeler acquisition | 8.5 | - |
| | 184.5 | 154.9 |
| Tax credit | (19.4) | (15.1) |
| Continuing operations exceptional items, net of tax | 165.1 | 139.8 |

Acquisition costs of \$58.9m have been incurred during the year in relation to the acquisition of Amec Foster Wheeler. These costs include broker and legal fees as well as other advisor and regulatory fees. In addition, \$8.5m of bank fees have been expensed in respect of the new borrowing facility required to fund the acquisition (see note 2).

Redundancy, restructuring and integration costs of \$51.4m have been incurred during the year. The total includes \$28.1m of redundancy and restructuring costs, \$14.1m of integration costs in relation to the acquisition of Amec Foster Wheeler and \$9.2m of costs relating to onerous property leases.

A charge of \$19.2m has been recorded in relation to a legacy contract carried out by our Gas Turbine Services business prior to the formation of EthosEnergy. Arbitration hearings have been held in relation to a dispute between the Group and a former subcontractor and this amount represents our best estimate of the likely settlement including related legal costs. The outcome of the arbitration hearing is likely to be known in the first half of 2018.

Investigation support costs of \$8.2m have been incurred during the period in relation to ongoing investigations by the US Securities and Exchange Commission, the US Department of Justice and UK Serious Fraud Office. See note 32 for full details.

At 31 December 2017, 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 fair value less costs of disposal of \$77.0m, is lower than the book value and an impairment charge of \$28.0m has been booked in the income statement (see note 10). In addition, EthosEnergy has recorded exceptional charges of \$1.1m during the year relating to the closure of its power solutions business. The Group has also written off receivables of \$5.7m in relation to a balance due by EthosEnergy and booked a \$3.5m charge in relation to a likely settlement of indirect taxes.

The allocation of continuing exceptionals (excluding bank fees) of \$176.0m by segment is as follows – EAAA \$47.3m, Americas \$8.4m, STS \$4.0m, E&IS \$4.5m, Investment Services \$3.2m and Central \$108.6m.

A tax credit of \$19.4m has been recorded against exceptional items.

For further details of the 2016 exceptional items please refer to the 2016 Annual Report and Accounts.

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

5 Taxation

| | 2017 | 2016 |
|---|---------------|--------|
| | \$m | \$m |
| Current tax | | |
| Current year | 87.8 | 49.6 |
| Adjustment in respect of prior years | (21.3) | (9.5) |
| | 66.5 | 40.1 |
| Deferred tax | | |
| Current year | (55.3) | (11.8) |
| Adjustment in respect of prior years | (2.8) | 3.3 |
| | (58.1) | (8.5) |
| Total tax charge | 8.4 | 31.6 |
| <i>Comprising -</i> | | |
| Tax on continuing operations before exceptional items | 27.8 | 46.7 |
| Tax on exceptional items in continuing operations | (19.4) | (15.1) |
| Total tax charge | 8.4 | 31.6 |
| | | |
| | 2017 | 2016 |
| | \$m | \$m |
| Tax charged/(credited) to equity | | |
| Deferred tax movement on retirement benefit liabilities | (0.7) | (2.8) |
| Deferred tax relating to share option schemes | 5.8 | (4.9) |
| Current tax relating to share option schemes | (1.8) | (1.5) |
| Deferred tax impact of rate change | 4.2 | - |
| Total charged/(credited) to equity | 7.5 | (9.2) |

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

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 increased in 2017 due to the change in mix of the tax jurisdictions in which the Group operates. The tax charge for the year is higher (2016: higher) than the expected tax (credit)/charge due to the following factors:

| | 2017 | 2016 |
|--|------------|-------------|
| | \$m | \$m |
| (Loss)/profit before taxation from continuing operations (excluding profits from and impairment of joint ventures) | (24.9) | 119.3 |
| (Loss)/profit before tax at expected rate of 27.5% (2016: 24.7%) | (6.8) | 29.5 |
| Effects of: | | |
| Adjustments in respect of prior years | (24.1) | (6.2) |
| Non-recognition of losses and other attributes | (9.4) | 10.0 |
| Effect of foreign taxes | 19.3 | 8.0 |
| One-off impact of tax reform | (13.0) | - |
| Other permanent differences | 42.4 | (9.7) |
| Total tax charge | 8.4 | 31.6 |

The adjustment in respect of prior years is largely due to the release of uncertain tax provisions as the final outcome on certain issues was agreed during the year.

The one-off impact of tax reform is as a result of a reduction in the US tax rate from 1 January 2018 reducing the Group's deferred tax liability as well as changes in loss utilisation rules in the UK allowing losses that would not otherwise have been accessible to be utilised against future profits.

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. Other permanent differences in 2017 have been impacted by a restructure of Amec Foster Wheeler's US business and the resulting tax charge on the related intercompany transactions although this has been partly offset by the utilisation of the businesses unrecognised tax losses.

Net income tax liabilities in the Group balance sheet include \$265.2m 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 (\$13.0m), recoverability of withholding taxes (\$81.6m), and group financing (\$51.4m). Where the final outcome on these issues differs to the amounts provided, the Group's tax charge will be impacted.

Amounts are netted in the Group balance sheet where corporate tax assets and liabilities are in the same jurisdictions and to the extent there is a legal right of offset.

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Notes to the financial statements

for the year to 31 December 2017

6 Dividends

| | 2017 | 2016 |
|---|--------------|-------|
| | \$m | \$m |
| <hr/> | | |
| Dividends on ordinary shares | | |
| Final 2016 dividend paid: 22.5 cents per share (Final 2015: 20.5 cents) | 83.9 | 75.9 |
| Interim 2017 dividend paid: 11.1 cents per share (Interim 2016: 10.8 cents) | 41.7 | 40.1 |
| | <hr/> | <hr/> |
| | 125.6 | 116.0 |

The directors are proposing a final dividend in respect of the financial year ended 31 December 2017 of 23.2 cents per share. The final dividend will be paid on 17 May 2018 to shareholders who are on the register of members on 20 April 2018. The financial statements do not reflect the final dividend, the payment of which will result in an estimated \$155.1m reduction in equity attributable to owners of the parent.

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Notes to the financial statements

for the year to 31 December 2017

7 Earnings per share

| | 2017 | | | 2016 | | |
|---|--|--------------------------|--------------------------------|---|--------------------------|--------------------------------|
| | Earnings/(losses) attributable to owners of the parent \$m | Number of shares m | Earnings per share cents | Earnings attributable to owners of the parent \$m | Number of shares m | Earnings per share cents |
| Basic pre-exceptional | 132.7 | 440.0 | 30.1 | 167.6 | 370.9 | 45.2 |
| Exceptional items, net of tax | (165.1) | - | (37.5) | (139.8) | - | (37.7) |
| Basic | (32.4) | 440.0 | (7.4) | 27.8 | 370.9 | 7.5 |
| Effect of dilutive ordinary shares | - | - | - | - | 12.0 | (0.2) |
| Diluted | (32.4) | 440.0 | (7.4) | 27.8 | 382.9 | 7.3 |
| <u>Adjusted diluted earnings per share calculation</u> | | | | | | |
| Basic | (32.4) | 440.0 | (7.4) | 27.8 | 370.9 | 7.5 |
| Effect of dilutive ordinary shares | - | 11.3 | 0.2 | - | 12.0 | (0.2) |
| | (32.4) | 451.3 | (7.2) | 27.8 | 382.9 | 7.3 |
| Exceptional items, net of tax | 165.1 | - | 36.6 | 139.8 | - | 36.5 |
| Amortisation, net of tax | 107.7 | - | 23.9 | 77.9 | - | 20.3 |
| Adjusted diluted | 240.4 | 451.3 | 53.3 | 245.5 | 382.9 | 64.1 |
| Adjusted basic | 240.4 | 440.0 | 54.6 | 245.5 | 370.9 | 66.2 |

As the Group has reported a basic loss per ordinary share, any potential ordinary shares are anti-dilutive and are excluded from the calculation of diluted loss per share. These options could potentially dilute earnings per share in future periods. As adjusted diluted earnings per share is a non-GAAP measure, the potential ordinary shares have not been excluded from this calculation.

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Notes to the financial statements

for the year to 31 December 2017

7 Earnings per share (continued)

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 dilutive potential 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.

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for the year to 31 December 2017

8 Goodwill and other intangible assets

| | Goodwill \$m | Software and development costs \$m | Customer contracts and relationships \$m | Order backlog \$m | Brands \$m | Total \$m |
|---|-----------------|---|--|-------------------------|---------------|----------------|
| Cost | | | | | | |
| At 1 January 2017 | 1,706.0 | 256.8 | 432.6 | - | - | 2,395.4 |
| Exchange movements | 99.4 | 16.3 | 17.4 | 0.5 | 3.5 | 137.1 |
| Additions | - | 57.0 | - | - | - | 57.0 |
| Acquisitions (note 28) | 3,554.6 | 35.1 | 444.6 | 184.2 | 727.1 | 4,945.6 |
| Disposals | - | (7.0) | - | - | - | (7.0) |
| At 31 December 2017 | 5,360.0 | 358.2 | 894.6 | 184.7 | 730.6 | 7,528.1 |
| Amortisation and impairment | | | | | | |
| At 1 January 2017 | 0.8 | 182.1 | 318.0 | - | - | 500.9 |
| Exchange movements | - | 11.2 | 12.6 | 0.1 | 0.1 | 24.0 |
| Amortisation charge | - | 59.3 | 58.5 | 12.6 | 9.0 | 139.4 |
| Disposals | - | (7.0) | - | - | - | (7.0) |
| At 31 December 2017 | 0.8 | 245.6 | 389.1 | 12.7 | 9.1 | 657.3 |
| Net book value at 31 December 2017 | 5,359.2 | 112.6 | 505.5 | 172.0 | 721.5 | 6,870.8 |
| 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 28) | 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 |
| 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 | - | 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 |

As per note 28, goodwill acquired during the year comprises \$3,514.5m in relation to the Amec Foster Wheeler acquisition, \$38.8m in relation to CEC and \$1.3m in relation to acquisitions in prior periods.

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'). The Group has five reportable segments. Goodwill is monitored by management at the level of these segments. Goodwill is allocated to CGU's as indicated in the table below.

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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 and forecasts prepared by management and approved by the Board for 2018 and 2019. The budgets and forecasts are based on various assumptions including market outlook, resource utilisation, contract backlog, contract margins and assumed contract awards. Growth rates of between 5% and 9% per annum have been assumed for 2020 and for 2021 and 2022 cash flows have been extrapolated using a growth rate of 3% for Asset Solutions EAAA, Specialist Technical Solutions and Investment Services and 2% for Asset Solutions Americas and Environmental and Infrastructure Solutions. 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 discount rates appropriate for each CGU, and these are reviewed annually. The pre-tax rates used for the 2017 review are as follows - 10.8% for Asset Solutions EAAA, 10.6% for Asset Solutions Americas, 11.4% for Specialist Technical Solutions 10.3% for Environmental and Infrastructure Solutions and 10.7% for Investment Services (the equivalent post-tax rates are 9.5%, 9.25%, 10.0%, 9.25% and 9.5% 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) |
|--|-------------------------------|
| Asset Solutions EAAA | 2,033.6 |
| Asset Solutions Americas | 1,754.7 |
| Specialist Technical Solutions | 921.8 |
| Environmental and Infrastructure Solutions | 489.0 |
| Investment Services | 160.1 |

A sensitivity analysis has been performed on the basis of a 1% reduction in the long term growth rate and a 1% increase in the discount rate in order to assess the impact of reasonable possible changes to the assumptions used in the impairment review. A 1% reduction in the long term growth rate would result in an impairment of \$166.9m in Assets Solutions EAAA. A 1% increase in the discount rate would result in an impairment of \$242.7m in Asset Solutions EAAA. In addition, if the short term EBITA growth rates assumed by management for Asset Solutions EAAA in 2018 and 2019 were 3% lower than projected then an impairment would result. The lower headroom in Asset Solutions EAAA is primarily due to challenging market conditions in the North Sea. The sensitivity analysis did not identify any potential impairments other than those mentioned above for Asset Solutions EAAA.

Intangible assets arising on acquisition include the valuation of customer contracts and relationships, order backlog and brands recognised on business combinations. As part of the annual impairment review, Group management has assessed whether there were any impairment triggers and none were identified.

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Notes to the financial statements

for the year to 31 December 2017

9 Property plant and equipment

| | Land and Buildings \$m | Plant and equipment \$m | Total \$m |
|--|------------------------------|-------------------------------|--------------|
| Cost | | | |
| At 1 January 2017 | 80.7 | 208.3 | 289.0 |
| Exchange movements | 5.6 | 13.1 | 18.7 |
| Additions | 1.2 | 20.9 | 22.1 |
| Acquisitions (note 28) | 41.9 | 41.9 | 83.8 |
| Disposals | (5.8) | (23.6) | (29.4) |
| Reclassifications | - | 5.8 | 5.8 |
| At 31 December 2017 | 123.6 | 266.4 | 390.0 |
| Accumulated depreciation and impairment | | | |
| At 1 January 2017 | 33.2 | 84.7 | 117.9 |
| Exchange movements | 1.2 | 14.0 | 15.2 |
| Charge for the year | 7.9 | 33.9 | 41.8 |
| Disposals | (5.6) | (19.9) | (25.5) |
| Impairment | 0.4 | 2.3 | 2.7 |
| Reclassifications | - | 4.4 | 4.4 |
| At 31 December 2017 | 37.1 | 119.4 | 156.5 |
| Net book value at 31 December 2017 | 86.5 | 147.0 | 233.5 |
| Cost | | | |
| At 1 January 2016 | 73.0 | 242.8 | 315.8 |
| Exchange movements | (4.6) | (11.8) | (16.4) |
| Additions | 9.8 | 19.2 | 29.0 |
| Acquisitions | 0.4 | 0.7 | 1.1 |
| Disposals | (5.0) | (47.6) | (52.6) |
| Reclassifications | 7.1 | 5.0 | 12.1 |
| At 31 December 2016 | 80.7 | 208.3 | 289.0 |
| Accumulated depreciation and impairment | | | |
| At 1 January 2016 | 30.7 | 80.9 | 111.6 |
| Exchange movements | (2.4) | (7.5) | (9.9) |
| Charge for the year | 6.9 | 39.2 | 46.1 |
| Disposals | (2.0) | (30.8) | (32.8) |
| Impairment | - | 2.9 | 2.9 |
| At 31 December 2016 | 33.2 | 84.7 | 117.9 |
| Net book value at 31 December 2016 | 47.5 | 123.6 | 171.1 |

The net book value of Land and Buildings includes \$53.6m (2016: \$24.8m) of Long Leasehold and Freehold property and \$32.9m (2016:\$22.7m) of Short Leasehold property.

There were no material amounts in assets under construction at 31 December 2017.

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for the year to 31 December 2017

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 (Repair & Overhauls) Limited. The Group has a 51% shareholding in EthosEnergy, a provider of rotating equipment services and solutions to the power, oil and gas and industrial markets. EthosEnergy is based in Aberdeen, Scotland. The Group has a 50% shareholding in RWG, a provider of repair and overhaul services to the oil and gas, power generation and marine propulsion industries. RWG is based in Aberdeen, Scotland.

The assets, liabilities, income and expenses of the EthosEnergy and RWG are shown below. The financial information below has been extracted from the management accounts for these entities.

| | EthosEnergy (100%) | | RWG (100%) | |
|---|--------------------|-------------|--------------|-------------|
| | 2017 \$m | 2016 \$m | 2017 \$m | 2016 \$m |
| Non-current assets | 162.1 | 151.2 | 37.9 | 34.6 |
| Current assets | 723.9 | 683.4 | 126.0 | 121.6 |
| Current liabilities | (310.2) | (300.8) | (40.9) | (36.6) |
| Non-current liabilities | (114.8) | (99.8) | (2.9) | (0.8) |
| Net assets | 461.0 | 434.0 | 120.1 | 118.8 |
| Wood Group share | 235.1 | 221.3 | 60.1 | 59.4 |
| Impairments and other adjustments | (158.1) | (121.3) | - | - |
| Wood Group investment | 77.0 | 100.0 | 60.1 | 59.4 |
| Revenue | 842.2 | 815.1 | 206.0 | 231.8 |
| Cost of sales | (722.5) | (703.1) | (147.7) | (165.0) |
| Administrative expenses | (93.6) | (101.9) | (29.7) | (33.4) |
| Exceptional items | (2.2) | (58.7) | - | - |
| Operating profit/(loss) | 23.9 | (48.6) | 28.6 | 33.4 |
| Net finance (expense)/income | (5.5) | (4.4) | - | 0.1 |
| Profit/(loss) before tax | 18.4 | (53.0) | 28.6 | 33.5 |
| Tax | (8.6) | (4.8) | (6.9) | (7.6) |
| Post-tax profit/(loss) from joint ventures | 9.8 | (57.8) | 21.7 | 25.9 |
| Wood Group share | 5.0 | (29.5) | 10.9 | 13.0 |

The Group has carried out an impairment review on the valuation of its EthosEnergy joint venture at 31 December 2017. Management's estimate of fair value less costs of disposal is \$77.0m which is lower than the book value and an impairment charge of \$28.0m has been recorded in the income statement. The fair value is supported by third party market data. If fair value less costs of disposal are ultimately less than \$77.0m then a further impairment will be required.

EthosEnergy has also recorded impairment losses of \$1.1m (Wood Group share) relating to the closure of its power solutions business. This charge is reflected in the exceptional expense line in the table below.

EthosEnergy's net borrowings, including parent company loans, at 31 December 2017 amounted to \$92.6m.

RWG had net cash at 31 December 2017 of \$9.2m.

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Notes to the financial statements

for the year to 31 December 2017

10 Investment in joint ventures (continued)

The Group's share of its joint venture income and expenses is shown below.

| | 2017 \$m | 2016 \$m |
|---|-------------|-------------|
| Revenue | 774.6 | 813.4 |
| Cost of sales | (650.7) | (687.5) |
| Administrative expenses | (73.6) | (77.8) |
| Exceptional expense | (1.1) | (29.9) |
| Operating profit | 49.2 | 18.2 |
| Net finance expense/(income) | (3.4) | (2.4) |
| Profit before tax | 45.8 | 15.8 |
| Tax | (14.5) | (12.4) |
| Share of post-tax profit from joint ventures | 31.3 | 3.4 |

The movement in investment in joint ventures is shown below.

| | \$m |
|---|--------------|
| At 1 January 2017 | 205.9 |
| Exchange movements on retranslation of net assets | 7.2 |
| Acquired | 55.5 |
| Share of profit after tax | 31.3 |
| Impairment of investments | (28.0) |
| Dividends | (32.0) |
| At 31 December 2017 | 239.9 |

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.

A full list of subsidiary and joint venture entities is included in note 35.

11 Inventories

| | 2017 \$m | 2016 \$m |
|-------------------------------------|-------------|-------------|
| Materials | 7.8 | 2.7 |
| Work in progress | 2.1 | 0.5 |
| Finished goods and goods for resale | 4.3 | 3.8 |
| | 14.2 | 7.0 |

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Notes to the financial statements

for the year to 31 December 2017

12 Trade and other receivables

| | 2017 \$m | 2016 \$m |
|---|----------------|----------------|
| Trade receivables | 1,798.1 | 785.8 |
| Less: provision for impairment of trade receivables | (93.0) | (24.7) |
| Trade receivables – net | 1,705.1 | 761.1 |
| Gross amounts due from customers | 571.0 | 3.9 |
| Prepayments and accrued income | 131.6 | 33.4 |
| Loans due from joint ventures | 59.9 | 80.7 |
| Other receivables | 161.1 | 72.6 |
| Trade and other receivables – current | 2,628.7 | 951.7 |
| Long term receivables | 241.3 | 87.2 |
| Total receivables | 2,870.0 | 1,038.9 |

The net amount of costs incurred to date plus recognised profits less progress billings on long term contracts is presented as gross amounts due from customers above.

The aggregate amount of costs incurred plus recognised profits (less recognised losses) for all long-term contracts in progress at the balance sheet date amounted to \$12,403.1m.

Long term receivables include \$83.8m relating to the US SERP pension arrangement referred to in note 30.

Financial assets

| | 2017 \$m | 2016 \$m |
|--|-------------|-------------|
| Bank deposits (more than three months) | 31.2 | - |
| Restricted cash | 26.5 | 26.5 |
| Derivative financial instruments | 30.5 | 0.1 |
| | 88.2 | 26.6 |

The restricted cash of \$26.5m (2016: \$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 financial assets. Management believe it is appropriate to include the restricted cash balance in the Group's net debt figure (see note 27).

Bank deposits of more than three months of \$31.2m are short term instruments held by Amec Foster Wheeler's insurance captive.

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Notes to the financial statements

for the year to 31 December 2017

12 Trade and other receivables (continued)

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

| | Trade receivables - Gross \$m | Provision for impairment \$m | Trade receivables – Net \$m | Receivable days |
|--|--|------------------------------------|--------------------------------------|--------------------|
| 31 December 2017 | | | | |
| Asset Solutions EAAA | 625.1 | (48.7) | 576.4 | 78 |
| Asset Solutions Americas | 651.3 | (24.7) | 626.6 | 75 |
| Specialist Technical Solutions | 209.1 | (12.5) | 196.6 | 99 |
| Environment and Infrastructure Solutions | 242.8 | (4.5) | 238.3 | 124 |
| Investment Services | 69.8 | (2.6) | 67.2 | 127 |
| Total Group | 1,798.1 | (93.0) | 1,705.1 | 86 |

31 December 2016

| | | | | |
|--------------------------------|--------------|---------------|--------------|-----------|
| Asset Solutions EAAA | 334.9 | (12.1) | 322.8 | 86 |
| Asset Solutions Americas | 387.0 | (11.9) | 375.1 | 69 |
| Specialist Technical Solutions | 63.9 | (0.7) | 63.2 | 85 |
| Total Group | 785.8 | (24.7) | 761.1 | 77 |

Receivable days are calculated by allocating the closing trade receivables balance to current and prior period revenue. A receivable days calculation of 86 indicates that closing trade receivables represent the most recent 86 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.

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

| | 2017 \$m | 2016 \$m |
|----------------|-------------|-------------|
| Up to 3 months | 1.1 | 1.9 |
| Over 3 months | 91.9 | 22.8 |
| | 93.0 | 24.7 |

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Notes to the financial statements

for the year to 31 December 2017

12 Trade and other receivables (continued)

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

| 2017 | Asset Solutions EAAA \$m | Asset Solutions Americas \$m | Specialist Technical Solutions \$m | Environment & Infrastructure Solutions \$m | Investment Services \$m | Total \$m |
|-----------------------|---|---|---|---|--|----------------------|
| At 1 January | 12.1 | 11.9 | 0.7 | - | - | 24.7 |
| Exchange movements | 1.4 | - | 0.1 | - | - | 1.5 |
| Acquisitions | 39.0 | 19.5 | 15.7 | 4.3 | 2.5 | 81.0 |
| Provided during year | 0.7 | 0.1 | 0.9 | 0.6 | 0.2 | 2.5 |
| Released during year | (4.5) | (6.8) | (4.9) | (0.4) | (0.1) | (16.7) |
| At 31 December | 48.7 | 24.7 | 12.5 | 4.5 | 2.6 | 93.0 |
| 2016 | | | | | | |
| At 1 January | 8.7 | 27.0 | 3.9 | - | - | 39.6 |
| Exchange movements | (1.5) | - | (0.1) | - | - | (1.6) |
| Provided during year | 5.3 | 0.4 | - | - | - | 5.7 |
| Released during year | (0.4) | (15.5) | (3.1) | - | - | (19.0) |
| At 31 December | 12.1 | 11.9 | 0.7 | - | - | 24.7 |

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

Included within gross trade receivables of \$1,798.1m above (2016: \$785.8m) are receivables of \$581.0m (2016: \$160.4m) 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 is as follows:

| | 2017 \$m | 2016 \$m |
|------------------------|---------------------|-------------|
| Up to 3 months overdue | 365.3 | 82.8 |
| Over 3 months overdue | 215.7 | 77.6 |
| | 581.0 | 160.4 |

The above analysis excludes retentions relating to contracts in progress of \$118.5m (2016: nil).

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13 Cash and cash equivalents

| | 2017 | 2016 |
|--------------------------|----------------|--------------|
| | \$m | \$m |
| Cash at bank and in hand | 1,205.5 | 579.5 |
| Short-term bank deposits | 20.0 | - |
| | 1,225.5 | 579.5 |

Cash at bank and in hand at 31 December 2017 includes \$533.4m (2016: \$420.3m) that is part of the Group's cash pooling arrangements. For internal reporting this amount is netted with short-term overdrafts and presented as a net figure on the Group's balance sheet. However, in preparing these financial statements, the Group has grossed up both its cash and borrowings figures by this amount.

The effective interest rate on short-term deposits at 31 December 2017 was 1.62% and these deposits have an average maturity of 13 days.

At 31 December 2017, the Group held \$20.6m of cash in Angolan kwanza. Due to the lack of US dollars in country the Group has experienced challenges in converting its kwanza cash balances and repatriating funds. During January 2018, the value of the kwanza was devalued by around 30% against the US dollar and further devaluation of the currency is forecast during 2018. The Group will continue to explore opportunities to repatriate this cash however the devaluation of the cash balance will have an impact on the Group's 2018 profits.

14 Trade and other payables

| | 2017 | 2016 |
|---|----------------|--------------|
| | \$m | \$m |
| Trade payables | 792.6 | 187.3 |
| Gross amounts due to customers | 465.7 | - |
| Other tax and social security payable | 74.5 | 21.7 |
| Accruals and deferred income | 612.1 | 341.8 |
| Deferred and contingent consideration (see note 17) | 36.8 | 26.4 |
| Finance leases | 18.6 | - |
| Derivative financial instruments | 11.8 | 2.1 |
| Other payables | 435.5 | 9.7 |
| | 2,447.6 | 589.0 |

Gross amounts due to customers included above represent payments on account received in excess of amounts due from customers on long term contracts.

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

Other payables includes contract provisions, payroll related liabilities and asbestos related payables (see note 18).

Deferred and contingent consideration represents amounts payable on acquisitions made by the Group. The amount included in the table above is expected to be paid within one year from the balance sheet date.

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15 Borrowings

| | 2017 \$m | 2016 \$m |
|---|----------------|-------------|
| Bank loans and overdrafts due within one year or on demand | | |
| Unsecured | 543.2 | 433.6 |
| Non-current bank loans | | |
| Unsecured | 1,961.1 | 120.0 |
| Senior loan notes | | |
| Unsecured | 375.0 | 375.0 |
| Total non-current borrowings | 2,336.1 | 495.0 |

Borrowings of \$533.4m (2016: \$420.3m) that are part of the Group's cash pooling arrangements and are netted against cash for internal reporting purposes are grossed up in the short term borrowings figure above.

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

The Group entered into new banking facilities on the acquisition of Amec Foster Wheeler. Total facilities of \$2.75bn comprise a 5 year \$1.75bn revolving credit facility and a \$1bn 3 year term loan.

The Group has \$375.0m of unsecured senior loan notes issued in the US private placement market. The notes mature in 2021, 2024 and 2026 and interest is payable at an average fixed rate of 3.74%. Of the total non-current borrowings of \$2,336.1m, \$213.5m is denominated in sterling with the balance in US dollars.

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

| | 2017 % | 2016 % |
|-------------------|-----------|-----------|
| US dollar | 2.58 | 1.55 |
| Sterling | 1.80 | 0.85 |
| Euro | 1.15 | 0.60 |
| Canadian dollar | - | 2.70 |
| Australian dollar | 2.38 | 2.45 |
| Norwegian kroner | 1.08 | 1.53 |
| Saudi Riyals | - | 4.83 |

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

| | 2017 \$m | 2016 \$m |
|-------------------|----------------|-------------|
| US Dollar | 2,284.9 | 649.1 |
| Sterling | 478.1 | 162.8 |
| Euro | 8.1 | 4.1 |
| Canadian dollar | - | 20.0 |
| Australian dollar | 88.2 | 69.0 |
| Norwegian kroner | 14.6 | 19.3 |
| Other | 5.4 | 4.3 |
| | 2,879.3 | 928.6 |

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

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 2017, the Group's bank facilities relating to the issue of bonds, guarantees and letters of credit amounted to \$1,831.3m (2016: \$546.7m). At 31 December 2017, these facilities were 54% utilised (2016: 33%).

Borrowing facilities

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

| | 2017 | 2016 |
|-------------------------------------|--------------|-------|
| | \$m | \$m |
| Expiring within one year | 143.5 | 100.0 |
| Expiring between two and five years | 692.0 | 830.0 |
| | 835.5 | 930.0 |

All undrawn borrowing facilities are floating rate facilities. The facilities expiring within one year are annual facilities subject to review at various dates during 2018. The Group entered into new banking facilities on the acquisition of Amec Foster Wheeler. Total facilities of \$2.75bn comprise a 5 year \$1.75bn revolving credit facility and a \$1bn 3 year term loan. The Group was in compliance with its bank covenants throughout the year.

16 Other non-current liabilities

| | 2017 | 2016 |
|---|--------------|-------|
| | \$m | \$m |
| Deferred and contingent consideration (see note 17) | 24.4 | 66.3 |
| Finance leases | 31.4 | - |
| Other payables | 256.5 | 107.0 |
| | 312.3 | 173.3 |

Deferred and contingent consideration represents amounts payable on acquisitions made by the Group. The amount included in the table above is expected to be paid between one and three years from the balance sheet date.

Other payables include \$83.8m relating to the US SERP pension arrangement referred to in note 30 and unfavourable leases of \$115.0m.

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.

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

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.

Hedging of foreign currency exchange risk – cash flow hedges

The notional contract amount, carrying amount and fair values of forward contracts and currency swaps designated as cash flow hedges at the balance sheet date are shown in the table below.

| | 2017 Notional contract amount \$m | 2016 Notional contract amount \$m | 2017 Carrying amount and fair value \$m | 2016 Carrying amount and fair value \$m |
|---------------------|---|---|--|--|
| Current assets | 157.9 | - | 5.4 | - |
| Current liabilities | (36.4) | - | (0.9) | - |

A net foreign exchange gain of \$0.7m (2016: nil) was recognised in the hedging reserve as a result of fair value movements on forward contract and currency swaps designated as cash flow hedges.

Hedging of foreign currency exchange risk – fair value through income statement

The notional contract amount, carrying amount and fair value of all other forward contracts and currency swaps at the balance sheet date are shown in the table below.

| | 2017 Notional contract amount \$m | 2016 Notional contract amount \$m | 2017 Carrying amount and fair value \$m | 2016 Carrying amount and fair value \$m |
|---------------------|---|---|--|--|
| Current assets | 973.8 | 5.4 | 24.5 | 0.1 |
| Current liabilities | (651.7) | (238.7) | (10.9) | (1.5) |

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.

| | 2017 \$m | 2016 \$m |
|--|-------------|-------------|
| Impact of 10% increase to average £/\$ exchange rate on profit after tax | (4.0) | 2.4 |
| Impact of 10% increase to closing £/\$ exchange rate on equity | 178.1 | 67.1 |

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, such as the Australian dollar, the Canadian dollar and the Euro.

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Notes to the financial statements

for the year to 31 December 2017

17 Financial instruments (continued)

(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 2017, 15% (2016: 53%) 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.

Hedging of interest rate risk – cash flow hedges

The notional contract amount, carrying amount and fair value of interest rate swaps designated as cash flow hedges at the balance sheet date are shown in the table below.

| | 2017 Hedged amount \$m | 2016 Hedged amount \$m | 2017 Carrying amount and fair value \$m | 2016 Carrying amount and fair value \$m |
|---------------------|---------------------------------|---------------------------------|--|--|
| Interest rate swaps | 60.0 | 120.0 | 0.6 | (0.6) |

A net foreign exchange gain of \$0.6m (2016: nil) was recognised in the hedging reserve as a result of fair value movements on interest rate swaps designated as cash flow hedges.

If average interest rates had been 1% higher or lower during 2017 (2016: 1%), post-tax profit for the year would have been \$4.5m lower or higher respectively (2016: \$0.7m). 1% has been used in this calculation as it represents a reasonable possible change in interest rates.

Immediately following the acquisition of Amec Foster Wheeler, the Group repaid AFW's existing bank borrowings. As part of that transaction, a net payment of \$21.3m was made to close out debt related derivative financial instruments.

(iii) Price risk

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

(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.

The credit risk associated with customers is considered as part of each tender review process and is addressed initially through contract payment terms. Trade finance instruments such as letters of credit, bonds, guarantees and credit insurance are used to manage credit risk where appropriate. Credit control practices are applied thereafter during the project execution phase. A right to interest and suspension is normally sought in all contracts. There is significant management focus on customers that are classified as high risk in the current challenging market although the Group had no material write offs in the year.

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.

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Notes to the financial statements

for the year to 31 December 2017

17 Financial instruments (continued)

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.

The maximum credit risk exposure on cash and cash equivalents and bank deposits (more than three months) at 31 December 2017 was \$1,283.2m. The Group treasury department monitors counterparty exposure on a global basis to avoid any over exposure to any one counterparty.

The Group's policy is to deposit cash at institutions with a credit rating of 'A' or better where possible. 52% of cash held on deposit at 31 December 2017 was held with such institutions.

(c) *Liquidity risk*

The Group's policy is to ensure the availability of an appropriate amount of funding to meet both current and future forecast requirements consistent with the Group's budget and strategic plans. The Group will finance operations and growth from its existing cash resources and the \$835.5m undrawn portion of the Group's committed banking facilities. At 31 December 2017, 100% (2016: 100%) of the Group's principal borrowing facilities (including senior loan notes) were due to mature in more than one year. Based on the Group's latest forecasts the Group has sufficient funding in place to meet its future obligations.

The Group entered into new banking facilities on the acquisition of Amec Foster Wheeler. Total facilities of \$2.75bn comprise a 5 year \$1.75bn revolving credit facility and a \$1bn 3 year term loan.

The Group has \$375m of unsecured senior loan notes issued in the US private placement market. The notes mature in 2021, 2024 and 2026.

(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.

Gearing is calculated by dividing net debt by equity attributable to owners of the parent. Gearing at 31 December 2017 was 33.2% (2016: 15.1%).

Interest cover is calculated by dividing total EBITA by net finance expense. Interest cover for the year to 31 December 2017 was 7.0 times (2016: 14.1 times).

The ratio of net debt to pro-forma EBITDA at 31 December 2017 was 2.4 (2016: 0.8). The calculation of pro-forma EBITDA is prepared as if Amec Foster Wheeler and CEC were acquired on 1 January 2017.

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.

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Notes to the financial statements

for the year to 31 December 2017

17 Financial instruments (continued)

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

| Contingent consideration arising from business combinations | \$m |
|--|-------------|
| At 1 January | 92.7 |
| Exchange movements | 1.8 |
| Amounts provided in relation to new acquisitions | 14.0 |
| Interest relating to discounting of contingent consideration | 2.3 |
| Payments during the year | (32.1) |
| Amounts released to the income statement | (17.5) |
| At 31 December | 61.2 |

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.

| | Less than 1 year \$m | Between 1 and 2 years \$m | Between 2 and 5 years \$m | Over 5 years \$m |
|-------------------------------|-------------------------------------|--|--|-----------------------------|
| At 31 December 2017 | | | | |
| Borrowings | 557.2 | 14.0 | 2,077.2 | 327.6 |
| Trade and other payables | 2,373.1 | - | - | - |
| Other non-current liabilities | - | 224.5 | 88.8 | - |
| At 31 December 2016 | | | | |
| Borrowings | 447.6 | 14.0 | 238.6 | 339.1 |
| Trade and other payables | 567.3 | - | - | - |
| Other non-current liabilities | - | 76.6 | 100.4 | - |

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, financial assets, 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.

Fair values (excluding the fair value of assets and liabilities classified as held for sale) are determined using observable market prices (level 2 as defined by IFRS 13 'Fair Value Measurement') as follows:

- The fair value of forward foreign exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.
- The fair value of interest rate swaps is estimated by discounting estimated future cash flows based on the terms and maturity of each contract and using market rates.

All derivative fair values are verified by comparison to valuations provided by the derivative counterparty banks.

The Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. During the year ended 31 December 2017 and 31 December 2016, there were no transfers into or out of level 2 fair value measurements.

John Wood Group PLC

Notes to the financial statements

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18 Provisions

| | Asbestos related litigation \$m | Project and environmental litigation \$m | Obligations relating to disposed businesses \$m | Other provisions \$m | Total \$m |
|------------------------------|--|---|---|----------------------------|--------------|
| At 1 January 2017 | - | - | 8.1 | 62.5 | 70.6 |
| Acquired | 514.9 | 146.5 | 88.2 | 72.8 | 822.4 |
| Exchange movements | 17.1 | 3.5 | 3.5 | 5.1 | 29.2 |
| Utilised | (15.0) | (1.1) | (1.9) | (27.2) | (45.2) |
| Charge to income statement | 0.2 | - | 0.6 | 5.3 | 6.1 |
| Released to income statement | (0.2) | (5.9) | - | - | (6.1) |
| Change in discount rate | (2.3) | - | - | - | (2.3) |
| Unwinding of discount | 4.0 | - | - | - | 4.0 |
| Reclassifications | (7.1) | 5.7 | 2.6 | (14.0) | (12.8) |
| At 31 December 2017 | 511.6 | 148.7 | 101.1 | 104.5 | 865.9 |

Asbestos related litigation

Certain of the Group's US and UK subsidiaries are defendants in a number of asbestos related lawsuits and out of court informal claims pending in both countries. Plaintiffs claim damages for personal injury alleged to have arisen from exposure to asbestos primarily in connection with equipment allegedly manufactured by certain Group companies in the 1970's or earlier. It is expected that these subsidiaries will be named as defendants in additional and/or similar suits and that new claims will be filed in the future. Whilst some of these claims have been and are expected to be made in the UK, the overwhelming majority have been and are expected to be made in the US.

The Group's asbestos related liabilities were assumed on the acquisition of Amec Foster Wheeler. Management has worked with independent asbestos valuation experts to measure the asbestos related liabilities assumed. Asbestos related liabilities recognised by the Group include estimates of indemnity amounts and defence costs expected to be incurred in each year in the period to 2050, beyond which time management expects that there will no longer be a significant number of open claims. Management's estimates are based on the following information and assumptions - the number of open claims, the forecasted number of future claims, the estimated average cost per claim by disease type (mesothelioma, lung cancer and non-malignancies), claim filings which result in no monetary payments (the 'zero pay rate') as well as other factors.

In recent years, certain of the Group's subsidiaries have entered into settlement agreements calling for insurers to make lump sum payments, as well as payments over time, for use by our subsidiaries to fund asbestos-related indemnity and defence costs, and, in certain cases, for reimbursement for portions of out of pocket costs incurred. Asbestos related insurance recoveries under executed settlement agreements are recognised in trade and other receivables together with management's best estimate of actual and probable insurance recoveries relating to the Group's liability for pending and estimated future asbestos claims in the period to 2050. The Group's actual insurance recoveries may be limited by future insolvencies among its insurers. The Group does not recognise insurance recoveries due from currently insolvent insurers unless they are subject to court approved settlement in liquidation proceedings.

The Group has discounted the expected future cash flows with respect to the asbestos related liabilities and the expected insurance recoveries using discount rates determined by reference to appropriate risk free market interest rates.

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Notes to the financial statements

for the year to 31 December 2017

18 Provisions (continued)

Asbestos related liabilities and assets recognised on the Group's balance sheet were as follows:

| | US \$m | UK \$m | 2017 Total \$m | US \$m | UK \$m | 2016 Total \$m |
|---|---------------|---------------|----------------------|-----------|-----------|----------------------|
| Asbestos related provision | | | | | | |
| Gross provision | 589.0 | 73.2 | 662.2 | - | - | - |
| Effect of discounting | (99.8) | - | (99.8) | - | - | - |
| Net provision | 489.2 | 73.2 | 562.4 | - | - | - |
| Insurance recoveries | | | | | | |
| Gross recoveries | (66.8) | (68.5) | (135.3) | - | - | - |
| Effect of discounting | 2.9 | - | 2.9 | - | - | - |
| Net recoveries | (63.9) | (68.5) | (132.4) | - | - | - |
| Net asbestos related liabilities | 425.3 | 4.7 | 430.0 | - | - | - |

The net asbestos provision of \$562.4m (2016: nil) is made up of \$511.6m included in provisions (2016: nil) and \$50.8m (2016: nil) in respect of asbestos liabilities included in trade and other payables.

Estimation of asbestos related liabilities and insurance recoveries is subject to a number of uncertainties that may result in significant changes to the current estimates. Among these are uncertainties as to the ultimate number and type of claims filed, the amounts of claim costs, the impact of bankruptcies of other companies with asbestos claims, uncertainties surrounding the litigation process from jurisdiction to jurisdiction and from case to case, as well as potential legislative changes. Fluctuations in market interest rates and the uncertainties noted above could cause significant changes in the discounted amount of the asbestos related liabilities and insurance recoveries.

Project and environmental litigation

The Group is party to litigation involving clients and sub-contractors arising out of project contracts. Management has taken internal and external legal advice in considering known or reasonably likely legal claims and actions by and against the Group. Where a known or likely claim or action is identified, management carefully assesses the likelihood of success of the claim or action. Generally, a provision is recognised only in respect of those claims or actions where management consider it is probable that a settlement will be required. Additionally, however, the Group recognises provisions for known or likely claims against an acquired business if, at the acquisition date, it is possible that the claim or action will be successful and its amount can be reliably estimated.

Provision is made for management's best estimate of the likely settlement costs and/or damages to be awarded for those claims and actions that management considers are likely to be successful. Due to the inherent commercial, legal and technical uncertainties in estimating project claims, the amounts ultimately paid or realised by the Group could differ materially from the amounts that are recognised in the financial statements. An estimate of future legal costs is included only in the litigation provision acquired from Amec Foster Wheeler as on a fair value basis it is reasonable to include this as it reflects what would be paid by a third party to assume the liability.

Chemical Plant Litigation in the United States

In 2013, one of Amec Foster Wheeler plc's subsidiaries contracted to engineer, procure and construct a chemical plant for a client in Texas. In December 2015 the client partially terminated the contract and in September 2016, terminated the remainder of the contract and commenced a lawsuit in Texas against the subsidiary and also Amec Foster Wheeler plc, seeking damages for breach of contract and warranty, gross negligence, and fraud. The claim amount is unspecified but the client alleges that the projected cost for the assigned scope of work is approximately \$700 million above the alleged estimate and that the subsidiary's delays have caused it to suffer continuing monthly damages of \$25 million due to the fact that the facility is not complete and it is not able to sell the expected products from the facility. The client seeks recovery of actual and punitive damages, as well as the disgorgement of the full project fixed fee paid to the subsidiary (approximately \$66.5 million).

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18 Provisions (continued)

The Group believes that the claims lack legal and factual merit. The estimate that the subsidiary provided was in connection with the client's initial request for a lump sum bid and highly conditioned. The contract that was ultimately signed, and which governs the dispute, is a reimbursable cost plus fixed fee contract, with no guaranteed price or schedule, wherein the client assumed joint responsibility for management of the work and development of the project schedule. Liability for consequential damages is barred, except in the case of wilful misconduct. Except for gross negligence, wilful misconduct, and warranty claims, overall liability is capped at 10 percent of the contract price (or approximately \$100 million). Amec Foster Wheeler has denied the claims and intend to vigorously defend the lawsuit. The lawsuit is in the early stages of proceedings and it would be premature to predict the ultimate outcome of the matter. The Group has a provision of \$73.5m as at 31 December 2017 on this project against disallowed costs and warranties, which includes \$35.5m of estimated legal fees included as a fair value adjustment on the acquisition of Amec Foster Wheeler.

Environmental litigation

Certain of the jurisdictions in which the Group operates, in particular the US and the EU, have environmental laws under which current and past owners or operators of property may be jointly and severally liable for the costs of removal or remediation of toxic or hazardous substances on or under their property, regardless of whether such materials were released in violation of law and whether the operator or owner knew of, or was responsible for, the presence of such substances. Largely as a consequence of the acquisition of Amec Foster Wheeler, the Group currently owns and operates, or owned and operated, industrial facilities. It is likely that, as a result of the Group's current or former operations, hazardous substances have affected the property on which those facilities are or were situated. The Group has also received and may continue to receive claims pursuant to indemnity obligations from the present owners of facilities we have transferred, which may require us to incur costs for investigation and/or remediation. As at 31 December 2017, the Group held provisions totalling \$35.9m for the estimated future environmental clean-up costs in relation to industrial facilities that it no longer operates. Whilst the timing of the related cash flows is typically uncertain, the Group expects that certain of its remediation obligations may continue for up to 60 years.

Obligations related to disposed businesses

As described in note 32, the Group agreed to indemnify certain third parties relating to businesses and/or assets that were previously owned by the Group and were sold to them. As at 31 December 2017, the Group recognised indemnity provisions totalling \$101.1m. Indemnity provisions principally relate to businesses that were sold by Amec Foster Wheeler prior to its acquisition by the Group.

Other provisions

At 31 December 2017, other provisions of \$104.5m (2016: \$62.5m) have been recognised. This amount includes warranty provisions in respect of guarantees provided in the normal course of business relating to contract performance. It is expected that any payment required in respect of these provisions would be made within two years.

Included within the reclassifications line is \$13.4m of unfavourable leases which the Group had previously included within other provisions but are now shown in other non-current liabilities.

John Wood Group PLC

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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 19%, will reduce to 17% in April 2020. The Group has provided deferred tax in relation to UK companies at 18% (2016: 19.5%). The movement on the deferred tax account is shown below:

| | 2017 \$m | 2016 \$m |
|---|-------------|---------------|
| At 1 January | (86.6) | (56.5) |
| Exchange movements | 1.7 | (2.7) |
| Credit to income statement (note 5) | (58.1) | (8.5) |
| Acquisitions (note 28) | 219.7 | - |
| Deferred tax relating to R&D credits | (13.0) | (11.2) |
| Deferred tax relating to retirement benefit liabilities | (0.7) | (2.8) |
| Deferred tax relating to share option schemes | 5.8 | (4.9) |
| Impact of rate change in equity | 4.2 | - |
| At 31 December | 73.0 | (86.6) |

Deferred tax is presented in the financial statements as follows:

| | | |
|---|-------------|---------------|
| Deferred tax assets | (108.5) | (91.3) |
| Deferred tax liabilities | 181.5 | 4.7 |
| Net deferred tax liability/(asset) | 73.0 | (86.6) |

\$48.1m (2016: \$9.8m) of deferred tax is recognised on the unremitted earnings of overseas subsidiaries and joint ventures as it is anticipated that distributions will be made in the foreseeable future. We expect all other earnings to be continually reinvested by the Group. There is no tax expected to be payable on them in the foreseeable future and as a result no deferred tax is provided.

Recognition of \$85.9m of deferred tax assets in relation to the US tax group is based on forecast profits of the US businesses.

The Group has unrecognised tax losses of \$5,824.6m (2016: \$164.3m) 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.

At 31 December 2017, the expiry dates of unrecognised deferred tax assets carried forward are as follows:

| | Tax losses \$m | Deductible temporary differences \$m | Total \$m |
|----------------------------|----------------------|---|----------------|
| Expiring within 5 years | 1,907.0 | 62.8 | 1,969.8 |
| Expiring within 6-10 years | - | 271.1 | 271.1 |
| Unlimited | 2,962.0 | 621.7 | 3,583.7 |
| | 4,869.0 | 955.6 | 5,824.6 |

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Notes to the financial statements

for the year to 31 December 2017

19 Deferred tax (continued)

The deferred tax balances are analysed below:-

| 2017 | Accelerated capital allowances | Pension | Share based charges | Other temporary differences | Losses | Total |
|---|--------------------------------------|-------------|---------------------------|-----------------------------------|----------------|-------------|
| | \$m | \$m | \$m | \$m | \$m | \$m |
| Deferred tax assets | (184.6) | (6.7) | (13.6) | 217.6 | (121.2) | (108.5) |
| Deferred tax liabilities | 493.2 | 60.1 | - | (371.8) | - | 181.5 |
| Net deferred tax (asset)/liability | 308.6 | 53.4 | (13.6) | (154.2) | (121.2) | 73.0 |
| <hr/> | | | | | | |
| 2016 | | | | | | |
| 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)/liability | 42.3 | (1.4) | (19.7) | (71.9) | (35.9) | (86.6) |

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

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 for the year amounted to \$10.2m (2016: \$10.7m). This included \$0.6m relating to the roll-over of Amec Foster Wheeler awards under their Long Term Incentive Plan into Wood Group awards. In addition, an amount of \$2.1m has been allocated to the acquisition consideration (see note 28).

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 25% for ESOS and 20% for LTRP. The share price volatility used in the calculation of 40% is based on the actual volatility of the Group's shares 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 | 5 | 6 | 7 | 8 | 9 | 10 |
|-------------------------|----------------|----------|----------|-----------|-----------|-----------|
| Performance period | 2012-14 | 2013-15 | 2014-16 | 2015-17 | 2016-18 | 2017-19 |
| Fair value of awards | £6.18 | £7.53 | £7.26 | £5.95 | £5.82 | £8.54 |
| Type of award | Shares/options | Options | Options | Options | Options | Options |
| Outstanding at 31/12/17 | 10,502 | 55,946 | 150,334 | 2,705,123 | 2,610,838 | 2,172,954 |

In addition to the awards above, 960,633 options are outstanding at 31 December 2017 in respect of awards made under the Amec Foster Wheeler Long Term Incentive Plan. These awards were converted to Wood Group awards following the acquisition of Amec Foster Wheeler on 6 October 2017. The fair value of these awards is £7.00.

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20 Share based charges (continued)

The awards outstanding under cycles 5, 6 and 7 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 | |
|--|-----------|-----------|-----------|-----------|-----------------|-----------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Number of participants | 493 | 605 | 23 | 135 | 247 | 262 |
| 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 | 0.07%- 0.34% | 0.15%- 0.58% |
| Share price volatility | 40% | 40% | 40% | 40% | 40% | 40% |
| Dividend yield on grants during year | N/A | N/A | N/A | N/A | 3.60% | 3.50% |
| Fair value of options granted during year | N/A | N/A | N/A | N/A | £4.73- £6.81 | £5.79- £5.96 |
| Weighted average remaining contractual life | 4.7 years | 5.5 years | 0.3 years | 1.2 years | 2.5 years | 2.3 years |

| | | | | | | |
|-----------------------------------|-----------|-------------|-----------|-----------|-----------|-----------|
| Options outstanding 1 January | 3,850,154 | 5,308,594 | 482,062 | 1,106,986 | 1,800,364 | 1,421,864 |
| Options granted during the year | - | - | - | - | 728,736 | 530,228 |
| Options exercised during the year | (487,873) | (1,013,892) | (395,739) | (548,278) | (355,906) | (42,575) |
| Options lapsed during the year | (336,008) | (444,548) | (12,376) | (76,646) | (159,621) | (109,153) |
| Dividends accrued on options | - | - | - | - | 22,480 | - |
| Options outstanding 31 December | 3,026,273 | 3,850,154 | 73,947 | 482,062 | 2,036,053 | 1,800,364 |

| | | | | | | |
|---|-----------|-----------|--------|--------|-------|-------|
| No. of options exercisable at 31 December | 2,189,367 | 1,835,482 | 73,947 | 48,875 | 7,500 | - |
| Weighted average share price of options exercised during year | £8.14 | £7.21 | £7.52 | £6.52 | £7.30 | £6.92 |

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Notes to the financial statements

for the year to 31 December 2017

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 | | Exercise price (per share) | Exercise period |
|---------------|--|------------------|----------------------------|-----------------|
| | 2017 | 2016 | | |
| 2007 | - | 15,000 | 268½p | 2011-2017 |
| 2008 | 25,000 | 37,000 | 381¾p | 2012-2018 |
| 2009 | 178,750 | 239,200 | 222p | 2013-2019 |
| 2010 | 247,114 | 352,114 | 377½p | 2014-2020 |
| 2011 | 325,440 | 484,340 | 529½p | 2015-2021 |
| 2012 | 508,446 | 707,828 | 680½p | 2016-2022 |
| 2013 | 904,617 | 1,077,481 | 845½p | 2017-2023 |
| 2013 | - | 4,000 | 812p | 2017-2023 |
| 2014 | 836,906 | 933,191 | 767¾p | 2018-2024 |
| | 3,026,273 | 3,850,154 | | |

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 | | Exercise price (per share) | Exercise period |
|---------------|--|----------------|---------------------------------|-----------------|
| | 2017 | 2016 | | |
| 2012 | - | 48,875 | 4 ² / ₇ p | 2016-2017 |
| 2013 | 73,947 | 433,187 | 4 ² / ₇ p | 2017-2018 |
| | 73,947 | 482,062 | | |

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.

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 | | Exercise price (per share) | Exercise period |
|---------------|--|------------------|----------------------------|-----------------|
| | 2017 | 2016 | | |
| 2013 | 7,500 | 11,500 | 0.00p | 2017-2018 |
| 2014 | 639,292 | 705,575 | 0.00p | 2018-2019 |
| 2015 | 43,002 | 330,769 | 0.00p | 2017-2018 |
| 2015 | 163,645 | 222,292 | 0.00p | 2019-2020 |
| 2016 | 235,228 | 235,228 | 0.00p | 2018-2019 |
| 2016 | 237,083 | 295,000 | 0.00p | 2020-2021 |
| 2017 | 190,303 | - | 0.00p | 2019-2020 |
| 2017 | 520,000 | - | 0.00p | 2021-2022 |
| | 2,036,053 | 1,800,364 | | |

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20 Share based charges (continued)

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.

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. It is estimated that 183,999 shares will be awarded at the end of the first year of the scheme.

Amec Foster Wheeler also has an Employee Share Plan. Awards under this scheme were converted to Wood Group awards following the acquisition on 6 October 2017. At 31 December 2017, 1,099,016 options were outstanding under this scheme.

21 Share capital

| Ordinary shares of 4 ² / ₇ pence each (2016: 4 ² / ₇ pence) | | 2017 | | 2016 |
|---|--------------------|-------------|--------------------|-------------|
| Issued and fully paid | shares | \$m | shares | \$m |
| At 1 January | 381,025,384 | 23.9 | 378,875,384 | 23.8 |
| Allocation of new shares to employee share trusts | 2,150,000 | 0.1 | 2,150,000 | 0.1 |
| Shares issued in relation to acquisition of Amec Foster Wheeler | 294,510,217 | 16.5 | - | - |
| Shares issued to satisfy option exercises | 6,695 | - | - | - |
| At 31 December | 677,692,296 | 40.5 | 381,025,384 | 23.9 |

On 6 October 2017, 294,510,217 new shares were issued in relation to the acquisition of Amec Foster Wheeler. The value of the consideration for these shares was \$2,807.3m with \$16.5m being credited to share capital and the balance to the merger reserve (see note 24). The total consideration for Amec Foster Wheeler was \$2,809.4m.

22 Share premium

| | 2017 | 2016 |
|---|-------------|-------------|
| | \$m | \$m |
| At 1 January | 63.9 | 63.9 |
| Allocation of new shares to employee share trusts | - | - |
| At 31 December | 63.9 | 63.9 |

The shares allocated to the trust during the year were issued at 4²/₇ pence (2016: 4²/₇ pence).

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for the year to 31 December 2017

23 Retained earnings

| | 2017 | 2016 |
|---|----------------|----------------|
| | \$m | \$m |
| At 1 January | 2,098.0 | 2,162.4 |
| (Loss)/profit for the year attributable to owners of the parent | (32.4) | 27.8 |
| Dividends paid (note 6) | (125.6) | (116.0) |
| Credit relating to share based charges (note 20) | 10.2 | 10.7 |
| Share based charges allocated to AFW purchase consideration | 2.1 | - |
| Re-measurement loss on retirement benefit liabilities (note 30) | (1.2) | (14.2) |
| Movement in deferred tax relating to retirement benefit liabilities | 0.7 | 2.8 |
| Shares allocated to employee share trusts | (0.1) | (0.1) |
| Shares disposed of by employee share trusts | 2.4 | 7.5 |
| Gain on sale of shares sold by employee share trusts | 3.2 | - |
| Tax relating to share option schemes | (4.2) | 6.4 |
| Deferred tax impact of rate change in equity | (4.0) | - |
| Exchange movements in respect of shares held by employee share trusts | (9.9) | 20.9 |
| Transactions with non-controlling interests | (4.0) | (10.2) |
| At 31 December | 1,935.2 | 2,098.0 |

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 (2016: nil).

Shares held by employee share trusts

| | 2017 | | 2016 | |
|--|-------------|-------|-------------|--------|
| | Shares | \$m | Shares | \$m |
| Balance 1 January | 9,097,352 | 105.5 | 8,985,323 | 133.8 |
| New shares allocated | 2,150,000 | 0.1 | 2,150,000 | 0.1 |
| Shares issued to satisfy option exercises | (1,239,518) | (2.3) | (1,604,745) | (7.5) |
| Shares issued to satisfy awards under Long Term Incentive Plan | (478,611) | - | (430,818) | - |
| Shares issued to satisfy awards under Employee Share Plan | (436) | - | (2,408) | - |
| Sale of shares by JWG Trustees Ltd | (421,000) | (0.1) | - | - |
| Exchange movement | - | 9.9 | - | (20.9) |
| Balance 31 December | 9,107,787 | 113.1 | 9,097,352 | 105.5 |

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 2017 was \$80.1m (2016: \$98.5m) based on the closing share price of £6.50 (2016: £8.76). The employee share trusts have waived their rights to receipt of dividends on ordinary shares.

In December 2017, 421,000 shares held by JWG Trustees Ltd were sold for a total consideration of \$3.3m. The cost of these shares was \$0.1m and the gain on disposal of \$3.2m has been credited to retained earnings in the period.

The amount of John Wood Group PLC's reserves that are considered distributable is disclosed in note 12 to the Company Financial Statements.

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

24 Merger reserve

| | 2017 \$m | 2016 \$m |
|---|----------------|-------------|
| At 1 January | - | - |
| Shares issued in relation to acquisition of Amec Foster Wheeler | 2,790.8 | - |
| At 31 December | 2,790.8 | - |

On 6 October 2017, 294,510,217 new shares were issued in relation to the acquisition of Amec Foster Wheeler. As the acquisition resulted in the Group securing 90% of Amec Foster Wheeler's share capital, the acquisition qualifies for merger relief under section 612 of the Companies Act 2006 and the premium arising on the issue of the shares is credited to a merger reserve rather than the share premium account. The total value of the consideration for Amec Foster Wheeler was \$2,809.4m with \$16.5m being credited to share capital, \$2,790.8m to the merger reserve and \$2.1m to retained earnings.

25 Other reserves

| | Capital reduction reserve \$m | Capital redemption reserve \$m | Currency translation reserve \$m | Hedging reserve \$m | Total \$m |
|---|--|---|---|---------------------------|--------------|
| At 1 January 2016 | 88.1 | 439.7 | (378.6) | (1.0) | 148.2 |
| Exchange movement 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 |
| Cash flow hedges | - | - | - | 1.3 | 1.3 |
| Exchange movement on retranslation of foreign currency net assets | - | - | 119.2 | - | 119.2 |
| At 31 December 2017 | 88.1 | 439.7 | (398.2) | 0.3 | 129.9 |

The capital reduction reserve was created subsequent to the Group's IPO in 2002 and is a distributable reserve.

The capital redemption reserve was created following a share issue that formed part of the return of cash to shareholders in 2011. This is not a distributable reserve.

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.

John Wood Group PLC

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for the year to 31 December 2017

26 Non-controlling interests

| | 2017 | 2016 |
|---|-------------|-------------|
| | \$m | \$m |
| At 1 January | 13.0 | 22.7 |
| Exchange movements | - | (0.3) |
| Acquired | 1.2 | - |
| Share of profit for the year | 2.4 | 6.6 |
| Dividends paid to non-controlling interests | (4.5) | (6.7) |
| Transactions with non-controlling interests | (0.4) | (9.3) |
| At 31 December | 11.7 | 13.0 |

The Group paid \$3.9m to acquire minority shareholdings during the year. The \$0.4m in the above table represents the share of net assets acquired and the excess has been recorded against retained earnings.

John Wood Group PLC

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27 Cash generated from operations

| | Note | 2017 \$m | 2016 \$m |
|--|------|--------------|--------------|
| Reconciliation of operating profit to cash generated from operations: | | | |
| Operating profit from continuing operations | | 36.4 | 89.4 |
| Less share of post-tax profit from joint ventures | | (31.3) | (3.4) |
| | | 5.1 | 86.0 |
| Adjustments for: | | | |
| Depreciation | 9 | 41.8 | 46.1 |
| Gain on disposal of property plant and equipment | 3 | (1.3) | (4.7) |
| Impairment of property plant and equipment | 9 | 2.7 | - |
| Amortisation of intangible assets | 8 | 139.4 | 102.3 |
| Share based charges | 20 | 10.2 | 10.7 |
| Decrease in provisions | 18 | (75.8) | (43.8) |
| Dividends from joint ventures | 10 | 32.0 | 25.4 |
| Exceptional items - non cash impact | 1,4 | 99.8 | 99.9 |
| Changes in working capital (excluding effect of acquisition and divestment of subsidiaries) | | | |
| (Increase)/decrease in inventories | | (0.4) | 0.9 |
| Decrease in receivables | | 287.3 | 98.3 |
| Decrease in payables | | (302.9) | (179.6) |
| Exchange movements | | 12.1 | 3.6 |
| Cash generated from operations | | 250.0 | 245.1 |

Analysis of net debt

| | At 1 January 2017 \$m | Acquired \$m | Cash flow \$m | Exchange movements \$m | At 31 December 2017 \$m |
|--|--------------------------------|-----------------|---------------------|------------------------------|----------------------------------|
| Short-term borrowings (note 15) | (433.6) | - | (108.2) | (1.4) | (543.2) |
| Finance leases (notes 14 and 16) | - | (49.5) | (0.5) | - | (50.0) |
| Long-term borrowings (note 15) | (495.0) | - | (1,831.0) | (10.1) | (2,336.1) |
| | (928.6) | (49.5) | (1,939.7) | (11.5) | (2,929.3) |
| Cash and cash equivalents (note 13) | 579.5 | - | 642.1 | 3.9 | 1,225.5 |
| Restricted cash (note 12) | 26.5 | - | - | - | 26.5 |
| Bank deposits (more than three months) (note 12) | - | 30.1 | - | 1.1 | 31.2 |
| Net debt | (322.6) | (19.4) | (1,297.6) | (6.5) | (1,646.1) |

The cash flow column in the table above includes cash and borrowings of \$447.5m and \$1,809.7m respectively acquired on the acquisitions of Amec Foster Wheeler and CEC (see note 28).

John Wood Group PLC

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28 Acquisitions and divestments

On 6 October 2017, the Group acquired 100% of the share capital of Amec Foster Wheeler plc. The acquisition was completed through the issue of 294,510,217 new Wood Group shares for a value of \$2,807.3m. In addition, \$2.1m relating to share awards to Amec Foster Wheeler employees was allocated to the purchase consideration.

The assets and liabilities acquired in respect of the Amec Foster Wheeler acquisition were as follows:

| | Provisional acquired balance sheet \$m |
|--|---|
| Property, plant and equipment | 83.4 |
| Intangible assets recognised on acquisition | 1,343.6 |
| Other intangible assets | 35.1 |
| Investment in joint ventures | 55.5 |
| Retirement benefit schemes surplus | 147.3 |
| Long term receivables | 167.3 |
| Inventories | 6.7 |
| Trade and other receivables | 1,861.4 |
| Assets held for sale | 582.6 |
| Bank deposits (more than 3 months) | 30.1 |
| Cash and cash equivalents | 443.7 |
| Borrowings | (1,809.7) |
| Finance leases | (49.5) |
| Trade and other payables | (1,902.8) |
| Liabilities held for sale | (326.2) |
| Current tax | (149.1) |
| Deferred tax | (219.7) |
| Provisions | (822.4) |
| Non-current liabilities | (181.2) |
| Total identifiable net liabilities acquired | (703.9) |
| Non-controlling interests | (1.2) |
| | (705.1) |
| Goodwill | 3,514.5 |
| Consideration | 2,809.4 |
| Consideration satisfied by: | |
| Issue of shares | 2,807.3 |
| Share based charges allocated to consideration | 2.1 |
| | 2,809.4 |

The acquisition of Amec Foster Wheeler accelerates the Group's strategy, increases the range of customer relationships, facilitates development of technology enabled solutions and broadens end market, geographic and customer exposure. It will provide enhanced capability and diversification across oil and gas, chemicals, renewables, environmental and infrastructure and mining segments. These factors contribute to the goodwill recognised on acquisition. Amec Foster Wheeler's skilled workforce did not meet the criteria for recognition as an intangible asset at the date of acquisition and thus also contributed to the goodwill recognised.

The accounting for the acquisition is provisional and will be finalised in the next accounting period.

John Wood Group PLC

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28 Acquisitions and divestments (continued)

Intangible assets of \$1,343.6m, representing the fair value of customer relationships, order backlog and brands have been recorded in relation to the acquisition. Deferred tax liabilities of \$261.5m have been recognised in relation to intangible assets.

Fair value adjustments of \$104.5m have been made to the acquisition balance sheet. This amount includes \$37.1m of additional contract liabilities, \$42.6m of anticipated legal fees to defend claims against the Group, \$19.1m of additional insurance captive liabilities in order to align with Wood Group policy and \$5.7m of other adjustments. In addition, an adjustment of \$57.5m has been recorded to align Amec Foster Wheeler's revenue recognition policy on lump sum contracts with Wood Group's policy and \$49.4m of additional tax provisions have also been recorded.

The Group has used acquisition accounting for the purchase of Amec Foster Wheeler and, in accordance with the Group's accounting policies, the goodwill arising on consolidation of \$3,514.5m has been capitalised.

The adjusted trade and other receivables acquired of \$1,861.4m, net of provisions, are expected to be recovered in full. Gross trade and other receivables acquired, before provisions and fair value adjustments amounted to \$1,974.2m. Long term receivables acquired amounted to \$167.3m.

In May 2017, the Group acquired 100% of the share capital of CEC Controls Inc ('CEC'), a designer and builder of industrial and process control systems for the automotive manufacturing industry based in Detroit, USA.

The assets and liabilities acquired in respect of the CEC acquisition were as follows:

| | \$m |
|---|-------------|
| Property, plant and equipment | 0.4 |
| Intangible assets recognised on acquisition | 12.3 |
| Trade and other receivables | 19.6 |
| Cash and cash equivalents | 3.8 |
| Trade and other payables | (6.6) |
| Total identifiable net assets acquired | 29.5 |
| Goodwill | 38.8 |
| Consideration | 68.3 |
| Consideration satisfied by: | |
| Cash | 54.3 |
| Deferred and contingent consideration | 14.0 |
| | 68.3 |

Contingent consideration has been provided in relation to the CEC acquisition and is payable over the next 3 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.

The acquisition of CEC gives that company access to the Group's wider client base and use of the Group's resources to further grow and develop its businesses contributing to the goodwill recognised on the acquisition.

The Group has used acquisition accounting for the purchase of CEC and, in accordance with the Group's accounting policies, the goodwill arising on consolidation of \$38.8m has been capitalised.

Intangible assets of \$12.3m, representing the fair value of customer contracts and relationships, have been recorded in relation to the acquisition of CEC. Trade and other receivables acquired of \$19.6m are expected to be recovered in full. The accounting for the acquisition will be finalised in the next accounting period.

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28 Acquisitions and divestments (continued)

Acquisition costs incurred during the year are included in administrative expenses in the income statement (see note 4).

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

| | \$m |
|--|--------------|
| Cash consideration for acquisitions in year | (54.3) |
| Cash consideration relating to acquisitions in prior periods | (33.4) |
| Cash acquired | 447.5 |
| Net cash inflow | 359.8 |

Borrowings of \$1,809.7m were acquired on the acquisition of Amec Foster Wheeler.

Contingent consideration payments of \$32.1m and a top-up payment of \$1.3m were made during the year in respect of acquisitions made in prior periods. Total deferred and contingent consideration outstanding at 31 December amounted to \$61.2m (2016: \$92.7m). See note 17 for further details.

The pro-forma results of the Group, on the basis that Amec Foster Wheeler was acquired on 1 January 2017 are presented in the Financial Review in the Group's Annual Report. The figures for the pre-acquisition period have been extracted from the management accounts of Amec Foster Wheeler, are unaudited and show Group revenue of \$9,884.8m and EBITA of \$597.7m for the year ended 31 December 2017.

From the date of acquisition to 31 December 2017, Amec Foster Wheeler contributed \$1,435.5m to revenue and \$96.1m to EBITA and CEC contributed \$42.7m to revenue and \$7.2m to EBITA.

Divestments

On 27 October 2017, the Group disposed of Amec Foster Wheeler's UK upstream oil and gas business for a gross consideration of \$299.0m. This divestment was one of the conditions agreed with the UK competition authorities to enable the Group to proceed with the Amec Foster Wheeler acquisition. In November 2017, the Group disposed of Amec Foster Wheeler's North American nuclear operations for a gross consideration of \$8.9m and in December 2017 the Group disposed of a small boiler business for a gross consideration of \$5.2m.

On the acquisition balance sheet of Amec Foster Wheeler the assets and liabilities of these businesses were classified as held for sale.

The accounting for the disposals is shown below -:

| | \$m |
|----------------------------|--------------|
| Assets held for sale | 550.1 |
| Liabilities held for sale | (238.5) |
| Net assets divested | 311.6 |
| Gross proceeds received | 313.1 |
| Gross gain | 1.5 |
| Disposal costs | (1.5) |
| Net gain | - |

The cash inflow in respect of these disposals is analysed below.

| | \$m |
|-------------------------|--------------|
| Gross proceeds received | 313.1 |
| Disposal costs paid | (1.5) |
| Cash divested | (56.7) |
| Cash inflow | 254.9 |

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29 Employees and directors

| Employee benefits expense | 2017 | 2016 |
|--|----------------|----------------|
| | \$m | \$m |
| Wages and salaries | 2,458.0 | 1,964.6 |
| Social security costs | 197.1 | 166.5 |
| Pension costs – defined benefit schemes (note 30) | 0.2 | - |
| Pension costs – defined contribution schemes (note 30) | 76.1 | 68.3 |
| Share based charges (note 20) | 10.2 | 10.7 |
| | 2,741.6 | 2,210.1 |

| Average monthly number of employees (including executive directors) | 2017 | 2016 |
|--|---------------|---------------|
| | No. | No. |
| By geographical area: | | |
| UK | 6,972 | 7,169 |
| US | 11,350 | 10,736 |
| Rest of the World | 10,709 | 7,626 |
| | 29,031 | 25,531 |

The average number of employees excludes contractors and employees of joint venture companies. Employees of Amec Foster Wheeler have been included for the last three months of the year.

| Key management compensation | 2017 | 2016 |
|--|-------------|-------------|
| | \$m | \$m |
| Salaries and short-term employee benefits | 7.5 | 5.6 |
| Amounts receivable under long-term incentive schemes | 1.3 | 0.8 |
| Social security costs | 1.0 | 0.8 |
| Post-employment benefits | 0.2 | 0.3 |
| Share based charges | 1.7 | 1.3 |
| | 11.7 | 8.8 |

Key management compensation represents the charge to the income statement in respect of the remuneration of the Group board and Group Executive Leadership Team ('ELT') members. Both the Group board and the ELT have been extended following the Amec Foster Wheeler acquisition. At 31 December 2017, key management held 0.2% of the voting rights of the company.

| Directors | 2017 | 2016 |
|--|-------------|-------------|
| | \$m | \$m |
| Aggregate emoluments | 2.9 | 2.6 |
| Aggregate amounts receivable under long-term incentive schemes | 0.6 | 0.4 |
| Aggregate gains made on the exercise of share options | 0.7 | 0.2 |
| Share based charges | 0.6 | 0.6 |
| | 4.8 | 3.8 |

At 31 December 2017, two directors (2016: two) had retirement benefits accruing under a defined contribution pension plan and no directors (2016: none) had benefits accruing under a defined benefit pension scheme. Further details of directors' emoluments are provided in the Directors' Remuneration Report.

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30 Retirement benefit schemes

The Group operates a number of defined benefit pension schemes. The assets of the defined benefits schemes are held separately from those of the Group, being invested with independent investment companies in trustee administered funds. These schemes are largely closed to future accrual.

As well as the John Wood Group PLC Retirement Benefit Scheme, the acquisition of Amec Foster Wheeler added a number of further defined benefit schemes, the most significant of which are the Amec Foster Wheeler Pension Plan and the Foster Wheeler Inc Salaried Employees Pension Plan.

The valuations used have been based on the final valuation of the John Wood Group PLC Retirement Benefit Scheme as at 5 April 2016, the preliminary valuation of Amec Foster Wheeler Pension Plan as at 31 March 2017 and the valuation of the Foster Wheeler Inc Pension Plan as at 1 January 2017. The scheme valuations have been updated by the schemes' actuaries for the requirement to assess the present value of the liabilities of the schemes as at 31 December 2017. The assets of the schemes are stated at their aggregate market value as at 31 December 2017.

Scheme membership at the balance sheet date was as follows –

| | 2017 JWG PLC RBS | 2017 AFW Pension Plan | 2017 FW Inc Pension Plan | 2016 JWG PLC RBS |
|-------------------|---|--|---|---|
| Deferred members | 689 | 9,766 | 1,570 | 724 |
| Pensioner members | 419 | 9,546 | 3,234 | 397 |

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

| | 2017 JWG PLC RBS % | 2017 AFW Pension Plan % | 2017 FW Inc Pension Plan % | 2016 JWG PLC RBS % |
|---|--|---|--|--|
| Discount rate | 2.5 | 2.5 | 3.4 | 2.6 |
| Rate of increase in pensions in payment and deferred pensions | 3.2 | 2.7 | N/A | 3.5 |
| Rate of retail price index inflation | 3.3 | 3.1 | N/A | 3.6 |
| Rate of consumer price index inflation | 2.3 | N/A | N/A | 2.6 |

The mortality assumptions used to determine pension liabilities in the three schemes at 31 December 2017 were as follows –

| Scheme | Mortality assumption |
|---------------------|--|
| JWG PLC RBS | S2NA mortality tables with CMI 2015 projections and a long-term rate of improvement of 1.25% pa |
| AFW Pension Plan | Scheme specific table with CMI 2016 projections and a long-term rate of improvement of 1.25% pa |
| FW Inc Pension Plan | RP-2014 Employee and Annuitant tables for males and females with generational projection using scale MMP-2016 with no collar adjustments |

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

30 Retirement benefit schemes (continued)

The mortality tables use data appropriate to each of the Group's schemes adjusted to allow for expected future improvements in mortality using the latest projections. For the three schemes referred to above the assumed life expectancies are shown in the following table:

| | 2017 JWG PLC RBS | 2017 AFW Pension Plan | 2017 FW Inc Pension Plan | 2016 JWG PLC RBS |
|---|---|--|---|---|
| Life expectancy at age 65 of male aged 45 | 24.3 | 24.4 | 21.9 | 24.2 |
| Life expectancy at age 65 of male aged 65 | 22.5 | 22.6 | 20.5 | 22.4 |
| Life expectancy at age 65 of female aged 45 | 26.6 | 26.3 | 23.7 | 26.5 |
| Life expectancy at age 65 of female aged 65 | 24.7 | 24.3 | 22.4 | 24.6 |

The amounts recognised in the income statement are as follows:

| | 2017 \$m | 2016 \$m |
|---|---------------------------|---------------------------|
| Current service cost | 0.2 | - |
| Interest cost | 36.2 | 8.8 |
| Interest income on scheme assets | (33.6) | (9.0) |
| Total included within finance expense/(income) | 2.6 | (0.2) |

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

| | 2017 \$m | 2016 \$m |
|-------------------------------------|---------------------------|---------------------------|
| Present value of funded obligations | 4,354.9 | 246.3 |
| Fair value of scheme assets | (4,522.6) | (239.3) |
| Net (surplus)/deficit | (167.7) | 7.0 |

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

| | 2017 \$m | 2016 \$m |
|--|---------------------------|---------------------------|
| Present value of funded obligations at 1 January | 246.3 | 249.7 |
| Acquired | 3,882.3 | - |
| Current service cost | 0.2 | - |
| Interest cost | 36.2 | 8.8 |
| Re-measurements: | | |
| - actuarial losses arising from changes in financial assumptions | 90.3 | 72.7 |
| - actuarial losses/(gains) arising from changes in demographic assumptions | 15.3 | (10.9) |
| - actuarial losses/(gains) arising from changes in experience | 15.4 | (15.3) |
| Benefits paid | (83.1) | (14.8) |
| Settlement of unfunded liability | (8.5) | - |
| Exchange movements | 160.5 | (43.9) |
| Present value of funded obligations at 31 December | 4,354.9 | 246.3 |

John Wood Group PLC

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for the year to 31 December 2017

30 Retirement benefit schemes (continued)

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

| | 2017 \$m | 2016 \$m |
|--|----------------|--------------|
| Fair value of scheme assets at 1 January | 239.3 | 254.2 |
| Acquired | 4,029.6 | - |
| Interest income on scheme assets | 33.6 | 9.0 |
| Contributions | 14.9 | 2.3 |
| Benefits paid | (80.9) | (14.8) |
| Re-measurement gain on scheme assets | 115.8 | 32.3 |
| Actuarial movement arising from changes in financial assumptions | 4.0 | - |
| Expenses paid | (2.4) | - |
| Exchange movements | 168.7 | (43.7) |
| Fair value of scheme assets at 31 December | 4,522.6 | 239.3 |

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

| | 2017 \$m | 2016 \$m |
|--|----------------|-------------|
| Deficit/(surplus) at 1 January | 7.0 | (4.5) |
| Acquired | (147.3) | - |
| Current service cost | 0.2 | - |
| Finance expense/(income) | 2.6 | (0.2) |
| Contributions | (14.9) | (2.3) |
| Re-measurement losses recognised in the year | 1.2 | 14.2 |
| Benefits paid | (2.2) | - |
| Expenses paid | 2.4 | - |
| Settlement of unfunded liability | (8.5) | - |
| Exchange movements | (8.2) | (0.2) |
| (Surplus)/deficit at 31 December | (167.7) | 7.0 |

The net (surplus)/deficit at 31 December is presented in the Group balance sheet as follows –

| | 2017 \$m | 2016 \$m |
|--|----------------|-------------|
| JWG PLC Retirement Benefit Scheme | (22.9) | - |
| AFW Pension Plan | (308.6) | - |
| Retirement benefit scheme surplus | (331.5) | - |
| Foster Wheeler Inc Pension Plan | 80.6 | - |
| JWG PLC Retirement Benefit Scheme | - | 7.0 |
| All other schemes | 83.2 | - |
| Retirement benefit scheme deficit | 163.8 | 7.0 |
| Net (surplus)/deficit | (167.7) | 7.0 |

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

30 Retirement benefit schemes (continued)

For the three principal schemes the defined benefit obligation can be allocated to the plan participants as follows:

| | 2017 JWG PLC RBS % | 2017 AFW Pension Plan % | 2017 FW Inc Pension Plan % | 2016 JWG PLC RBS % |
|---------------------------------|--------------------------------|-------------------------------------|--|--------------------------------|
| Deferred members of the scheme | 75.1 | 48.0 | 24.7 | 72.2 |
| Pensioner members of the scheme | 24.7 | 52.0 | 75.3 | 23.8 |
| Unfunded liabilities | 0.2 | - | - | 4.0 |

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

| | 2017 JWG PLC RBS % | 2017 AFW Pension Plan % | 2017 FW Inc Pension Plan % | 2016 JWG PLC RBS % |
|------------------------------|--------------------------------|-------------------------------------|--|--------------------------------|
| Equities | 66.9 | 34.3 | 60.0 | 78.9 |
| Property | 7.1 | 7.9 | - | - |
| Bonds (including gilts) | 10.9 | 52.7 | 40.0 | 16.6 |
| Liability driven investments | 11.3 | - | - | - |
| Cash | 1.5 | 4.1 | - | 2.0 |
| Other | 2.3 | 1.0 | - | 2.5 |
| | 100.0 | 100.0 | 100.0 | 100.0 |

The contributions expected to be paid during the financial year ending 31 December 2018 amount to \$23.7m.

Scheme risks

The retirement benefit schemes are 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.

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for the year to 31 December 2017

30 Retirement benefit schemes (continued)

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.

| Approximate impact on scheme liabilities | JWG PLC RBS \$m | AFW Pension Plan \$m | FW Inc Pension Plan \$m |
|--|--------------------------|-------------------------------|----------------------------------|
| Discount rate | | | |
| Plus 0.1% | (5.0) | (63.3) | (3.2) |
| Minus 0.1% | 5.1 | 65.0 | 3.2 |
| Inflation | | | |
| Plus 0.1% | 3.7 | 54.7 | N/A |
| Minus 0.1% | (3.6) | (54.5) | N/A |
| Life expectancy | | | |
| Plus 1 year | 6.7 | 130.8 | 12.5 |
| Minus 1 year | (6.3) | (129.9) | (12.5) |

Defined contribution plans

Pension costs for defined contribution plans were as follows:

| | 2017 \$m | 2016 \$m |
|----------------------------|-------------|-------------|
| Defined contribution plans | 76.1 | 68.3 |

There were no material contributions outstanding at 31 December 2017 in respect of defined contribution plans.

The Group operates a SERP pension arrangement in the US for certain employees. During the year, the Group made contributions of \$0.6m (2016: \$0.6m) 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 \$83.8m (2016: \$77.4m) and will be used to pay benefits when employees retire. The corresponding liability is recorded in other non-current liabilities.

31 Operating lease commitments – minimum lease payments

| | Property \$m | 2017 Vehicles, plant and equipment \$m | Property \$m | 2016 Vehicles, plant and equipment \$m |
|---|-----------------|--|-----------------|--|
| Amounts payable under non-cancellable operating leases due: | | | | |
| Within one year | 171.0 | 5.4 | 79.0 | 9.2 |
| Later than one year and less than five years | 457.4 | 3.7 | 225.2 | 5.5 |
| After five years | 225.8 | - | 208.0 | - |
| | 854.2 | 9.1 | 512.2 | 14.7 |

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.

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32 Contingent liabilities

Cross guarantees

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

Legal Claims

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.

Employment claims

The Group is aware of challenges 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, previous 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 the 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.

Indemnities and retained obligations

The Group has agreed to indemnify certain third parties relating to businesses and/or assets that were previously owned by the Group and were sold to them. Such indemnifications relate primarily to breach of covenants, breach of representations and warranties, as well as potential exposure for retained liabilities, environmental matters and third party claims for activities conducted by the Group prior to the sale of such businesses and/or assets. We have established provisions for those indemnities in respect of which we consider it probable that there will be a successful claim. We do not expect indemnities or retained obligations for which a provision has not been established to have a material impact on the Group's financial position, results of operations or cash flows.

Guarantees

In 2016, one of the Group's subsidiaries disposed of a refinery/electricity generation plant located in Chile. A condition of the disposal was that the subsidiary was required to sign an operation and maintenance contract with the purchaser. This has resulted in a number of performance obligations with respect to refinery output and electricity generation by the plant.

Mount Polley

The Mount Polley mine is owned and operated by Mount Polley Mining Corporation, a subsidiary of Imperial Metals Corporation, and is located near the town of Likely, British Columbia, Canada. On 4 August 2014, a tailings pond facility at the mine failed releasing large quantities of water and mine tailings into the local environment. The dam was in the process of being raised (as part of its annual raise) at the time of the failure. One of Amec Foster Wheeler's subsidiaries, along with other parties, had various design and quality assurance responsibilities associated with the development of this facility. Amec Foster Wheeler's subsidiary was providing engineering services at the time of the breach, but did not perform the original design.

An independent review panel, appointed by the government of British Columbia, issued a report on 30 January 2015 concluding that the cause of failure was shearing along a zone of weak soil along with other contributory factors. On 17 December 2015, the chief inspector of mines for British Columbia issued a report that for the most part agreed with the conclusions of the independent review panel. Whilst the chief inspector concluded that there were failings in the required standard of care of all of the engineers, he concluded that the responsibility for the breach lies primarily with the mine owner, Mount Polley Mining Corporation. He also concluded that there was no evidence of any significant contravention of regulatory requirements.

On 4 July 2016, Mount Polley Mining Corporation and Imperial Metals Corporation filed a suit against Amec Foster Wheeler's subsidiary and others. The claim seeks C\$3 million in costs payable to government agencies

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32 Contingent liabilities (continued)

and unspecified damages for loss of profit, reconstruction costs and environmental remediation. Subsequent to this filing, several tourist operators and First Nations also filed suit alleging that they suffered damages as a result of the tailings facility failure. It is Amec Foster Wheeler management's opinion that its employees performed in a professional manner consistent with the standard of care for a competent engineer on a project of this nature in British Columbia. In addition, the contracts between Amec Foster Wheeler's subsidiary and Mount Polley Mining Corporation contain limitation of liability provisions that exclude claims for consequential damages and limit the subsidiary's liability to Mount Polley Mining Corporation to the amount of professional fees charged, which were less than C\$1 million.

The Group has retained outside counsel and filed a response to Mount Polley Mining Corporation's civil claim on 23 September 2016. Given the early stage of this matter, it is difficult to predict the likely outcome of this proceeding. Mindful of the foregoing caveat, it is management's opinion that it is probable that there will be an outflow in respect of this issue (with liability shared with the other parties), but it is probable that if there is an outflow to Mount Polley Mining Corporation, it will be limited to the prescribed contractual limitation of liability referenced above.

Investigations

Amec Foster Wheeler has received voluntary requests for information from, and continues to cooperate with, the US Securities and Exchange Commission ("SEC") and the US Department of Justice ("DOJ") in connection with their ongoing investigations into Amec Foster Wheeler in relation to Unaoil and in relation to historical use of agents and certain other business counterparties by Amec Foster Wheeler and its legacy companies primarily in the Middle East. In addition, Amec Foster Wheeler has provided information relating to the historical use of third parties by legacy Amec Foster Wheeler companies in certain other regions to the SEC and DOJ.

Amec Foster Wheeler made a disclosure to the UK Serious Fraud Office ("SFO") about these matters and, in April 2017, in connection with the SFO's investigation into Unaoil, the SFO required Amec Foster Wheeler to produce information relating to any relationship of Amec Foster Wheeler with Unaoil or certain other third parties. In July 2017, the SFO opened an investigation into Amec Foster Wheeler, predecessor companies and associated persons. The investigation focuses on the past use of third parties and possible bribery and corruption and related offences and relates to various jurisdictions. The Group is co-operating with and assisting the SFO in relation to this investigation.

Notifications of certain matters within the above investigations have also been made to the relevant authority in Brazil (namely, the Federal Prosecution Service).

Independently, the Group has conducted an internal investigation into the historical engagement of Unaoil by legacy Wood Group companies, reviewing information available to the Group in this context. This internal investigation confirmed that a legacy Wood Group joint venture engaged Unaoil and that the joint venture made payments to Unaoil under agency agreements. The Group has informed the Crown Office and Procurator Fiscal Service ("COPFS"), the relevant authority in Scotland, of the findings of the internal investigation. The Group understands that COPFS and the SFO are, in line with the memorandum of understanding between them, liaising to consider which authority will be responsible for the matter going forward. The Group is co-operating with and assisting the authorities in connection with this matter.

At this time it is not possible to make a reliable estimate of the liability, if any, that may arise in relation to any of the above matters and therefore no provision has been made for them in the financial statements.

Tax planning

The Group undertakes tax planning which is compliant with current legislation and accepted practice. Recent changes to the tax environment, including the OECDs project around Base Erosion and Profit Shifting have brought into question tax planning previously undertaken by multinational entities. There have been several recent high profile tax cases against tax authorities and large groups. The European Commission continues

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for the year to 31 December 2017

32 Contingent liabilities (continued)

formal investigations to examine whether decisions by the tax authorities in certain European countries comply with European Union rules, and has issued judgements in some cases which are being contested by the groups and the countries effected. The Group is monitoring the outcome of these cases in order to understand whether there is any risk to the Group. Specifically the EC has challenged the UK Controlled Foreign Companies (CFC) rules in relation to an exemption for certain financing income. Based on the Group's current assessment of such issues, it is too early to speculate on the likelihood of liabilities arising, and as a result, it is not currently considered probable that there will be an outflow in respect of these issues.

33 Capital and other financial commitments

| | 2017 \$m | 2016 \$m |
|--|-------------|-------------|
| Contracts placed for future capital expenditure not provided in the financial statements | 18.5 | 8.1 |

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

34 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.

| | 2017 \$m | 2016 \$m |
|--|-------------|-------------|
| Sale of goods and services to joint ventures | 9.5 | 29.6 |
| Purchase of goods and services from joint ventures | 8.1 | 8.5 |
| Receivables from joint ventures | 131.2 | 119.5 |
| Payables to joint ventures | 14.3 | 13.3 |

Key management compensation is disclosed in note 29.

The Group currently pays an annual fee of £15,000 (2016: £15,000) 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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35 Subsidiaries and joint ventures

The Group's subsidiary and joint venture undertakings at 31 December 2017 are listed below. All subsidiaries are fully consolidated in the financial statements. Ownership interests noted in the table reflect holdings of ordinary shares.

| Subsidiaries | | |
|--|--|-----------------------------|
| Company name | Registered Address | Ownership Interest % |
| Algeria | | |
| SARL Wood Group Algeria | Cite Zone Industrielle BP 504, Hassi Messaoud | 100 |
| Wood Group Somias SPA | PO Box 67, Elmalaha Road (Route des Salines), Elbouni, Annaba | 55 |
| Angola | | |
| Production Services Network Angola Limitada | RuaKima Kienda, Edificio SGEP, 2nd Floor, Apartment 16, Boavista District, Ingombota, Luanda | 49* |
| Wood Group Kianda Limitada | No 201, Rua Engenheiro Armindo de Andrade, Bairro Miramar, Simbizanga, Luanda | 41* |
| Argentina | | |
| AGRA Argentina S.A. | 25 de Mayo 596, piso 8°, C1002ABL, Buenos Aires, Argentina | 100 |
| Foster Wheeler E&C Argentina S.A. | Paraguay 1866, Buenos Aires, Argentina | 100 |
| ISI Mustang (Argentina) S.A. | Pedro Molina 714, Ciudad de Mendoza, Provincia de Mendoza | 100 |
| Australia | | |
| Altblue Australia Pty Ltd | Wood Group House, Level 1, 432 Murray Street, Perth WA 6000 | 100 |
| AMEC Australia Finance Company Pty Ltd | Wood Group House, Level 1, 432 Murray Street, Perth WA 6000 | 100 |
| Amec Foster Wheeler Australia Holding Company Pty Ltd | Wood Group House, Level 1, 432 Murray Street, Perth WA 6000 | 100 |
| Amec Foster Wheeler Australia Pty Ltd | Wood Group House, Level 1, 432 Murray Street, Perth WA 6000 | 100 |
| Amec Foster Wheeler BG Holdings Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| Amec Foster Wheeler BG Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| Amec Foster Wheeler Engineering Holdings Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| Amec Foster Wheeler Engineering Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| Amec Foster Wheeler Environment & Infrastructure Pty Ltd | Level 4, 144 Edward Street, Brisbane, QLD, 4000, Australia | 100 |
| Amec Foster Wheeler Zektin Architecture Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| Amec Foster Wheeler Zektin Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| AMEC Minproc Projects (New Zealand) Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| AMEC Zektin Group Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| Aus-Ops Pty Ltd | Wood Group House, Level 1, 432 Murray Street, Perth WA 6000 | 100 |
| Foster Wheeler (QLD) Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| Foster Wheeler (WA) Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| Geosafe Australia Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| Global Carbon Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| GRA Technology Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| GRD Asia Holdings Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| GRD Asia Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| GRD Developments Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| GRD ESAP Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| GRD Investments Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| GRD New Zealand Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| GRD Normet Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| GRD Oil & Gas Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| GRD Pty Limited | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| GRD Renewables Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| GRD Waste Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| Innofield Services Pty Ltd | Level 6, 54-58 Mounts Bay Road, Perth WA 6000 | 100 |
| KEC International Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| Kirfield Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| M & O Global Pty Ltd | Wood Group House, Level 6, 432 Murray Street, Perth WA 6000 | 100 |
| Macraes New Zealand Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| Marine & Offshore Group Pty Limited | Wood Group House, Level 6, 432 Murray Street, Perth WA 6000 | 100 |
| Minproc Engineers Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| Minproc Group Superannuation Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| Minproc Overseas Projects Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| Minproc Projects (Ghana) Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |

John Wood Group PLC

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for the year to 31 December 2017

| | | |
|--|--|-----|
| Minproc Technology Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| Mustang Engineering Pty. Ltd. | Wood Group House, Level 6, 432 Murray Street, Perth WA 6000 | 100 |
| Octagon International Properties Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| ODL PTY LTD | Wood Group House, Level 6, 432 Murray Street, Perth WA 6000 | 100 |
| Qedi Completions & Commissioning Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| Rider Hunt International (WA) Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| S2V Consulting Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| South Shore Nominees Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| SVT Holdings Pty Ltd | Wood Group House, Level 6, 432 Murray Street, Perth WA 6000 | 100 |
| Terra Nova Technologies Australia Pty Ltd | Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia | 100 |
| WGPSN Queensland Pty Ltd | Santos Place, Level 9, 32 Turbot Street, Brisbane QLD 4000 | 100 |
| Wood Group Australia PTY Ltd | Wood Group House, Level 6, 432 Murray Street, Perth WA 6000 | 100 |
| Wood Group Engineering and Production Facilities Australia Pty Ltd | Wood Group House, Level 6, 432 Murray Street, Perth WA 6000 | 100 |
| Wood Group Integrity Management Pty Ltd | Wood Group House, Level 6, 432 Murray Street, Perth WA 6000 | 100 |
| Wood Group Kenny Australia Pty Ltd | Wood Group House, Level 6, 432 Murray Street, Perth WA 6000 | 100 |
| Wood Group PSN Australia Pty Ltd | Level 3, 171 Collins Street, Melbourne, VIC 3000 | 100 |
| Azerbaijan | | |
| AMEC Limited Liability Company | AZ1010, Baku City Sabail District, Nizami 90A, Azerbaijan | 100 |
| Wood Group PSN Azerbaijan LLC | 96E Nizami Street, Sabail, Baku, AZ 1010 | 100 |
| Bahamas | | |
| Montreal Engineering (Overseas) Limited | c/o 2020 Winston Park Drive, Suite 7000, Oakville Ontario | 100 |
| Bermuda | | |
| AMEC (Bermuda) Limited | Canon's Court, 22 Victoria Street, (PO Box HM 1179), Hamilton, HM EX, Bermuda | 100 |
| Atlantic Services Limited | Canon's Court, 22 Victoria Street, (PO Box HM 1179), Hamilton, HM EX, Bermuda | 100 |
| Foster Wheeler Holdings Ltd. | Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda | 100 |
| Foster Wheeler Ltd. | Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda | 100 |
| FW European E & C Ltd. | Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda | 100 |
| FW Management Operations, Ltd. | Clarendon House, 2 Church Street, P.O. Box HM 1022, Hamilton HM CX, Bermuda | 100 |
| Production Services Network International Limited | Canon's Court, 22 Victoria Street, Hamilton, Bermuda HM12 | 100 |
| Bolivia | | |
| ISI Mustang Bolivia S.R.L. | Avenida San Martin Calle 6 Este, Equipetrol No. 5, Barrio, Santa Cruz | 100 |
| Brazil | | |
| AMEC do Brasil Participações Ltda | Rua Quitanda 50, 15th floor, Centro, Rio de Janeiro, CEP 20011-030, Brazil | 100 |
| Amec Foster Wheeler America Latina, Ltda. | Centro Empresarial Ribeirao Office Tower, Av. Braz Olaia Acosta, 727 - 18 andar - Sl. 1810, Cep. 14026-404 - Jd. California, Ribeirao Preto, Sao Paulo, Brazil | 100 |
| Amec Foster Wheeler Brasil S.A. | Rua Quitanda 50, 15th floor, Centro, Rio de Janeiro, CEP 20011-030, Brazil | 100 |
| AMEC Petroleo e Gas Limitada | Rua Quitanda 50, 15th floor, Centro, Rio de Janeiro, CEP 20011-030, Brazil | 100 |
| AMEC Projetos e Consultoria Ltda | Rua Professor Moraes No. 476, Loja 5, Sobreloja, Bairro Funcionarios, Belo Horizonte, Minas Gerais, 30150-370, Brazil | 100 |
| Santos Barbosa Tecnica Comercio e Servicos Ltda | Estrada Sao Jose do Mutum, 301 - Imboassica, Cidade de Macae, Rio de Janeiro, CEP 27973-030 | 100 |
| Wood Group Engineering and Production Facilities Brasil Ltda | Rua Ministro Salgado Filho, 119, Cavaleiros, Cidade de Macae, Estado do Rio de Janeiro, CEP 27920-210 | 100 |
| Wood Group Kenny do Brasil Servicos de Engenharia Ltda | Rua Sete de Setembro, 54 - 4 andares, Centro, Rio de Janeiro - RJ, CEP 20050-009 | 100 |
| British Virgin Islands | | |
| MDM Engineering Group Limited | Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands | 100 |
| Brunei Darussalam | | |
| Amec Foster Wheeler (B) SDN BHD | Unit No.s 406A-410A, Wisma Jaya, Jalan Pemancha, Bandar Seri Begawan BS8811, Brunei Darussalam | 99 |
| Bulgaria | | |
| AMEC Minproc Bulgaria EOOD | 7th Floor, 9-11 Maria Louisa Blvd, Vazrazhdane District, Sofia 1301, Bulgaria | 100 |
| Cameroon | | |
| Amec Foster Wheeler Cameroun SARL | Cap Limboh, Limbe, BP1280, Cameroon | 100 |
| Canada | | |
| 418750 Alberta Inc. | 900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada | 100 |
| AMEC BDR Limited | 900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada | 100 |
| Amec Foster Wheeler Canada Ltd. | 1925-18th Avenue NE, Suite 401, Calgary, AB, T2E 7T8, Canada | 100 |
| CK Temple Holdings Ltd. | 900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada | 100 |
| Rider Hunt International (Alberta) Inc. | 900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada | 100 |
| AFW Canada Investments Limited | Suite 2400, 745 Thurlow Street, Vancouver, BC, V6E 0C5 | 100 |
| AFW Canadian Holdco Inc. | Suite 2400, 745 Thurlow Street, Vancouver, BC, V6E 0C5 | 100 |

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| AMEC Canada Finance ULC | 111, Dunsmuir St., Vancouver, BC, V6B 5W3, Canada | 100 |
| AMEC Canada Holdings Inc. | Suite 2400, 745 Thurlow Street, Vancouver, BC, V6E 0C5 | 100 |
| QEDI Commissioning and Completions (Canada) Limited | Suite 2400, 745 Thurlow Street, Vancouver, BC, V6E 0C5 | 100 |
| AMEC Earth & Environmental Limited | 801, 900, 6th Avenue S.W., Calgary, AB, T2P 3W3, Canada | 100 |
| Amec Foster Wheeler Americas Limited | 2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada | 100 |
| Amec Foster Wheeler Inc. | 2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada | 100 |
| AMEC Infrastructure Limited | 900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada | 100 |
| AMEC South America Limited | 2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada | 100 |
| Campro AGRA Limited | 900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada | 100 |
| Howe AGRA Limited | 900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada | 100 |
| MASA Ventures Limited | 900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada | 100 |
| Wood Group Asset Integrity Solutions, Inc. | Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, Alberta, T2P 0R3 | 100 |
| Wood Group Canada, Inc. | Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, Alberta, T2P 0R3 | 100 |
| Wood Group E&PF (Canada) Limited | Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, Alberta, T2P 0R3 | 100 |
| Wood Group Kenny Canada Ltd. | Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, Alberta, T2P 0R3 | 100 |
| Wood Group Mustang (Canada) Construction Management Inc. | Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, Alberta, T2P 0R3 | 100 |
| AMEC Geomatics Limited | 900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada | 75 |
| Cayman Islands | | |
| FW Chile Holdings Ltd. | Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, George Town, KY1-1111 | 100 |
| Wood Group O&M International, Ltd. | Whitehall House, 238 North Church Street, George Town, Grand Cayman KY1-1102 | 100 |
| Wood Group OTS International Inc. | Whitehall House, 238 North Church Street, George Town, Grand Cayman KY1-1102 | 100 |
| Chile | | |
| AMEC CADE Ingeniería y Desarrollo De Proyectos Limitada | Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile | 100 |
| AMEC Chile Ingeniería y Construcción Limitada | Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile | 100 |
| Amec Foster Wheeler International Ingeniería y Construcción Limitada | Av. Apoquindo 3846, piso 15, Las Condes, Santiago, 7550123, Chile | 100 |
| Amec Foster Wheeler Talcahuano, Operaciones y Mantenciones Limitada | Camino A Ramuncho 3230, Sector 4 Esquinas, Talcahuano, Chile | 100 |
| ISI Mustang Chile SpA | Calle Providencia 337, off. 7, Comuna de Providencia, Santiago | 100 |
| Terra Nova Technologies Chile Limitada | Av. Apoquindo 3846, piso 15, Las Condes, Santiago, 7550123, Chile | 100 |
| China | | |
| AG Offshore Engineering (China) Ltd | Room A25, 3rd Floor, No 473 West Fute 1st Road, Shanghai | 100 |
| Amec Foster Wheeler Engineering & Construction Design (Shanghai) Co., Ltd. | Room 401, Floor 4, No, 120 Qixia Road, Pudong New Area, Shanghai, China | 100 |
| Amec Foster Wheeler Engineering & Consulting (Shanghai) Co., Ltd | Room 204, Building 1, No. 1287, Shangcheng Road, Pudong New District, Shanghai | 100 |
| Feng Neng Sgurr (Beijing) Renewable Energy Technology Co. Ltd | 1217, No 5 Dongzhimen South Avenue, Dongcheng | 100 |
| Grenland Group (China) Limited | Room D2, 6th Floor, No 2446, Jin Qiao Road, Pudong, Shanghai | 100 |
| Colombia | | |
| Amec Foster Wheeler Colombia SAS | Calle 110 No. 9-25, Offices 515 and 516, Bogotá, Colombia | 100 |
| Procesos y Diseños Energeticos SA | Carrera 11 A No. 96-51 5th floor, Bogota D.C. | 100 |
| Curaçao | | |
| Harwat International Finance Corporation N.V. | Penstraat 35, P.O. Box 4888, Curacao | 100 |
| Cyprus | | |
| AMEC Overseas (Cyprus) Limited | 1, Lampousas Street, 1095 Nicosia, Cyprus | 100 |
| J P Kenny Overseas Limited | Themistokli Dervi 5, Elenion Building, 2nd Floor, P.C. 1005, Nicosia | 100 |
| WG International Services Limited | Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia | 100 |
| WGPF Contracting Limited | Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia | 100 |
| WGPS International Limited | Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia | 100 |
| Wood Group Angola Limited | Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia | 100 |
| Wood Group Engineering Services (North Africa) Limited | Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia | 100 |
| Wood Group Equatorial Guinea Limited | Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia | 100 |
| Czech Republic | | |
| Amec Foster Wheeler Nuclear Czech Republic, a.s. | Brno, Křenová, 184/58, 602 00, Czech Republic | 100 |
| Amec Foster Wheeler s.r.o. | Krenova 58, Brno, 60200, Czech Republic | 100 |
| Egypt | | |

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| Foster Wheeler Petroleum Services S.A.E. | Al-Amerya General Free Zone, Alexandria, Egypt | 100 |
| Equatorial Guinea | | |
| Baker Energy International Equatorial Guinea S.A. | Bioko, Island Region, Malabo | 65 |
| Hexagon Sociedad Anonima con Consejo de Administracion | Solege, Calle Kenia S/N, Malabo | 65 |
| France | | |
| Amec Foster Wheeler France S.A. | 14, Place de la Coupole, Charenton-le-Pont, France, 94220 | 100 |
| Amec Foster Wheeler Nuclear France SAS | Immeuble Horizon Sainte Victoire, Bâtiment A, 970 rue René Descartes, 13857 Aix-en-Provence cedex 3, France | 100 |
| Wood Group Engineering Services (France) SAS | 6 Pl de la Madeleine, Paris, 75008 | 100 |
| Wood Group France SAS | 15-19 rue des Mathurins, Paris 75009 | 100 |
| Gabon | | |
| Production Services Network Gabon SARL | Place of Independence, En face de la BVMAC, Libreville, Gabon BP 922 | 100 |
| Germany | | |
| Amec Foster Wheeler E & I GmbH | Weserstrasse 4, Frankfurt am Main, 60329, Germany | 100 |
| Bauunternehmung Kittelberger GmbH | Von-Miller-Strasse 13, 67661 Kaiserslautern, Germany | 100 |
| KIG Immobilien Beteiligungsgesellschaft mbH | Hammstrasse 6, 04129 Leipzig, Germany | 100 |
| KIG Immobiliengesellschaft mbH & Co. KG | Hammstrasse 6, 04129 Leipzig, Germany | 100 |
| Ghana | | |
| Amec Foster Wheeler Operations Ghana Limited | 3rd Floor Teachers Hall Complex, Education Loop, Off Barnes Road, PO Box 1632, Accra, Ghana | 100 |
| MDM Projects - Ghana Limited | 2nd Floor Cedar House, 13 Samora Machel Road, Asylum Down, Accram, Ghana | 100 |
| Amec Foster Wheeler & BBS Limited | No 4 Momotsa Avenue, Behind All Saints Anglican Church, Adabraka, Accra, Ghana | 80 |
| Wood Group Ghana Limited | 20 Jones Nelson Road, Adabraka, Accra | 49* |
| Gibraltar | | |
| Foster Wheeler (Gibraltar) Holdings Limited | Suite 1, Burns House, 19 Town Range, Gibraltar | 100 |
| Greece | | |
| Foster Wheeler Hellas Engineering and Construction Societe Anonyme | 21 Elvetias Street, (First Floor), Agia Paraskevi, 153 42, Greece | 100 |
| Guatemala | | |
| AMEC Guatemala Engineering and Consulting, Sociedad Anonima | Ciudad Guatemala, Guatemala | 100 |
| Guernsey | | |
| AMEC Operations Limited | 22 Havilland Street, St Peter Port, GY1 2QB, Guernsey | 100 |
| Garlan Insurance Limited | St Martins House, Le Bordage, St Peter Port, GY1 4AU | 100 |
| Wood Group Offshore Services Limited | Ogier House, St Julian's Avenue, St Peter Port, GY1 1WA | 100 |
| Hong Kong | | |
| AMEC Engineering Limited | 5008, 50th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong | 100 |
| SgurrEnergy Hong Kong Limited | 26/F Beautiful group Tower, 77 Connaught Road Central, Hong Kong | 100 |
| AMEC Asia Pacific Limited | 5008, 50th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong | 99 |
| Hungary | | |
| FW Hungary Licensing Limited Liability Company | Krisztina korut 2-4. I. em. 17, Budapest, Hungary, 1122 | 100 |
| India | | |
| Amec Foster Wheeler India Global Business Services LLP | V Floor, "Zenith Building", Ascendas IT Park, CSIR Road, Taramani, Chennai, 600 113, India | 100 |
| Amec Foster Wheeler India Private Limited | 6th Floor, Zenith Building, Ascendas IT Park, CSIR Road, Taramani, Chennai 600 113, India | 100 |
| Ingenious Process Solutions Private Limited | 307, Atlanta Estate, 3rd Floor, Hanuman Tekdi Road Vitbhatti, Off. W. E. Highway, Goregaon (East) Mumbai MH 400063 | 100 |
| Mustang Engineering India Private Limited | R9, F -3 RD W: B, P-214, B- Wing, Laxmikant Apartment, Sitaram Keer Marg, Mahim, Mumbai 400016 | 100 |
| Wood Group Kenny India Private Limited | Floor 15, Building No 5, DLF Cyber City, Phase III, Gurgaon - 122002, Haryana | 100 |
| Wood Group PSN India Private Limited | Floor 15, Building No 5, Tower B, Cyber Terraces, Gurgaon - 122002, Haryana | 100 |
| SgurrEnergy India Pvt. Ltd | 58/2 Kausar Baugh, Off NIBM Road, Kondhwa, Pune, Maharashtra 411048 | 50 |
| Indonesia | | |
| PT AGRA Monenco | 2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada | 100 |
| PT Simons International Indonesia | | 100 |
| PT Australian Skills Training | Green Town Warehouse No. 2, Bengkong-Batam | 95 |
| PT Foster Wheeler O&G Indonesia | Perkantoran Pulo mas Blok VII No.2, Jl. Perintis Kemerdekaan, Pulo Gadung, Jakarta Timur 13260, Indonesia | 90 |
| PT Wood Group Indonesia | Office 88 Tower, 20th - H Floor, Jl. Casablanca Kav 88, South Jakarta 12870 | 90 |
| PT Amec Foster Wheeler Indonesia | Perkantoran Pulo mas Blok VII No. 2, Jl Perintis Kemerdekaan, Pulo Gadung, Jakarta, Timur, Indonesia | 85 |
| Iran | | |
| Wood Group Iran - Qeshm Company (pjs) | No 2564, Hafez Street, Toola Industrial Park, Annaba, Qeshm Island | 97 |
| Iraq | | |

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| Ghabet El Iraq for General Contracting and Engineering Services, Engineering Consultancy (LLC) | Suite 24, Building 106, St 19, Sec 213, Al-Kindi St, Al-Haritheeya Qts, Baghdad | 100 |
| Touchstone General Contracting, Engineering Consultancy and Project Management LLC | Flat no. 23A, 3rd Floor, near Kahramana Square Anbar Building, District no. 903, Hay Al Karada, Baghdad, Iraq | 100 |
| Wood Group, LLC | Shoresh, Hadid and Khashab St., Erbil, | 100 |
| Ireland | | |
| JWG Ireland CAD Unlimited Company | Second Floor, Blocks 4 and 5, Galway Technology Park, Parkmore, Galway | 100 |
| JWG Ireland NOK Unlimited Company | Second Floor, Blocks 4 and 5, Galway Technology Park, Parkmore, Galway | 100 |
| JWG Ireland USD 2 Unlimited Company | Second Floor, Blocks 4 and 5, Galway Technology Park, Parkmore, Galway | 100 |
| JWG Ireland USD 3 Unlimited Company | Second Floor, Blocks 4 and 5, Galway Technology Park, Parkmore, Galway | 100 |
| JWG Ireland USD Unlimited Company | Second Floor, Blocks 4 and 5, Galway Technology Park, Parkmore, Galway | 100 |
| Marine Computation Services Kenny Group Limited | 70 Sir John Rogerson's Quay, Dublin 2 | 100 |
| Wood Group Kenny Ireland Limited | 70 Sir John Rogerson's Quay, Dublin 2 | 100 |
| Pyeroy (Ireland) Unlimited | 70 Sir John Rogerson's Quay, Dublin 2 | 95 |
| Italy | | |
| Amec Foster Wheeler Italiana S.r.l. | Via S. Caboto 15, Corsico, 20094, Italy | 100 |
| FW TURNA S.r.l. | Via S. Caboto 15, Corsico (Milano), 20094, Italy | 100 |
| Jamaica | | |
| Monenco Jamaica Limited | 2020 Winston Park Drive, Suite 700, Oakville, Ontario | 100 |
| Japan | | |
| Amec Foster Wheeler Asia K.K. | Shiba International Law Offices, 1-3-4-5F Atago, Minatoku, Tokyo, 105-0002, Japan | 100 |
| Jersey | | |
| AltaBlue Limited | 28 Esplanade, St Helier, JE2 3QA, Jersey | 100 |
| AMEC Canada Investments Company Limited | 95/97 Halkett Place, St Helier, JE1 1BX, Jersey, United Kingdom | 100 |
| AMEC Nuclear Consultants International Limited | 95/97 Halkett Place, St Helier, JE1 1BX, Jersey, United Kingdom | 100 |
| GTS Power Solutions Limited | 28 Esplanade, St Helier, JE2 3QA, Jersey | 100 |
| Wood Group Engineering Services (Middle East) Limited | 28 Esplanade, St Helier, JE2 3QA, Jersey | 100 |
| Wood Group Production Facilities Limited | 28 Esplanade, St Helier, JE2 3QA, Jersey | 100 |
| Kazakhstan | | |
| AMEC Limited Liability Partnership | 78A Azattyk Avenue, Atyrau, 060005, Kazakhstan | 100 |
| Foster Wheeler Kazakhstan LLP | app. 27, h. 64, Bostandykskiy district, Abaya Ave., Almaty City, Kazakhstan | 100 |
| QED International (Kazakhstan) Limited Liability Partnership | 78, "A" Azattyk avenue, Atyrau 060005, Kazakhstan | 100 |
| Wood Group Kazakhstan LLP | 55 Ablai Khan Ave., Room #112/114, Almaty 050004 | 100 |
| Yeskertkish Kyzmet Kazakhstan LLP | Atyrau City, Airport Area, Atyrau | 100 |
| Kuwait | | |
| AMEC Kuwait Project Management and Contracting Company W.L.L. | 2nd Floor, Al Mutawa Building, Ahmed Al Jaber Street, Sharq, Kuwait City | 49* |
| Liberia | | |
| Amec Foster Wheeler Liberia Inc | King Plaza, 2nd-4th Floors, Broad Street, Monrovia 10, Liberia | 100 |
| Luxembourg | | |
| AFW Luxembourg 1 S.a.r.l. | 5, rue Guillaume Kroll, Luxembourg, L-1882 | 100 |
| AFW Luxembourg 2 S.a.r.l. | 5, rue Guillaume Kroll, Luxembourg, L-1882 | 100 |
| FW Europe Financial Holdings S.à r.l. | 5, rue Guillaume Kroll, Luxembourg, L-1882 | 100 |
| FW Holdings S.à r.l. | 5, rue Guillaume Kroll, Luxembourg, L-1881 | 100 |
| FW Investment Holdings S.à r.l. | 5, rue Guillaume Kroll, Luxembourg, L-1882 | 100 |
| Financial Services S.à r.l. | 5, Rue Guillaume J. Kroll, L-1882, Luxembourg | 100 |
| Malaysia | | |
| AMEC (Malaysia) Sdn Bhd | Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, Kuala Lumpur, 50100, Malaysia | 100 |
| Amec Foster Wheeler OPE Sdn. Bhd. | 12th Floor, West Block, Wisma Selangor Dredging, 142-C Jalan Ampang, Kuala Lumpur, 50450, Malaysia | 100 |
| AMEC Holdings (Malaysia) Sdn Bhd | Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, Kuala Lumpur, 50100, Malaysia | 100 |
| AMEC Oil Gas and Process Sdn Bhd | Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, Kuala Lumpur, 50100, Malaysia | 100 |
| AMEC Process & Energy Sdn Bhd | Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, Kuala Lumpur, 50100, Malaysia | 100 |
| BMA Engineering Sdn Bhd | Unit C-12-4, Level 12, Block C, Megan Avenue II, 50450 Kuala Lumpur, Wilayah Persekutuan | 100 |
| Foster Wheeler (Malaysia) Sdn. Bhd. | Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, Kuala Lumpur, 50100, Malaysia | 100 |
| Mustang Malaysia Sdn. Bhd | Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan | 100 |

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| Rider Hunt International (Malaysia) Sdn Bhd | Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan | 100 |
| Wood Group Engineering Sdn. Bhd | Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan | 0* |
| Wood Group Kenny Sdn Bhd | Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan | 0* |
| Wood Group Mustang (M) Sdn. Bhd. | Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan | 100 |
| Foster Wheeler E&C (Malaysia) Sdn. Bhd. | Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, Kuala Lumpur, 50100, Malaysia | 70 |
| Wood Group Production Facilities (Malaysia) Sdn. Bhd. | Lot 1-3, Level 5, Block G (South), Pusat Bandar Damansara, 50490 Kuala Lumpur | 48* |
| Mauritius | | |
| MDM Engineering Investments Ltd | 1st Floor, Felix House, 24 Dr Joseph Street, Port Louis, Mauritius | 100 |
| MDM Engineering Projects Ltd | 1st Floor, Felix House, 24 Dr Joseph Street, Port Louis, Mauritius | 100 |
| P.E. Consultants, Inc. | St James Court-Suite 308, St Denis Street, Port Louis, Mauritius | 100 |
| QED International Ltd | C/o Appleby Management (Mauritius) Ltd, 11th Floor, Medine Mews, La Chaussée Street, Port Louis, Mauritius | 100 |
| Mexico | | |
| Amec Foster Wheeler Energia Mexico S. de R.L. de C.V. | Av. Vasconcelos 453, Colonia del Valle 66220 Nuevo Leon, Monterrey (Estados Unidos de México), Mexico | 100 |
| Amec Foster Wheeler Mexico, S.A. de C.V. | c/o Carlos Salazar, 2333 Oriente, Col. Obrera, Monterrey, Nuevo Leon, 64010, Mexico | 100 |
| AYMEC de Mexico S.A. de C.V. | 453 Planta Alta Del Valle, San Pedro Garza Garcia, Nuevo Leon 66220, Mexico | 100 |
| Exergy Engineering Services, S.A. de C.V. | David Alfaro Siqueiros 104 piso 2, Col. Valle Oriente, San Pedro Garza Garcia, Nuevo Leon, CP. 66269, Mexico | 100 |
| Exergy Engineering, S.A. de C.V. | David Alfaro Siqueiros 104 piso 2, Col. Valle Oriente, San Pedro Garza Garcia, Nuevo Leon, CP. 66269, Mexico | 100 |
| Global Mining Projects and Engineering, S.A. de C.V. | Calle Coronado 124, Zona Centro, Chihuahau, Chihuahau, 31000, Mexico | 100 |
| ISI Mustang Servicios de Ingenieria de Mexico, S de R.L. De C.V. | Homero 1804 Piso 11, Col. Los Morales - Delegacion Miguel Hidalgo, Mexico City, Distrito Federal, C.P. 11540 | 100 |
| MACTEC Mexico S.A. de C.V. | Paseo de la Reforma 450, Lomas de Chapultepec, 11000 Mexico D.F., Mexico | 100 |
| Wood Group de Mexico S.A. de C.V. | Bldv. Manuel Avila Camacho 40 - 1801, Lomas de Cahpultepec, Delgacion Miguel Hidalgo, D.F. 11000 | 100 |
| Wood Group Management Services de Mexico S.A. de C.V. | Bldv. Manuel Avila Camacho 40 - 1801, Lomas de Cahpultepec, Delgacion Miguel Hidalgo, D.F. 11000 | 100 |
| Mongolia | | |
| AMEC LLC | Suite 403, 4th Floor New Century Plaza, Chinggis Avenue, Sukhbaatar District, Ulaanbaatar, Mongolia | 100 |
| Mozambique | | |
| Amec Foster Wheeler Mozambique Limitada | Mocambique, Maputo Cidade, Distrito Urbano 1, Bairro Sommerschild II, Av. Julius Nyerere, n° 3412, Maputo, Mozambique | 100 |
| Wood Group Mocambique, Limitada | 73 Rua Jose Sidumo, Bairro da Polana, Maputo | 100 |
| Netherlands | | |
| AMEC GRD SA B.V. | Prins Bernhardplein 200, Amsterdam, 1097 JB, Netherlands | 100 |
| AMEC Holland B.V. | Prins Bernhardplein 200, Amsterdam, 1097 JB, Netherlands | 100 |
| AMEC International Investments B.V. | Meander 251, Arnhem, 6825 MC, Netherlands | 100 |
| AMEC Investments B.V. | Prins Bernhardplein 200, 1097 JB, Amsterdam, Netherlands | 100 |
| Foster Wheeler Continental B.V. | Naritaweg 165, 1043 BW Amsterdam, Netherlands | 100 |
| Foster Wheeler Europe B.V. | Naritaweg 165, 1043 BW Amsterdam, Netherlands | 100 |
| John Wood Group B.V. | Atrium Building, 8th Floor, Strawinskylaan 3127, Amsterdam, 1077 ZX | 100 |
| John Wood Group Holdings BV | Atrium Building, 8th Floor, Strawinskylaan 3127, Amsterdam, 1077 ZX | 100 |
| Wood Group Azerbaijan B.V. | Atrium Building, 8th Floor, Strawinskylaan 3127, Amsterdam, 1077 ZX | 100 |
| New Zealand | | |
| Amec Foster Wheeler AC-NZ Limited | 22 Customs Street, Auckland Central, Auckland, 1010, New Zealand | 100 |
| AMEC New Zealand Limited | c/o KPMG, 18 Viaduct Harbour Avenue, Maritime Square, Auckland, New Zealand | 100 |
| M&O Pacific Limited | 28 Manadon Street, New Plymouth | 100 |
| Nicaragua | | |
| MACTEC Engineering and Consulting, Sociedad Anonima (Nicaragua) | Del Hospital Militar, 1 Cuadra al Lago, Managua, Nicaragua | 98 |
| Nigeria | | |
| AMEC Contractors (W/A) Limited | 13A AJ Marinho Drive, Victoria Island, Lagos, Nigeria | 100 |
| AMEC King Wilkinson (Nigeria) Limited | No 3, Hospital Road, PO Box 9289, Lagos, Nigeria | 100 |
| Foster Wheeler (Nigeria) Limited | 1 Murtala Muhammed Drive, (Formerly Bank Road), Ikoyi, Lagos, Nigeria | 100 |
| Overseas Technical Services Nigeria Limited | No 13 Sumbo Jibowu Street, Ikoyi, Lagos | 93 |

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| Foster Wheeler Environmental Company Nigeria Limited | c/o Nwokedi & Co., 21 Ajasa Street, Onikan, Nigeria | 87 |
| AMEC Offshore (Nigeria) Limited | 18th Floor, Western House, 8/10 Broad street, Lagos, Nigeria | 75 |
| Monenco Nigeria Limited | Ebani House (Marina side), 62 Marina, Lagos, Nigeria | 60 |
| JWG Nigeria Limited | 13 Sumbo Jibowu Street, Ikoyi, Lagos | 49* |
| Norway | | |
| Erbus AS | Fokserodveien 12, Sandefjord, 3241 | 100 |
| Wood Group Kenny Norge AS | Lkkeveien 99, Stavanger | 100 |
| Wood Group Norway AS | Fokserodveien 12, Sandefjord | 100 |
| Wood Group Norway Holdings AS | Fokserodveien 12, Sandefjord | 100 |
| Wood Group Norway Operations AS | Kanalsletta 2, 4033 Stavanger | 100 |
| Oman | | |
| Amec Foster Wheeler Engineering Consultancy LLC | PO Box 1469, Postal Code 133, Al-Khuwair, Sultanate of Oman | 60 |
| Papau New Guinea | | |
| Wood Group PNG Limited | Level 5, Bsp Haus, Harbour City, Port Moresby, National Capital District, Papua New Guinea | 100 |
| Peru | | |
| Amec Foster Wheeler (Perú) S.A. | Calle Las Begonias 441, Piso 8, San Isidro, Lima, 27, Peru | 100 |
| ISI Mustang Peru S.A.C. | Calle Martir Olaya 201, off. 801 Miraflores, Lima | 100 |
| Wood Group Peru S.A.C. | Av. de la Floresta 407, 5th Floor, San Borja, Lima | 100 |
| Philippines | | |
| Foster Wheeler (Philippines) Corporation | U-7A, 7/F PDCP Bank Centre, V.A. Rufino St. Corner L.P. Leviste St., Salcedo Village, Makati City, PH, 1227 | 100 |
| Production Services Network Holdings Corp. | 585 ME National Road HW, Barangay Alangilan, Batangas City, Batangas | 100 |
| PSN Production Services Network Philippines Corp | 12th Floor, Net One Center, 26th Street Corner, 3rd Avenue, Crescent Park West, Bonifacio Global City, Taguig, Metro Manilla 1634 | 40* |
| Poland | | |
| Amec Foster Wheeler Consulting Poland Sp. z o.o. | Ul.Chmielna 85/87, Warsaw, 00-805, Poland | 100 |
| Portugal | | |
| Amec Foster Wheeler (Portugal) Lda | Avenida Barbosa du Bocage 113-4, Lisboa, 1050-031, Portugal | 100 |
| Qatar | | |
| Production Services Network Qatar LLC | PO Box 2515, Doha | 24* |
| Romania | | |
| AMEC Environment & Infrastructure SRL | 59, Gr. Alexandrescu St., 2nd Floor, 1st District, Bucharest, Code 010626, Romania | 100 |
| Amec Foster Wheeler Nuclear RO SRL | Str. Grigore Alexandrescu 59, Etaj 2 (second floor), Sector 1, Bucharest, Romania | 100 |
| AMEC Operations S.R.L | Rooms 1 and 2, 2nd Floor, No. 59 Strada Grigore Alexandrescu, Sector 1, Bucharest 010623, Romania | 100 |
| PSN Overseas Romania SRL | Ploiesti, 225 Gheorghe Doja Street, 2nd Floor, Prahova County | 100 |
| Russia | | |
| AMEC Eurasia Limited | Novy Arbat, 11 bld., 1 Moscow, Russian Federation | 100 |
| OOO Amec Foster Wheeler | Office E-100, Park Place, 113/1, Leninsky Prospekt, 117198, Moscow, Russian Federation | 100 |
| Production Services Network Eurasia LLC | Tverskaya St. 16/3, Moscow | 50* |
| Production Services Network Sakhalin LLC | 2-6 Floors, 88 Amurskaya, 693020, Yuzhno-Sakhalinsk | 50* |
| Sakhalin Technical Services Network LLC | Suite 417, Kommunistichesky Prospekt 32, Yuzhno-Sakhalinsk, Sakhalin | 40* |
| Saudi Arabia | | |
| Mustang Saudi Arabia Co. Ltd. | P.O. Box 17411, Riyadh | 100 |
| Mustang and Faisal Jamil Al-Hejailan Consulting Engineering Company | PO Box 9175, Riyadh | 75 |
| Wood Group ESP Saudi Arabia Limited | PO Box 1280, Al-Khobar | 51 |
| Singapore | | |
| Amec Foster Wheeler Asia Pacific Pte. Ltd. | One Marina Boulevard #28-00, Singapore, 018989, Singapore | 100 |
| AMEC Global Resources Pte Limited | 991E Alexandra Road, #01 - 25, 119973, Singapore | 100 |
| AMEC Global Services Pte Ltd | 991E Alexandra Road, #01 - 25, 119973, Singapore | 100 |
| Australian Skills Training Pte. Ltd. | Shaw Tower #28-09, 100 Beach Road, Singapore, 189702 | 100 |
| Foster Wheeler Eastern Private Limited | 1 Marina Boulevard, #28-00, Singapore 018989 | 100 |
| OPE O&G Asia Pacific Pte. Ltd. | 1 Marina Boulevard, #28-00, One Marina Boulevard, 018989, Singapore | 100 |
| Rider Hunt International (Singapore) Pte Limited | 24 Raffles Place, #24-03 Clifford Centre, Singapore, 048621 | 100 |
| Simons Pacific Services Pte Ltd. | #27-01 Millenia Tower, 1 Temasek Ave, Singapore, 039192 | 100 |
| Wood Group Engineering Pte. Limited | Shaw Tower #28-09, 100 Beach Road, Singapore, 189702 | 100 |
| Wood Group International Services Pte. Ltd. | Shaw Tower #28-09, 100 Beach Road, Singapore, 189702 | 100 |
| Slovakia | | |
| Amec Foster Wheeler Nuclear Slovakia s.r.o. | Piestanska 3, Trnava, 917 01, Slovakia | 100 |
| The Automated Technology Group (Slovakia) s.r.o. | Hviezdoslavovo namestie 13, Mestska cast Stare Mesto, Bratislava 811 02 | 100 |
| South Africa | | |

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| Amec Foster Wheeler Properties (Pty) Limited | Second Road, Halfway House, P. O. Box 76, Midrand 1685, South Africa | 100 |
| AMEC Minproc (Proprietary) Limited | 2 Eglin Road, Sunninghill, 2157, South Africa | 100 |
| MDM Technical Africa (Pty) Ltd | Zeelie Office Park, 381 Ontdekkers Road, Floida Park Ext 3, Roodepoort, 1709, South Africa | 100 |
| Wood Group (South Africa) Pty Ltd | PO Box 2506, Houghton 2041 | 100 |
| Mossel Bay Energy IPP (proprietary) Limited (RF) | 2nd Road Halfway House, Midrand, South Africa | 90 |
| Nuclear Consultants International (Proprietary) Limited | Nr 5, 5th Ave, Melkbos Strand, Cape Town, 7441, South Africa | 85 |
| Amec Foster Wheeler South Africa (PTY) Limited | Second Road, Halfway House, Midrand, 1685 | 70 |
| South Korea | | |
| AMEC Korea Limited | KT Building 11F, 14 Yeouidaero, Youngdeungpo-gu, Seoul 07320, Korea, Republic of | 100 |
| Spain | | |
| Amec Foster Wheeler Energia, S.L.U. | Calle Gabriel Garcia Marquez, no 2, Parque Empresarial Madrid, Las Rozas, 28232 Las Rozas, Madrid, Spain | 100 |
| Amec Foster Wheeler Iberia S.L.U. | Calle Gabriel Garcia Marquez, no 2, Parque Empresarial Madrid, Las Rozas, 28232 Las Rozas, Madrid, Spain | 100 |
| Conequip, S.A. | Calle Gabriel Garcia Marquez, no 2, Parque Empresarial Madrid, Las Rozas, 28232 Las Rozas, Madrid, Spain | 100 |
| Switzerland | | |
| A-FW International Investments GmbH | c/o Intertrust Services (Schweiz) AG, Alpenstrasse 15, 6300, Zug, Zug, Switzerland | 100 |
| Amec Foster Wheeler Engineering AG | Lohweg 6, 4054 Basel, Switzerland | 100 |
| FW Financial Holdings GmbH | c/o BDS Consulting AG, Vordergrasse 3, Schaffhausen, 8200, Switzerland | 100 |
| Tanzania | | |
| MDM Projects-Tanzania Limited | 11th Floor, PPF Towers, Gardens Avenue / Ohio Street, Dar es Salaam, Tanzania | 100 |
| Thailand | | |
| Amec Foster Wheeler Holding (Thailand) Limited | 1st Floor Talaythong Tower, 53 Moo 9, Sukhumvit Road, Thungskula, Sriracha, Chonburi, 20230, Thailand | 100 |
| Foster Wheeler (Thailand) Limited | 53 Talaythong Tower, 1st Floor, Moo 9, Sukhumvit Road, Tambol Tungsukhla, Amphur Sriracha, Chonburi, 20230, Thailand | 100 |
| SIE Siam Limited | 91/17 Soi Wattananivet 4, Suthisarnvinijchai Road, Khwaeng Samsennok, Khet Huaykwang, Bangkok Metropolis, Thailand | 100 |
| Simons International Engineering Ltd. | 91/17 Soi Wattananivet 4, Suthisarnvinijchai Road, Khwaeng Samsennok, Khet Huaykwang, Bangkok Metropolis, Thailand | 100 |
| The Democratic Republic of the Congo | | |
| MDM Engineering SPRL | 32 Avenue 3Z, Commune de Kasuku, Ville de Kindu, Democratic Republic of Congo | 100 |
| Trinidad and Tobago | | |
| Wood Group Trinidad & Tobago Limited | 18 Scott Bushe Street, Port of Spain | 100 |
| Turkey | | |
| Amec Foster Wheeler Bimas Birlesik Insaat ve Muhendislik A.S. | Kucukbakkalkoy Mah, Çardak Sok, No.1A Plaza, 34750 Atasehir, Istanbul, Turkey | 100 |
| Uganda | | |
| Wood Group PSN Uganda Limited | KAA House, Plot 41, Nakasero Road, PO Box 9566, Kampala | 100 |
| United Arab Emirates | | |
| AMEC Growth Regions Support FZ LLC | 41st Floor, Business Central Towers, Dubai, United Arab Emirates | 100 |
| Attric International FZ LLE | Fujairah Tower, Fujairah, Creative City - Media Free Zone, UAE | 100 |
| PSN Overseas Holding Company Limited | The MAZE Tower, 15th Floor, Sheikh Zayed Road, PO Box 9275, Dubai | 100 |
| QED International FZ LLC | Knowledge Village, Alsufouh Road, Dubai, United Arab Emirates | 100 |
| Production Services Network Emirates LLC | Floor 5, International Tower, Capital Centre, 24th (Karama) Street, P.O. Box 105828, Abu Dhabi | 49* |
| United Kingdom | | |
| AFW E&C Holdings Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AFW Finance 2 Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AFW Finance 3 Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AFW Hungary Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AFW Investments 2 Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AFW Investments Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC (AGL) Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC (BCS) Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC (F.C.G.) Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC (MH1992) Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC (MHL) Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC (WSL) Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC BKW Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Bravo Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |

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| AMEC Building Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Canada Limited | KPMG LLP, 15 Canada Square, Canary Wharf, London, E14 5GL | 100 |
| AMEC Capital Projects Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Civil Engineering Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Construction Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Design and Management Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Engineering Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Facilities Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Amec Foster Wheeler (Holdings) Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Amec Foster Wheeler Earth and Environmental (UK) Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Amec Foster Wheeler Energy Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Amec Foster Wheeler Environment & Infrastructure UK Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Amec Foster Wheeler Finance Asia Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Amec Foster Wheeler Finance Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Amec Foster Wheeler Group Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Amec Foster Wheeler International Holdings Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Amec Foster Wheeler International Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Amec Foster Wheeler Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Amec Foster Wheeler Nuclear Holdings Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Amec Foster Wheeler Nuclear International Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Amec Foster Wheeler Nuclear UK Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Amec Foster Wheeler Property and Overseas Investments Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Hedge Co 1 Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Infrastructure Services Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Investments Europe Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Kazakhstan Holdings Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Manufacturing and Services Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Mechanical and Electrical Services Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Mining Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Nominees Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Nuclear M & O Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Nuclear Overseas Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Nuclear Projects Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Offshore Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Offshore Services Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Process and Energy International Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Process and Energy Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Project Investments Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Services Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Spareco (12) Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Spareco (14) Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Staff Pensions Trustee Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Trustees Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC USA Finance Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC USA Holdings Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC USA Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Utilities Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Wind Developments Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Applied Environmental Research Centre Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Atlantis Hedge Co 1 Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Atlantis Hedge Co 2 Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Attric Ltd | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Energy, Safety and Risk Consultants (UK) Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Entec Holdings Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Entec Investments Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Foster Wheeler (G.B.) Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Foster Wheeler (London) Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Foster Wheeler (Process Plants) Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Foster Wheeler E&C Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Foster Wheeler Environmental (UK) Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Foster Wheeler Europe | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Foster Wheeler Management Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Foster Wheeler Petroleum Development Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |

John Wood Group PLC

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| Foster Wheeler World Services Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| FW Chile Holdings 2 Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| FW Investments Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| MDM UK Finance Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Metal and Pipeline Endurance Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| National Nuclear Corporation Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Press Construction Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Process Industries Agency Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Process Plants Suppliers Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Rider Hunt International Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Sandivay Solutions (No 3) Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Sigma 2 AFW Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Sigma Financial Facilities Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| The IDC Group Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| Tray Field Services Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| William Ellis (Etchingham) Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 100 |
| AMEC Construction Scotland Limited | Annan House, 33-35 Palmerston Road, Aberdeen, AB11 5QP, Scotland | 100 |
| AMEC Offshore Developments Limited | Annan House, 33-35 Palmerston Road, Aberdeen, AB11 5QP, Scotland | 100 |
| James Scott Engineering Group Limited | Annan House, 33-35 Palmerston Road, Aberdeen, AB11 5QP, Scotland | 100 |
| James Scott Limited | Annan House, 33-35 Palmerston Road, Aberdeen, AB11 5QP, Scotland | 100 |
| QED International (UK) Limited | Annan House, 33-35 Palmerston Road, Aberdeen, AB11 5QP, Scotland | 100 |
| Automated Technology Group Holdings Limited | Compass Point, 79-87 Kingston Road, Staines, TW18 1DT | 100 |
| Autotech Controls Limited | Compass Point, 79-87 Kingston Road, Staines, TW18 1DT | 100 |
| East Mediterranean Energy Services Limited | 3rd Floor, 68-70 George Street, Edinburgh, EH2 2LR | 100 |
| HFA Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Igranic Control Systems Limited | Compass Point, 79-87 Kingston Road, Staines, TW18 1DT | 100 |
| Integrated Maintenance Services Limited | Compass Point, 79-87 Kingston Road, Staines, TW18 1DT | 100 |
| J W G Trustees Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| John Brown E & C Ltd | Compass Point, 79-87 Kingston Road, Staines, TW18 1DT | 100 |
| John Wood Group US Company | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| JWG Investments Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| JWGUSA Holdings Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Kelwat Investments Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| MCS Kenny International (UK) Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Mustang Engineering Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Offshore Design Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Production Services Network (UK) Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Production Services Network Bangladesh Limited | Compass Point, 79-87 Kingston Road, Staines, TW18 1DT | 100 |
| PSJ Fabrications Ltd | Compass Point, 79-87 Kingston Road, Staines, TW18 1DT | 100 |
| PSN (Angola) Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| PSN (Philippines) Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| PSN Asia Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| PSN Overseas Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| SD FortyFive Limited | Compass Point, 79-87 Kingston Road, Staines, TW18 1DT | 100 |
| SgurrEnergy Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Sigma 3 (North Sea) Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland | 100 |
| Talentworx Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| The Automated Technology Group Limited | Compass Point, 79-87 Kingston Road, Staines, TW18 1DT | 100 |
| The Igranic Group Limited | Compass Point, 79-87 Kingston Road, Staines, TW18 1DT | 100 |
| WDG038 Limited | Compass Point, 79-87 Kingston Road, Staines, TW18 1DT | 100 |
| WGD023 Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| WGD028 Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| WGPSN (Holdings) Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group Algeria Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group Algiers Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group Annaba Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group Arzew Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group Engineering & Operations Support Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group Engineering (North Sea) Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group Engineering Contractors Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group Frontier Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group Gas Turbine Services Holdings Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group Hassi Messaoud Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group Holdings (International) Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group Investments Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |

John Wood Group PLC

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| Wood Group Kenny Corporate Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group Kenny Limited | Compass Point, 79-87 Kingston Road, Staines, TW18 1DT | 100 |
| Wood Group Kenny UK Limited | Compass Point, 79-87 Kingston Road, Staines, TW18 1DT | 100 |
| Wood Group Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group Management Services Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group Power Investments Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group Production Services UK Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group Properties Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group UK Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Wood Group/OTS Limited | Compass Point, 79-87 Kingston Road, Staines, TW18 1DT | 100 |
| Wood International Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 100 |
| Pyeroy Limited | Compass Point, 79-87 Kingston Road, Staines, TW18 1DT | 95 |
| Wood Group Industrial Services Limited | Compass Point, 79-87 Kingston Road, Staines, TW18 1DT | 95 |
| WG Intetech Holdings Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 90 |
| Wood Group Intetech Limited | Compass Point, 79-87 Kingston Road, Staines, TW18 1DT | 90 |
| Fast Reactor Technology Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 51 |
| SgurrControl Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 51 |
| WGPSN Eurasia Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 50 |
| USA | | |
| AGRA Foundations Inc | The Corporation Trust Company, 1209 Orange Street, Wilmington DE 19801 | 100 |
| Amec Foster Wheeler Programs, Inc. | 2475 Northwinds Parkway, #200-260, Alpharetta, GA, 30009 | 100 |
| Barsotti's Inc. | Perryville Corporate Park, 53 Frontage Road, PO Box 9000, Hampton, NJ, 08827-90000 | 100 |
| MDIC Inc. | 2730, Suite 100, Gateway Oaks Drive, Sacramento, Sacramento, CA, 95833 | 100 |
| Terra Nova Technologies, Inc. | 818 West Seventh Street, Ste. 930, Los Angeles, CA, 90017 | 100 |
| MACTEC Constructors, Inc. | 1105 Lakewood Parkway, Suite 300, Alpharetta, GA, 30009 | 100 |
| MACTEC E&C, LLC | 1675 Broadway, Suite 1200, Denver, CO, 80202 | 100 |
| MASA Ventures, Inc. | 1675 Broadway, Suite 1200, Denver, CO, 80202 | 100 |
| AMEC Construction Management, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| AMEC Developments, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| AMEC Earth & Environmental LLP | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| AMEC Engineering and Consulting of Michigan, Inc. | 46850 Magellan, Suite 190, Novi, MI, 48377 | 100 |
| Amec Foster Wheeler Arabia Ltd. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Amec Foster Wheeler Constructors, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Amec Foster Wheeler Environmental Equipment Company, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Amec Foster Wheeler Industrial Power Company, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Amec Foster Wheeler Kamtech, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Amec Foster Wheeler Martinez, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Amec Foster Wheeler North America Corp. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Amec Foster Wheeler Power Systems, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Amec Foster Wheeler USA Corporation | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| AMEC Holdings, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| AMEC Newco LLC | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| AMEC Oil & Gas World Services, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| AMEC USA Holdco LLC | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| AMEC USA Holdings, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| AMEC USA Investments LLC | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Camden County Energy Recovery Corp. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Energia Holdings, LLC | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Equipment Consultants, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Foster Wheeler Andes, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Foster Wheeler Asia Limited | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Foster Wheeler Avon, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Foster Wheeler Development Corporation | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Foster Wheeler Energy Corporation | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Foster Wheeler Energy Manufacturing, Inc. | Perryville Corporate Park, 53 Frontage Road, PO Box 9000, Hampton, NJ, 08827-9000 | 100 |
| Foster Wheeler Finance LLC | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Foster Wheeler Hydrox, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Foster Wheeler Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Foster Wheeler Intercontinental Corporation | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Foster Wheeler International LLC | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Foster Wheeler LLC | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Foster Wheeler Maintenance, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

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|--|---|-----|
| Foster Wheeler Operations, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Foster Wheeler Real Estate Development Corp. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Foster Wheeler Realty Services, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Foster Wheeler Santiago, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Foster Wheeler US Power Group Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Foster Wheeler Zack, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| FWPS Specialty Products, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| King Wilkinson, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| MACTEC E&C International, Inc. | 1105 Lakewood Parkway, Suite 300, Alpharetta, GA, 30009 | 100 |
| Process Consultants, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Thelco Co. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Tray, Inc. | The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801 | 100 |
| Amec Foster Wheeler Ventures, Inc. | 1200, South Pine Island Road, Plantation, FL, 33324 | 100 |
| Amec Foster Wheeler E&C Services, Inc. | 1979 Lakeside Parkway, Suite 400, Tucker, GA, 30084 | 100 |
| AMEC Industrial Programs, LLC | 1105 Lakewood Parkway, Suite 300, Alpharetta, GA, 30009 | 100 |
| MACTEC Consulting, LLC | 1105 Lakewood Parkway, Suite 300, Alpharetta, GA, 30009 | 100 |
| MACTEC Environmental Consultants, Inc. | 1105 Lakewood Parkway, Suite 300, Alpharetta, GA, 30009 | 100 |
| Sehold, Inc. | 1979 Lakeside Parkway, Suite 400, Tucker, GA, 30084 | 100 |
| Simons-Eastern Consultants, Inc. | 1201 Peachtree Street NE, Atlanta, GA, 30361 | 100 |
| MACTEC Architectural Services, Inc. | 1105 Lakewood Parkway, Suite 300, Alpharetta, GA, 30009 | 100 |
| AMEC Architectural, Inc. | 511 Congress Street, Ste. 200, Portland, ME, 04101 | 100 |
| AMEC Massachusetts, Inc. | Suite 700, 155 Federal Street, Boston, MA, 02110 | 100 |
| AMEC Michigan, Inc. | 40600 Ann Arbor Road E, Suite 201, Plymouth, MI, 48170-4675 | 100 |
| AGRA Holdings, Inc. | 701 S. Carson Street, Suite 200, Carson City, NV, 89701 | 100 |
| Amec Foster Wheeler Environment & Infrastructure, Inc. | 701 S. Carson Street, Suite 200, Carson City, NV, 89701 | 100 |
| AMEC North Carolina, Inc. | 225, Hillsborough Street, Raleigh, NC, 27603 | 100 |
| McCullough Associates, Inc. | 2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7 | 100 |
| 4900 Singleton, L.P. | 400 North St. Paul, Dallas, TX, 75201 | 100 |
| Amec Foster Wheeler Oil & Gas, Inc. | 1999 Bryan Street, Ste. 900, Dallas, TX, 75201-3136 | 100 |
| Foster Wheeler Environmental Corporation | 1999 Bryan Street, Ste. 900, Dallas, TX, 75201-3136 | 100 |
| QED International LLC | 1999 Bryan Street, Ste. 900, Dallas, TX, 75201-3136 | 100 |
| Rider Hunt International (USA) Inc. | 1999 Bryan Street, Ste. 900, Dallas, TX, 75201-3136 | 100 |
| Altablue Inc. | 2215-B Renaissance Dr., Las Vegas, NV 89119 | 100 |
| BMA Solutions Inc | 211 E. 7th Street, Suite 620, Austin TX 78701 | 100 |
| C E C Controls Company, Inc | 601 Abbot Road, East Lansing, MI 48823 United States | 100 |
| Cape Software, Inc. | 211 E. 7th Street, Suite 620, Austin TX 78701 | 100 |
| Global Performance, LLC | 1703 Laurel Street, Columbia, SC 57501 | 100 |
| Ingenious Inc. | 211 E. 7th Street, Suite 620, Austin TX 78701 | 100 |
| ISI Group, L.L.C. | 211 E. 7th Street, Suite 620, Austin TX 78701 | 100 |
| JWGUSA Holdings, Inc. | 2711 Centerville Road, Suite 400, Wilmington, DE 19808 | 100 |
| Kelchner, Inc. | 1300 East 9th Street, Cleveland, OH 44114 | 100 |
| Mitchell's Oil Field Services, Inc. | 26 West Sixth Avenue, Helena, MT 59624 | 100 |
| Mustang Engineering (North Carolina) PC | 327 Hillsborough Street, Raleigh, NC 27603 | 100 |
| Mustang Engineering Florida, Inc. | 1200 South Pine Island Road, Plantation, FL 33324 | 100 |
| Mustang International, L.P. | 211 E. 7th Street, Suite 620, Austin TX 78701 | 100 |
| Mustang Process and Industrial Inc. | 2 Office Park Court, Columbia SC 29223 | 100 |
| Mustang Subs GP, Inc. | 2215-B Renaissance Dr., Las Vegas, NV 89119 | 100 |
| Mustang Subs LP, Inc. | 2215-B Renaissance Dr., Las Vegas, NV 89119 | 100 |
| NDT Systems, Inc. | 211 E. 7th Street, Suite 620, Austin TX 78701 | 100 |
| Onshore Pipeline Engineering, D.P.C. | 245 Park Avenue, New York, NY 10167 | 100 |
| SgurrEnergy Inc. | 2711 Centerville Road, Suite 400, Wilmington, DE 19808 | 100 |
| Swaggart Brothers, Inc. | 1127 Broadway St. NE, Ste 310, Salem, OR 97301 | 100 |
| Swaggart Logging & Excavation LLC | 1127 Broadway St. NE, Ste 310, Salem, OR 97301 | 100 |
| Wood Group Alaska, LLC | 1675 South State St, Suite B, Dover DE 19901 | 100 |
| Wood Group E & PF Holdings, Inc. | 2711 Centerville Road, Suite 400, Wilmington, DE 19808 | 100 |
| Wood Group Mustang Holdings, Inc. | 211 E. 7th Street, Suite 620, Austin TX 78701 | 100 |
| Wood Group PSN, Inc. | 2215-B Renaissance Dr., Las Vegas, NV 89119 | 100 |
| Wood Group Support Services, Inc. | 2215-B Renaissance Dr., Las Vegas, NV 89119 | 100 |
| Wood Group US Holdings, Inc. | 2215-B Renaissance Dr., Las Vegas, NV 89119 | 100 |
| Wood Group US International, Inc. | 2215-B Renaissance Dr., Las Vegas, NV 89119 | 100 |
| Wood Group USA, Inc. | 211 E. 7th Street, Suite 620, Austin TX 78701 | 100 |
| Operations Analysis, Inc. | 300 East Pine Street, Seattle, WA, 98122 | 100 |
| Martinez Cogen Limited Partnership | Perryville Corporate Park, 53 Frontage Road, PO Box 9000, Hampton, NJ, 08827-9000 | 99 |
| Mustang of New Jersey, Inc. | 830 Bear Tavern Road, West Trenton, NJ 08628 | 80 |

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

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|---|--|-----|
| Perryville Corporate Park Condominium Association, Inc. | Corporation Service Company, 830 Bear Tavern Road, West Trenton, Mercer, NJ, 08628 | 67 |
| Vanuatu | | |
| O.T.S. Finance and Management Limited | Law Partners House, Rue Pasteur, Port Vila | 100 |
| Overseas Technical Service International Limited | Law Partners House, Rue Pasteur, Port Vila | 100 |
| Venezuela | | |
| Amec Foster Wheeler Venezuela, C.A. | Avenida Francisco de Miranda, Torre Cavendes, Piso 9, Ofic 903, Caracas, Venezuela | 100 |
| Simco | Avenida 5 de Julio, Ebtre avs. 3Ey3F, Edificio Geminis, Piso 5, Maracaibo | 90 |
| Virgin Islands, British | | |
| Wood Group Engineering (Colombia) Ltd. | Geneva Place, 2nd Floor, 333 Waterfront Drive, PO Box 3339, Road Town, Tortola | 100 |
| Wood Group PDE Limited | Geneva Place, 2nd Floor, 333 Waterfront Drive, PO Box 3339, Road Town, Tortola | 100 |

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

| Joint Ventures | | |
|---|---|----------------------|
| Company name | Registered Address | Ownership Interest % |
| Azerbaijan | | |
| Socar-Foster Wheeler Engineering LLC | 88A Zardaby Avenue, Baku, Azerbaijan | 35 |
| Australia | | |
| Clough AMEC Pty Ltd | Level 2, 18-32 Parliament Place, West Perth, WA, WA 6005, Australia | 50 |
| Transcanada Turbines Australia Pty Limited | 32 Murray Street, Perth WA 6000 | 50 |
| Brazil | | |
| RWG Reparacao E Revisao Limitada | Rua Dr Cincinato Braga 47, Unidade 1, Sao Bernardo do Campo, Sao Paulo | 50 |
| COPEL-AMEC S/C Ltda. | Rua Carneiro Lobo, No. 468, conjuntos 1301 a 1303, Centro Empresarial Champs Elysees, Curitiba, State of Parana, Brazil | 48 |
| Brunei Darussalam | | |
| SKS Wood Sdn Bhd | Lot No 23, G-25 Area, Simpang 81-4, Seria KB2533, PO Box 105, Seria KB1133, Negara | 43 |
| Canada | | |
| ABV Consultants Ltd. | Suite 2300, Bentall 5, 550 Burrard Street, Vancouver, BC, V6C 2B5, Canada | 50 |
| AMEC Black & McDonald Limited | 11 Frazee Avenue, Dartmouth, NS, B3B 1Z4, Canada | 50 |
| ODL Canada Limited | 689 Water Street, St. John's, NF A1E 1B5 | 50 |
| Teshmont Consultants Inc. | 1190 Waverley Street, Winnipeg, MB, R3T 0P4, Canada | 50 |
| Transcanada Turbines Ltd. | TransCanada PipeLines Tower, 111 Fifth Avenue S.W., P.O. Box 1000, Station M, Calgary AB T2P 4KE | 50 |
| Vista-Mustang JV Corp. | Suite B12, 6020 2nd Street S. E., Calgary AB T2H 2L8 | 50 |
| SSBV Consultants Inc. | 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC, V6C 3L6, Canada | 33 |
| Chile | | |
| CEJV Ingeniería y Construcción Limitada | Av. Isidora Goyenechea 2800, Floor 32, Las Condes, Santiago, 7550647, Chile | 50 |
| Consortio AMEC CADE / PSI Consultores Limitada | Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile | 50 |
| Consortio de Ingeniería Geoconsult Cade Idepe Limitada | Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile | 50 |
| Consortio de Ingeniería Systra Cade Limitada | Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile | 50 |
| Consortio TNT Vial y Vives D Chile Limitada | Ave. Santa Maria 2810, Providencia, Santiago, Chile | 50 |
| Construcción e Ingeniería Chile FI Limitada | Avenida Andrés Bello 2711, Piso 22 - Comuna Las Condens, Santiago, Chile | 50 |
| Consortio Consultor Systra / Cade Idepe / Geoconsult Limitada | Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile | 40 |
| Construcción e Ingeniería FIM Chile, Limitada | Avenida Santa Maria 2810, Comuna de Providencia, Santiago, Chile | 33 |
| China | | |
| Amec Foster Wheeler Power Machinery Company Limited | No.1, Fuhui Road, Xinhui District, Jiangmen City, Guangdong Province, China | 52 |
| SZPE Amec Foster Wheeler Engineering Co., Ltd | No. 143 Jinyi Road, Jinshan District, Shanghai, 200540, China | 50 |
| Foster Wheeler (Hebei) Engineering Design Co., Ltd. | CEFOC Information Mansion, Zhongshan West Road No. 356, Shijiazhuang, China | 49 |
| Cyprus | | |
| Wood Group - CCC Limited | Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia | 50 |
| France | | |
| Momentum SNC | 70 Boulevard de Courcelles, 75017 Paris, France | 33 |
| Italy | | |
| Voreas S.r.l. | Via S. Caboto 15, Corsico, Milan, 20094, Italy | 50 |
| Centro Energia Ferrara S.r.l. | Via Andrea Doria 41/G, Rome, 00192, Italy | 42 |

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

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|---|--|----|
| Centro Energia Teverola S.r.l. | Via Andrea Doria 41/G, Rome, 00192, Italy | 42 |
| Kazakhstan | | |
| PSN KazStroy JSC | Satpayev str. 46, Atyrau | 50 |
| Malaysia | | |
| AMEC Larastia Sdn. Bhd. | No.8.03, 8th Floor, Plaza First Nationwide, 161, Jalan Tun H.S.Lee, 50000 Kuala Lumpur, Malaysia | 49 |
| RWG OTEC Sdn. Bhd. | No 39-1, Jalan 9/62A, Bendar Menjalara, Kepong, 52200 Kuala Lumpur, Wilayah Persekutuan | 25 |
| Mexico | | |
| AFWA DUBA Salina Cruz, S. de R.L. de C.V. | Carlos Salazar, #2333, Colonia Obrera, Monterrey, Nuevo Leon, Mexico | 50 |
| Mustang Diavaz, S.A.P.I. de C.V. | Av. Revolucion 468, Col. San Pedro de los Pinos Mexico, D.F. | 50 |
| Netherlands | | |
| AJS v.o.f. | Verkeerstorenweg 3, 1786 PN Den Helder, Netherlands | 50 |
| Runway Omega B.V. | Kosterijland 20, 3981 AJ, Bunnik, Netherlands | 50 |
| New Zealand | | |
| Beca AMEC Limited | Ground Floor, Beca House, 21 Pitt Street, Auckland, 1010, New Zealand | 50 |
| Qatar | | |
| AMEC Black Cat LLC | 5th Floor Al Aqaria Tower, Building No. 34, Museum Street, Old Salata Area, Street 970, Zone 18, P.O Box No. 24523 Doha, Qatar | 49 |
| Spain | | |
| Isolux Monenco Medio Ambiente S.A. | Calle Juan Bravo, 3-C, Madrid, 28006, Spain | 49 |
| Saudi Arabia | | |
| AMEC BKW Arabia Limited | Al Rushaid Petroleum Investment Co. Building, Prince Hamoud Street, PO Box 31685 – Al Khobar 31952, Saudi Arabia | 50 |
| Amec Foster Wheeler Energy and Partners Engineering Company | Karawan Towers, South Block, King Faisal Road, Al-Khobar, Saudi Arabia | 50 |
| Singapore | | |
| AFWDEC Engineering and Construction Pte. Ltd. | 1 Marina Boulevard, #28-00, One Marina Boulevard, 018989, Singapore | 50 |
| Clough AMEC SEA Pte Ltd | 991E Alexandra Road, #01 - 25, 119973, Singapore | 50 |
| South Korea | | |
| AMEC Partners Korea Limited | KT Building 11F, 14 Yeouidaero, Youngdeungpo-gu, Seoul 07320, Korea, Republic of | 54 |
| Trinidad and Tobago | | |
| Massy Wood Group Ltd. | 3rd Floor, Tatil Building, 11A Maraval Road, Port of Spain | 50 |
| United Arab Emirates | | |
| Foster Wheeler Kentz Energy Services DMCC | PO Box 26593, Unit 3601, Tiffany Tower, Cluster W, Jumeirah Lakes Towers, Dubai, United Arab Emirates | 50 |
| Foster Wheeler Kentz Oil & Gas Services DMCC | Unit No: 2H-05-230 Jewellery & Gemplex 2, Plot No: DMCC-PH2-J&GPlexS Jewellery & Gemplex, Dubai, United Arab Emirates | 50 |
| United Kingdom | | |
| EthosEnergy Group Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 51 |
| Fast Reactor Technology Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 51 |
| F. & N.E. Limited | Croft Road, Crossflatts, Bingley, West Yorkshire, BD16 2UA | 50 |
| F. & N.E. (1990) Limited | Croft Road, Crossflatts, Bingley, West Yorkshire, BD16 2UA | 50 |
| PWR Power Projects Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 50 |
| South Kensington Developments Limited | Portland House, Bickenhill Lane, Solihull, Birmingham, B37 7BQ, England, United Kingdom | 50 |
| UK Nuclear Restoration Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 50 |
| Lewis Wind Power Holdings Limited | EDF Energy, GSO Business Park, East Kilbride, G74 5PG, Scotland | 50 |
| Stornoway Wind Farm Limited | EDF Energy, GSO Business Park, East Kilbride, G74 5PG, Scotland | 50 |
| Uisenis Power Limited | EDF Energy, GSO Business Park, East Kilbride, G74 5PG, Scotland | 50 |
| Northern Integrated Services Limited | Ground Floor, 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 50 |
| RWG (Repair & Overhauls) Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 50 |
| TransCanada Turbines (UK) Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 50 |
| Sulzer Wood Limited | 15 Justice Mill Lane, Aberdeen, AB11 6EQ | 49 |
| Ship Support Services Limited | Drayton Hall, Church Road, West Drayton, UB7 7PS | 47 |
| Nuclear Management Partners Limited | Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England | 36 |
| ACM Health Solutions Limited | Carillion House, 84 Salop Street, Wolverhampton, WV3 0SR, England | 33 |
| Road Management Services (A13) Holdings Limited | Carillion House, 84 Salop Street, Wolverhampton, WV3 0SR, England | 25 |
| Road Management Services (A13) plc | Carillion House, 84 Salop Street, Wolverhampton, WV3 0SR, England | 25 |
| USA | | |
| AMEC - SAI Joint Venture, LLC | 701 S. Carson Street, Suite 200, Carson City, NV, 89701 | 50 |
| Core Tech - Amec Foster Wheeler, LLC | Suite 180, 751 Arbor Way, Blue Bell, PA, 19422-1951 | 50 |
| Nan - Amec Foster Wheeler, LLC | 98-1238 Kaahumanu St., Suite 400, Pearl City, HI, 96782 | 50 |
| RWG (Repair & Overhauls) USA, Inc. | 2711 Centerville Road, Suite 400, Wilmington, DE 19808 | 50 |
| TransCanada Turbines, Inc. | 2215-B Renaissance Dr., Las Vegas, NV 89119 | 50 |

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

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| FluorAmec, LLC | 1105 Lakewood Parkway, Suite 300, Alpharetta, GA, 30009 | 49 |
| Flour Amec II, LLC | 100 Fluor Daniel Drive, Greenville, SC, 29607-2770 | 45 |
| Boldt Amec LLC | 2525 North Roemer Road, Appleton, WI, 54912 | 40 |
| Energy Logistics, Inc. | 160 Greentree Drive, Suite 101, Dover, DE 19904 | 33 |
| Venezuela | | |
| OTEPI FW, S.A. | Zona Rental Universidad Metropolitana, Edificio Otepi, Terrazas del Avila, Caracas 1070, Edo Miranda, VE | 50 |

| Associates | | |
|----------------------------------|---|-----------------------------|
| Company name | Registered Address | Ownership interest % |
| Canada | | |
| Teshmont Consultants LP | 1190 Waverley Street, Winnipeg, MB, R3T 0P4, Canada | 30 |
| Teshmont GP Inc. | 1190 Waverley Street, Winnipeg, MB, R3T 0P4, Canada | 30 |
| Iran | | |
| Foster Wheeler Adibi Engineering | 9th Floor Aluminum Building, Avenue Shah, Tehran | 45 |
| Oman | | |
| AMEC Al Turki LLC | Al Alawi, Mansoor Jamal & Co., Barristers & Legal Consultants, Muscat International Centre, Mezzanine Floor, Muttrah Business District, P.O. Box 686 Ruwi, Oman | 35 |

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

The Group will be exempting the following companies from an audit in 2017 under Section 479A of the Companies Act 2006. All of these companies are fully consolidated in the Group Financial Statements.

AFW E&C Holdings Limited (Registered number 9861564)
 AFW Hungary Limited (Registered number 9861581)
 Amec Foster Wheeler Finance Asia Limited (Registered number 6205760)
 Amec Foster Wheeler Property and Overseas Investments Limited (Registered number 1580678)
 Amec Hedge Co 1 Limited (Registered number 7870120)
 Amec Kazakhstan Holdings Limited (Registered number 4530056)
 Amec USA Finance Limited (Registered number 5299446)
 Amec USA Holdings Limited (Registered number 4041261)
 Amec USA Limited (Registered number 4044800)
 Amec Wind Developments Limited (Registered number 8781332)
 Atlantis Hedge Co 1 Limited (Registered number 9302428)
 Atlantis Hedge Co 2 Limited (Registered number 9302562)
 FW Chile Holdings 2 Limited (Registered number 9861563)
 Kelwat Investments Limited (Registered number SC203212)
 Sandiway Solutions (No 3) Limited (Registered number 5318249)
 Sigma Financial Facilities Limited (Registered number 3863449)
 Wood Group Engineering and Operations Support Limited (Registered number SC159149)
 JWGUSA Holdings Limited (Registered number SC178512)
 Wood Group Investments Limited (Registered number SC301983)
 Wood International Limited (Registered number SC202031)

John Wood Group PLC

Notes to the financial statements

for the year to 31 December 2017

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 20 April 2018 as published in the Financial Times on 21 April 2018.

Officers and advisers

Secretary and Registered Office

M McIntyre
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 | 20 March 2018 |
| Ex-dividend date | 19 April 2018 |
| Dividend record date | 20 April 2018 |
| Annual General Meeting | 11 May 2018 |
| Dividend payment date | 17 May 2018 |

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