JOHN WOOD GROUP PLC (COMPANY)

INTERIM ACCOUNTS

FOR THE PERIOD FROM 1 JANUARY 2011 TO 10 MAY 2011

Company Registration Number 36219

John Wood Group PLC (Company)
2011 Interim Accounts
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Directors' responsibility statement

Company law requires the directors of a public company to prepare interim financial statements where the company wishes to make a distribution to shareholders, but where the distribution would be found to contravene the distribution rules if reference were made only to the company's last annual accounts.

The interim accounts are in respect of the company only and are properly prepared except for matters which are not material for determining whether the distribution would contravene applicable law. In preparing the attached interim financial statements the directors have

- selected suitable accounting policies and applied them consistently,
- made judgments and estimates that are reasonable and prudent,
- stated that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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Profit and loss account

for the period from 1 January 2011 to 10 May 2011

	Note	$m
Administrative expenses		(1.3)
Gain on sale of investments	6	17.2
Exceptional costs	1	(7.7)
Operating profit		8.2
Income from fixed asset investments	2	1,701.2
Profit on ordinary activities before interest and taxation		1,709.4
Interest receivable	3	10.4
Interest payable	4	(10.4)
Profit before taxation		1,709.4
Taxation	5	1.9
Profit for the period		1,711.3

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Balance sheet

as at 10 May 2011

	Note	$m	$m
Fixed assets			
Investments	6		1,601.0
Current assets			
Debtors	7	1,167.3	
Derivative financial instruments		1.9	
Cash at bank and in hand	8	1,706.0	
			2,875.2
Creditors: amounts falling due within one year			
Creditors	9	(1,409.1)	
Derivative financial instruments		(0.9)	(1,410.0)
Net current assets			1,465.2
Total assets less current liabilities			3,066.2
Creditors: amounts falling due after one year			
Borrowings	10	(231.8)	
Derivative financial instruments		(1.7)	(233.5)
Net assets			2,832.7
Capital and reserves			
Share capital	11		26.9
Share premium	12		321.8
Capital reduction reserve	13		88.1
Merger reserve	14		114.4
Retained earnings	15		2,272.8
Other reserves	16		8.7
Equity shareholders' funds	17		2,832.7

The interim accounts on pages 2 to 12 were approved by the board of directors on 12 May 2011 and were signed on its behalf by :

Alan G Semple, Director

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Accounting policies

for the period to 10 May 2011

The interim accounts are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. A summary of the principal accounting policies which have been consistently applied, is set out below.

Reporting currency
The Company's transactions are primarily US dollar denominated and the principal functional currency is the US dollar. The following sterling to US dollar exchange rates have been used in the preparation of these accounts:-

	Average rate	Closing rate
	£1 = $	£1 = $
	1.6088	1.6680

Investments
Investments in subsidiary undertakings and joint ventures are included in the balance sheet of the Company at cost less any provision for impairment.

Impairment
The Company performs impairment reviews in respect of fixed asset investments whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's net realisable value and its value in use, is less than its carrying amount.

Foreign currencies
Transactions in foreign currencies are translated at the exchange rates ruling at the date of the transaction or, where forward contracts have been arranged, at the contractual rates. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the balance sheet dates or at a contractual rate if applicable and any exchange differences are taken to the profit and loss account.

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

Use of estimates
The preparation of these interim accounts requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim accounts and the reported amounts of revenue during the reporting period. Actual results could differ from those estimates.

Employee share trusts
The Company is deemed to have control of the assets, liabilities, income and costs of its employee share trusts. They have therefore been included in the financial statements of the Company. Under UITF 38 the cost of shares held by the employee share trusts is deducted from shareholders' funds.

Accounting policies

for the period to 10 May 2011

Taxation

The current tax charge is based on the taxable profit for the period. Taxable profits differ from the profit reported in the profit & loss account due to timing differences and other items that require adjustment as set out in legislation. The company's liability for tax is calculated using 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 base of assets and liabilities and their carrying amounts in the financial statements. The deferred tax position is calculated using the rates enacted or substantially enacted at the balance sheet date.

Tax losses are surrendered or claimed in the form of group relief with consideration being received or paid accordingly. The group relief amount is recorded separately within the debtors and creditors amounts in the balance sheet, as applicable, and is calculated by applying the tax rate enacted or substantially enacted at the balance sheet date to the loss amount.

Dividends

Dividends to the Group's shareholders are recognised as a liability in the period in which the dividends are approved by shareholders. Dividend income is credited to the profit and loss account when the dividend has been approved by the board of directors of the subsidiary company making the payment.

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 Company's financial performance. Transactions which may give rise to exceptional items include gains and losses on disposal of investments, impairments of assets, restructuring costs or provisions, litigation settlements, acquisition costs and one off gains and losses arising from currency devaluations.

Notes to the interim accounts

for the period to 10 May 2011

1 Exceptional costs

	Period from 1 January 2011 to 10 May 2011
	$m
Costs relating to the acquisition of PSN	7.0
Costs relating to the disposal of Well Support	0.7
	7.7

On 20 April 2011, the Company acquired Production Services Network Limited ('PSN'). Costs of $7.0m have been incurred during the period in relation to the acquisition and these have been treated as exceptional costs.

On 26 April 2011, the Company received proceeds of $2,716.7m in relation to the Group's disposal of its Well Support business to GE. Certain other proceeds relating to the disposal were received by other Group companies. The proceeds received by the Company were largely on behalf of other Group companies with $1.6m relating to the disposal of one of the Company's direct subsidiaries. Costs relating to the disposal will be allocated across the Group in proportion to the agreed allocation of sale proceeds. Disposal costs of $0.7m have been incurred by the Company during the period and these have been treated as exceptional costs.

2 Income from fixed asset investments

	Period from 1 January 2011 to 10 May 2011
	$m
Dividends received from group undertakings	1,701.2

On 9 May 2011, the Company received a dividend of $1,325.0m from JWGUSA Holdings Limited and a dividend of $375.0m from Wood Group Holdings (International) Limited. Other dividends of $1.2m were also received during the period.

3 Interest receivable

	Period from 1 January 2011 to 10 May 2011
	$m
Interest receivable from group undertakings	10.4

Notes to the interim accounts

for the period to 10 May 2011

4 Interest payable

	Period from 1 January 2011 to 10 May 2011
	$m
Interest payable to group undertakings	2.4
Interest and fees on bank loans	4.5
Interest and fees in relation to PSN acquisition	3.5
	10.4

5 Taxation

	Period from 1 January 2011 to 10 May 2011
Current tax charge/(credit)	$m
UK corporation tax at 27.5%	(1.9)

The current tax charge/(credit) on profit on ordinary activities varied from the standard rate of corporation tax in the UK due to the following factors:

	$m
Profit on ordinary activities before taxation	1,709.4
UK Corporation tax at standard rate 27.5%	470.3
Permanent differences	(472.2)
Tax charge/(credit)	(1.9)

Notes to the interim accounts

for the period to 10 May 2011

6 Investments

	Subsidiaries $m
Cost	
At 1 January 2011	**591.2**
Exchange movements	**5.6**
Acquisition of PSN	**684.9**
Capital contribution to PSN	**370.5**
Transfer of PSN to JWGUSA Holdings Limited	**(1,055.4)**
Additional investment in JWGUSA Holdings Limited	**1,071.0**
At 10 May 2011	**1,667.8**
Amounts provided	
At 1 January 2011 and 10 May 2011	**66.8**
Net book value	
At 10 May 2011	**1,601.0**
At 31 December 2010	**524.4**

On 20 April 2011, the Company acquired Production Services Network Limited ('PSN') for a consideration of $684.9m. The consideration comprised $569.9m in cash paid to the equity shareholders of PSN and $115.0m in shares representing the value of 10,511,413 new shares issued to the equity shareholders. Following the acquisition, the Company made an irrevocable, unconditional and non-repayable capital contribution of $370.5m to PSN. The Company's cost of investment in PSN amounted to $1,055.4m comprising the consideration of $684.9m and the capital contribution of $370.5m.

On 26 April 2011, the company transferred the investment in PSN to JWGUSA Holdings Limited, a subsidiary company, for $1,071.0m in exchange for one share. The higher value reflects the acquisition costs that the Company has expensed in relation to the PSN acquisition in the current and previous period. A gain of $15.6m was recorded on the transfer.

On 26 April 2011, the Company received proceeds of $1.6m in relation to the Company's disposal of its Well Support subsidiary Wood Group ESP Limited. The book value of the investment was £1 and a gain on disposal of $1.6m has been credited to the profit and loss account.

Notes to the interim accounts

for the period to 10 May 2011

7 Debtors

	10 May 2011 $m
Amounts owed by group undertakings	1,159.8
Group relief receivable	1.5
Prepayments and accrued income	6.0
	1,167.3

8 Cash at bank and in hand

	10 May 2011 $m
Cash at bank and in hand	0.5
Cash on deposit	1,705.5
	1,706.0

As a result of the disposal of Well Support, and following the purchase of PSN, the Company had $1,705.5m of cash on deposit at 10 May 2011. This cash was deposited with a number of financial institutions with a credit rating of 'A' or better.

9 Creditors

	10 May 2011 $m
Bank loans and overdrafts	173.2
Amounts due to group undertakings	1,227.1
Other creditors	2.9
Corporation tax payable	0.2
Accruals and deferred income	5.7
	1,409.1

10 Creditors amounts falling due after more than one year

	10 May 2011 $m
Bank loans	231.8

Bank loans are denominated in a number of currencies and bear interest based on LIBOR or foreign equivalents appropriate to the country in which the borrowing is incurred.

Notes to the interim accounts

for the period to 10 May 2011

11 Share capital

	No of shares	$m
Issued and fully paid ordinary shares of 3⅓p each		
At 1 January 2011	530,266,720	26.3
Shares issued in respect of the PSN acquisition	10,511,413	0.6
Shares issued on exercise of share options	30,000	-
At 10 May 2011	540,808,133	26.9

12 Share premium

	$m
At 1 January 2011	315.8
Premium received in respect of options exercised under share symmetry scheme	6.0
At 10 May 2011	321.8

13 Capital reduction reserve

	$m
At 1 January and 10 May 2011	88.1

A capital redemption reserve was created on the conversion of convertible redeemable preference shares immediately prior to the Initial Public Offering in June 2002. The capital redemption reserve was converted to a capital reduction reserve in December 2002 and is part of distributable reserves.

14 Merger reserve

	$m
On shares issued in respect of the PSN acquisition	114.4

The merger reserve arises as a result of merger relief (section 612 of the Companies Act 2006) being applicable in respect of the 10,511,413 shares issued on 20 April 2011 as part of the purchase consideration for 100% of the equity of PSN and represents the difference between the fair value of the shares issued and the nominal value.

Notes to the interim accounts

for the period to 10 May 2011

15 Retained earnings

	$m
At 1 January 2011	**559.7**
Retained profit for the period	**1,711.3**
Shares disposed of by employee share trusts	**6.4**
Foreign exchange in respect of shares held by employee share trusts	**(4.6)**
At 10 May 2011	**2,272.8**

Retained earnings are stated after deducting the investment in own shares held by employee share trusts. Investments in own shares represents the cost of 13,044,606 of the Company's ordinary shares totalling $72.7m.

16 Other reserves

	$m
At 1 January 2011	**7.8**
Fair value gains	**0.9**
At 10 May 2011	**8.7**

17 Reconciliation of movements in shareholders' funds

	$m
Profit for the period	**1,711.3**
Fair value gains	**0.9**
Shares issued in respect of the PSN acquisition	**115.0**
Premium received in respect of options exercised under share symmetry scheme	**6.0**
Shares disposed of by employee share trusts	**6.4**
Foreign exchange in respect of shares held in employee share trusts	**(4.6)**
	1,835.0
Shareholders' funds at 1 January 2011	**997.7**
Shareholders' funds at 10 May 2011	**2,832.7**