

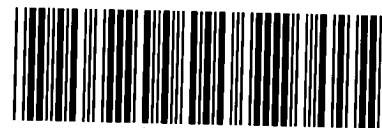
JOHN WOOD GROUP PLC

Annual report and financial statements

For the year ended 31 December 2017

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COMPANIES HOUSE

Highlights

Financial Summary¹

Total Revenue²

\$6,169m **▲ 25%** (2016: \$4,934m)

Total EBITA²

\$372m **▲ 2.5%** (2016: \$363m)

EBITA Margin

6.0% **▼ 1.4%** (2016: 7.4%)

Revenue from continuing operations on an equity accounting basis

\$5,394m **▲ 30.9%** (2016: \$4,121m)

Operating Profit before exceptional items

\$212m **▼ 13.1%** (2016: \$244m)

(Loss)/profit for the year

\$(30.0)m **▼ 187%** (2016: \$34.4m)

Basic EPS

(7.4) cents **▼ 199%** (2016: 7.5 cents)

Adjusted diluted EPS

53.3 cents **▼ 16.8%** (2016: 64.1 cents)

Total Dividend

34.3 cents per share **▲ 3.0%** (2016: 33.3 cents)

Net debt (excluding joint ventures)

\$1,646.1m (2016: \$322.6m)

Operational Highlights

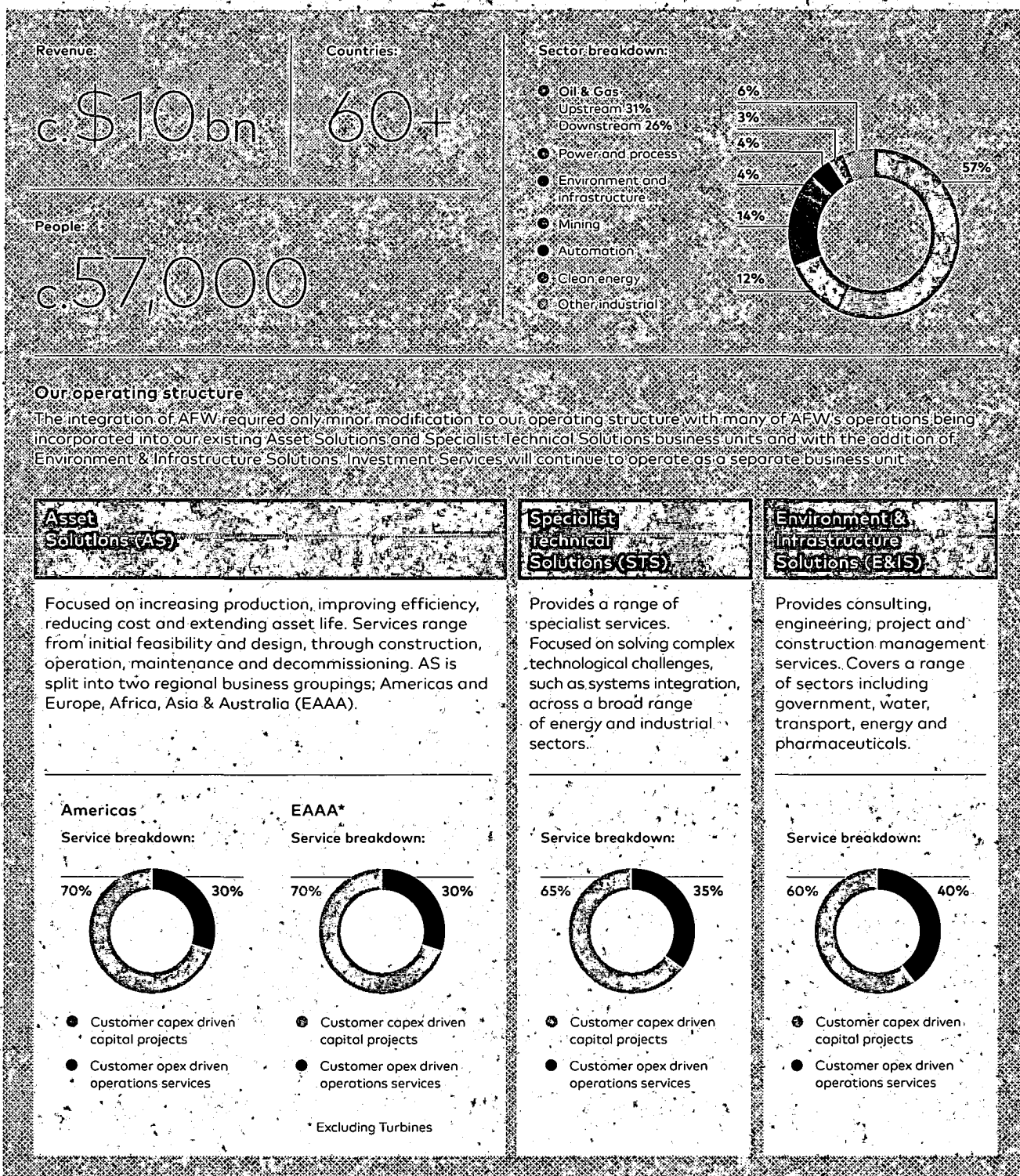
- Financial results for 2017 ahead of guidance on a reported basis and in line on a proforma basis
- Relatively resilient performance despite continued challenging conditions in core oil and gas markets
- Integration progressing at pace. Annualised cost synergies delivery of greater than \$40m to date, earlier than plan. Remain confident of delivering at least \$170m in three years
- Net debt of \$1.65bn and 12 month proforma Net debt to EBITDA of 2.4x
- Deleveraging plan underpinned by confidence in earnings quality, synergies delivery and planned disposal of non core assets of at least \$200m
- Progressive dividend retained. Proposed final dividend of 23.2c, up 3%
- Proforma results in 2017 establish the base for Wood going forward and benefit from a dispute settlement in legacy Amec Foster Wheeler (AFW), partially offset by cost overruns on certain fixed price, non-oil and gas contracts
- Operating profit before exceptional items is stated after non cash amortisation charges of \$141m, including \$32m of amortisation of intangibles arising on the acquisition of AFW
- Loss for the period is stated after exceptional costs of \$165m, including \$67m in respect of the acquisition of Amec Foster Wheeler and restructuring & integration costs of \$51m
- Anticipate modest EBITA growth in 2018 reflecting early stage recovery in certain oil & gas markets, good momentum in broader energy and industrial contract awards and delivery of cost synergies

Notes:

- Figures shown are reported full year actual results which comprise the legacy Wood Group business and a contribution from AFW for the period from completion of the acquisition on 6 October 2017 to 31 December 2017.
- Total Revenue and Total EBITA are presented based on proportionally consolidated numbers, which is the basis used by management to run the business and includes the contribution from joint ventures (JVs). A reconciliation to statutory numbers is provided in note 1 to the accounts.

At a glance

The acquisition of Amec Foster Wheeler ("AFW") by Wood Group brought together three brands and two companies to create Wood, a global leader in project, engineering and technical services delivery. We look to grow by developing our full service capability across energy and industrial markets.



Our business

Inputs

Vision and values underpinned by Care, Commitment and Courage

See page 02

Project, engineering and technical capability across broad industrial markets

Talented, flexible and motivated workforce

See page 29

Performance driven and innovative solutions

Flexible commercial model with a measured risk appetite

Operating structure optimised for sustainability, agility and future growth

See page 03

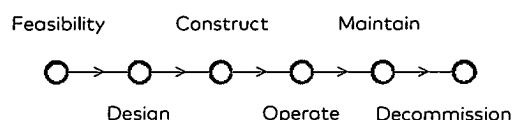
Efficient capital allocation

How we create and sustain value

Our people deliver project, engineering and technical services across a broad range of industrial markets



Our services improve the performance of our customers' industrial assets across the asset life cycle

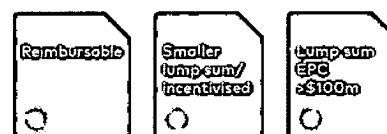


We are differentiated by the capabilities of our people, track record of delivery, know-how and range of services

People:

57,400

We employ an asset light, flexible and predominantly reimbursable model with a measured risk appetite



In our core oil & gas market we have a strong offering across upstream, midstream and downstream

Proforma total revenue from oil & gas:

57%

Revenue analysis

Asset Solutions (AS)

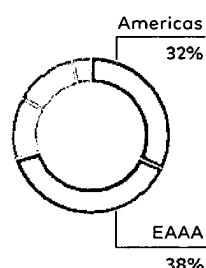
People

42,500

Americas 16,800

EAAA 25,700

% of proforma total revenue:



Proforma total revenue:

Americas

\$3.2bn

EAAA

\$3.7bn

Outputs

Strong shareholder returns and progressive dividend policy

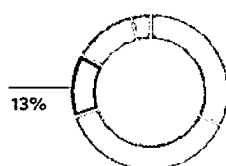
Reduced cyclicality through broad industry exposure

Specialist Technical Solutions (STS)

People

7,600

% of proforma total revenue:



Proforma total revenue:

\$1.3bn

Leading technical services and smarter, more sustainable solutions

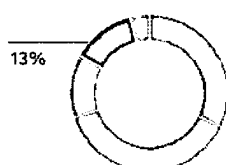
Track record on industry leading projects

Environment & Infrastructure Solutions (E&IS)

People

7,300

% of proforma total revenue:



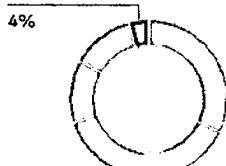
Proforma total revenue:

\$1.3bn

Global reach with balanced portfolio of long term partner relationships with customers

Investment Services

% of proforma total revenue:



Proforma total revenue:

\$0.4bn

Significant contribution to local employment and communities

See page 31

Rewarding careers and focus on retention

See page 29

Key performance indicators

To help the Group assess its performance, our leadership team sets KPI targets and monitors and assesses performance against these targets on a regular basis. Financial KPIs are presented on a reported basis and in 2017 include the contribution from AFW for the period 6 October to 31 December 2017.

Safety:

Total recordable case frequency (TRCF)
per million man hours



We aim to deliver the highest standards of health and safety. Total recordable case frequency is the total of lost work cases, restricted work cases and medical treatment cases, per million man hours.

We saw an 8% reduction in our TCRF and a 17% reduction in LWCF as a result of a sustained focus on HSSE standards underpinned by leadership & employee engagement, learning from incidents and risk based assurance planning.

Lost work case frequency (LWCF)
per million man hours



Lost work case frequency measures lost work cases per million man hours.

Regrettably there were two fatalities in the legacy AFW business in 2017, both vehicle related. Safe driving will be a critical area of focus for Wood in 2018.

*TRCF and LWCF are calculated on a proforma basis for Wood with prior years restated for comparison

For more information on our safety performance: See page 25

Financial:

EBITA margin
%



EBITA margin demonstrates our ability to convert revenue into profit. EBITA margin reduced in the year due to continuing challenges in oil and gas markets and the impact of one-off benefits recognised in 2016 from commercial close outs not repeating, offset in part by further progress on overhead reduction and some moderation in pricing.

Adjusted diluted EPS (AEPS)
cents



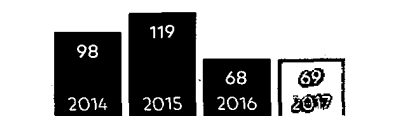
Adjusted diluted EPS represents earnings before exceptional items and amortisation, net of tax, divided by the weighted average number of shares during the year. AEPS reduced 16.8% in 2017 reflecting reduced earnings.

Dividend per ordinary share
cents



The share of AEPS distributed to shareholders. Dividend per share increased by 3% in line with our progressive dividend policy, taking into account cash flows and earnings.

Cash conversion
%



The cash conversion ratio is post working capital cash flow divided by EBITDA. Cash conversion increased slightly to 69% reflecting improved working capital performance offset in part by the cash impact of exceptional items including costs related to the AFW acquisition and integration. Cash conversion before exceptional items was 90%.

Net debt: EBITDA ratio
times



The Net debt: EBITDA ratio measures our ability to service our debt. The net debt to EBITDA ratio increased in the year due to the acquisition of AFW. Our focus is to reduce the net debt: EBITDA ratio to below 1.5 times within approximately 18 months.

For more information on our financial performance: See pages 20 to 23

Chair's statement



"2017 was a year of significant development culminating in the completion of the acquisition of Amec Foster Wheeler to create Wood. The Board is very confident that Wood will build on the integrated growth platform of Wood Group and Amec Foster Wheeler for the long term benefit of all stakeholders."

2017 was a year of significant development for Wood Group culminating in the completion of the acquisition of AFW on 6 October to create Wood, a global leader in the delivery of project, engineering and technical services to energy and industrial markets.

Wood Group has a long and successful track record of acquisition-led growth. In 2016 AFW was identified as a larger potential acquisition that could accelerate the Wood Group strategy to improve its service offering in project delivery, enhance its capability across the value chain in core oil and gas markets, and broaden and deepen end market and customer exposure.

The first quarter of 2017 presented an opportunity to acquire AFW at an appropriate valuation. The Board recognised the compelling rationale for substantial cost synergies and incremental revenue synergies in a less cyclically volatile business with a similar business model and strong operational capability.

The all share offer announced on 13 March represented a 15% premium to the previous day's closing price and received the overwhelming support of both sets of shareholders on 15 June with over 99% voting in favour. Since completion on 6 October, Robin and his combined leadership team have been focussed on integration, making good use of the lessons learned from Wood Group's successful 2016 organisational change programme and proven track record of cost reduction.

The transaction did not divert management's attention from operational delivery, which remained very much in focus throughout the year. The flexibility of our asset light business model has been crucial during the downturn in the oil and gas market. Wood Group's focus on cost and managing utilisation continued throughout 2017. Capital discipline remained high on the agenda for E&P operators despite some recovery in commodity prices in the second half of the year.

Going forward, Wood will have a broader exposure across energy and industrial markets and the oil and gas segment will account for around half of revenue.

Post completion, three former AFW directors joined the Board. Roy Franklin is now the Senior Independent Director and Deputy Chair and Linda Adamany and Ian McHaul serve as non-executive directors. In January, Richard Howson stepped down from the Board. These board changes ensure diversity at Board level in terms of background, experience and thought leadership.

Taking account of cashflows and earnings, the progressive Wood dividend policy is a key element of our investment case and compares favourably against peers in the global engineering and construction sector. The Board has recommended a final dividend of 23.2 cents per share, which makes a total distribution for the year of 34.3 cents, an increase of 3% on the 2016 total distribution. Former AFW shareholders will also receive the final dividend.

Looking ahead, the Board is very confident that Wood will build on the integrated growth platform of Wood Group and Amec Foster Wheeler for the long term benefit of all stakeholders.

A handwritten signature in black ink, appearing to read 'Ian Marchant'.

Ian Marchant, Chair

Chief Executive review



"The acquisition of Amec Foster Wheeler in October brought together two businesses and three brands to create Wood, a global leader in project, engineering and technical services delivery. We are a broader business with multi-sector, full service capability across energy and industrial markets and a stronger, more balanced offering in oil & gas. Integration is progressing ahead of schedule with initial cost synergies achieved earlier than plan. Financial performance for 2017 is in line with guidance. I am confident we have a unique platform to unlock revenue synergies and generate good longer term growth."

Robin Watson, Chief Executive

2017 Group Performance

Total Revenue

\$6,169m

(2016: \$4,934m)

▲ 25%

Total EBITA¹

\$372m

(2016: \$363m)

▲ 2.5%

EBITA Margin

6.0%

(2016: 7.4%)

▼ 1.4%

Operating Profit before exceptional items

\$212m

(2016: \$244m)

▼ 13.1%

Adjusted diluted EPS²

53.3 cents

(2016: 64.1 cents)

▼ 16.8%

We outlined our approach to financial metrics and reporting in November ahead of the first Wood trading update in December. There is no change to our proportionally consolidated approach to running and reporting the business which includes the contribution from joint ventures. Total EBITA and Adjusted diluted EPS are retained as our principal profit measures and EBITA is stated after costs relating to asbestos litigation and claims.

Creating Wood, a global leader in project, engineering and technical services delivery.

The acquisition of AFW in October 2017 brought together three brands and two companies to create one leading business in project, engineering and technical services delivery. We are a business of significantly increased scale with around 55,000 people in over 60 countries providing solutions across the asset life cycle from concept to decommissioning. We have a stronger, more balanced oil & gas offering and we are a much broader business, with a multi-sector, full service capability across energy and industrial markets.

In the first few months since completion, we have completed detailed business unit reviews that have confirmed the strategic rationale for the deal, the depth of capability in AFW and the unique growth opportunities for the combined business.

The Wood operating model was in place and communicated on Day 1, greatly benefitting our stakeholders' understanding of the combined business and enabling our integration process to begin at pace. Wood Group completed a service defined organisational change programme in 2016 that focussed on simplicity and efficiency, resulting in a structure that could accommodate future business additions. As a result, the integration of AFW requires only minor modification to our operating and reporting model. Our 2016 reorganisation was key to the delivery of cumulative overhead costs savings of over \$240m by the end of 2016, during the prolonged downturn in the oil and gas sector. We are confident this experience will enable us to deliver a leaner, more competitive combined organisation and underpin the delivery of cost synergies.

Integration and the achievement of synergies has been a key objective for the whole business. We remain very confident of delivering annualised cost synergies of at least \$170m by the end of the third year following completion and are currently ahead of schedule. Our actions to date have been focussed on rationalisation at the top levels of management and the initial stages of property rationalisation. Key leadership was in place on Day 1 and we have subsequently announced a further two levels of organisation. We are taking a "Best of Both" approach to ensure retention of key experience and expertise in the combined business.

To date we have delivered annualised cost synergies of greater than \$40m. Costs to deliver synergies of c. \$30m, including redundancy, restructuring and integration costs are recognised in exceptional items and are tracking in line with expectations.

Wood is better placed to serve customers than ever before, with a more comprehensive range of capabilities and the potential to deliver efficient integrated solutions with fewer customer interfaces. Customer reaction to the deal, particularly across oil and gas, has been positive. We have had some early successes on revenue synergies, including our recently announced contract with Saudi Aramco to support their integrated crude oils to chemicals complex. We have also made good progress on merging bidding pipelines and aligning tendering and project delivery governance. The strategy and development function is leading the revenue synergies programme with an initial focus on educating leaders about the broader range of Wood capabilities on offer and identifying opportunities where we have a combination of capability that addresses an identified customer need. Examples include extending our involvement in oil & gas projects from the start of the asset life cycle to the end, leveraging our operations services experience into new industry sectors served by the legacy AFW business and building on our sector agnostic service offerings across the broader customer base.

The restrictions on interaction with AFW imposed by the offer period prevented us from deepening our understanding of the well flagged opportunities and risks until the transaction closed. Following completion, David Kemp and I led comprehensive reviews into the acquired business units. These reviews are now complete. Recognising the change in risk profile in the combined business, a key element of this process was a focus on significant contracts with profit at risk. The risk profile inherited is in line with our expectations and we have identified opportunities to simplify the process around how risk is managed. We have already enhanced our governance structures, project and tender review and contracting policy as a result. We have also taken the decision not to pursue certain high risk lump sum work which was problematic in the legacy AFW business.

Deleveraging to within our preferred range of 0.5 to 1.5x net debt to EBITDA within approximately 18 months post completion is a key priority and we remain confident in the underlying quality of earnings and cash conversion in the business to achieve this target. Our target range reflects our long standing preference for a strong balance sheet foundation. The key elements of our deleveraging plan include; improved working capital management, delivering cost synergies, capital discipline and disposing of non-core businesses including the potential disposal of EthosEnergy. We anticipate proceeds from all such non-core disposals to exceed \$200m in the next 18 months.

In terms of our combined safety performance, we now have almost 200 million man-hours of annual exposure. Our initial assessment is that the businesses share common areas of focus and the impact on lagging indicators is minimal. Our 'Stand Up for Safety' programme continues to be implemented and will be the cornerstone of the Wood safety engagement through 2018 and beyond. Our general safety performance has encouraging improvements, with total recordable case frequency (TRCF) and lost work case frequency (LWCF) down 8% and 17% respectively compared to 2016 on a proforma basis. Regrettably, there were two fatalities in the legacy AFW business in 2017, both vehicle related. Our focus on safety as our top priority is undiminished.

Details of certain investigations in the UK and US and in respect of certain litigation in the US, that have previously been disclosed, are included in the contingent liabilities and provisions note to the accounts. Wood continues to cooperate with and assist the relevant authorities including the SFO in relation to their respective investigations into the historical use of agents and in relation to Unaoil.

Financial performance in 2017

Financial results for 2017 are ahead of guidance on a reported basis and in line on a proforma basis.

Reported full year actual results comprise the legacy Wood Group business and a contribution from AFW for the period from completion on 6 October 2017 to 31 December 2017.

Results are also presented on a proforma basis to provide better insight into the continuing business and establish the base level for Wood for comparability going forward.

Proforma results include 12 months of AFW's results but exclude the results of businesses disposed; principally the AFW North Sea upstream business, the AFW North American nuclear operations and the disposed elements of GPG. They also exclude the results of other, less material disposed interests including the Aquenta consultancy, an interest in Incheon Bridge and interests in two Italian windfarms.

In the legacy Wood Group business, results reflect relatively resilient performance in a challenging oil and gas market. In AS Americas, EBITA was down on 2016. Revenues were broadly in line with 2016, but margins fell due to the completion of onshore engineering projects in 2016, only partly offset by increased activity in offshore engineering. In AS EAAA revenue was down on 2016 but with a stronger second half as expected. We continued to make good progress on overhead reduction and saw some moderation in pricing pressure, although EBITA margin reduced in part due to the positive one off impact of commercial close out on significant and legacy projects in 2016 of around \$15m. In STS we saw good growth in automation revenue and robust activity in technology related work, offset by lower activity in subsea & export systems. EBITA margin reduced, in part due to the positive one off impact of commercial close out on significant and legacy projects in 2016, and lower margins in subsea.

In terms of the underlying trading in the legacy AFW business, a number of themes highlighted in their half year results have been evident in our review of the business post completion. From a financial perspective, in the second half the receipt of a dispute settlement was partly offset by delays and cost overruns on certain fixed price non-oil & gas contracts.

Operating profit before exceptional items is stated after non cash amortisation charges of \$141m (2016:\$104m) which includes \$32m in respect of amortisation of intangibles arising on the acquisition of AFW.

The loss for the period of \$30m is stated after exceptional costs of \$165m net of tax. This included \$67m in respect of costs relating to the acquisition of AFW, comprising advisory fees of \$59m and underwriting fees in respect of new debt facilities of \$8m. Also included are restructuring, redundancy and integration costs of \$51m.

We also made a provision for \$19m in the first half in relation to an ongoing subcontractor dispute on a legacy turbines contract which was substantially completed prior to the formation of EthosEnergy. Also included in exceptional costs is a further impairment in the carrying value of EthosEnergy of \$28m and other exceptional costs relating to EthosEnergy of c.\$10m, mainly related to impairment of receivables.

Net Debt at the year end was \$1.65bn and net debt to 12 month proforma EBITDA was 2.4x. This compares to net debt at completion of \$2.0bn, which was in line with our expectations. Since completion, the disposal of the AFW UK upstream business on 27 October reduced net debt by c.\$250m, although this was partly offset by expected transaction and synergy delivery costs that sit below the EBITA line. Cash conversion was 69% reflecting improved working capital performance offset in part by the cash impact of exceptional items including costs related to the AFW acquisition and integration. Cash conversion before exceptional items was 90%.

Outlook

We entered 2017 as a business engaged in the design, modification, construction and operation of facilities mainly in the upstream oil & gas sector with a clear strategy to broaden into adjacent industries. We are now well positioned as a global leader in project, engineering and technical services delivery. We are a broader business with multi-sector, full service capability across energy and industrial markets and a more balanced offering in oil & gas.

Following completion of the AFW transaction, our business unit reviews confirmed the strategic rationale for the deal, the depth of capability in AFW and the unique growth opportunities for the combined business. At this early stage we currently anticipate modest EBITA growth in 2018. This compares to 2017 proforma EBITA, which includes the one-off benefit of a dispute settlement in legacy AFW. Expected EBITA growth reflects early stage recovery in certain areas of our core oil & gas market and benefit from the delivery of cost synergies. We have also seen good momentum in contract awards more generally in broader energy and industrial markets in the second half of 2017.

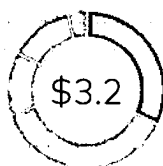
Looking further ahead, we have a unique platform to unlock revenue synergies and generate good longer term growth. Our financial objectives and focus are clear; to reduce net debt to EBITDA to below 1.5x within approximately 18 months, to retain our progressive dividend policy taking into account cashflows and earnings and to deliver cost synergies by year 3 of at least \$170m in line with our previous commitment.

Segmental review

A review of the financial performance of each of our reporting segments is shown on the following pages:

Asset Solutions Americas

Proforma total revenue (\$bn):



See page 13

Asset Solutions Europe, Africa, Asia & Australia

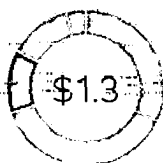
Proforma total revenue (\$bn):



See page 15

Specialist Technical Solutions

Proforma total revenue (\$bn):



See page 17

Environment & Infrastructure Solutions

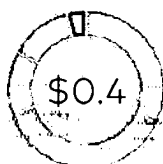
Proforma total revenue (\$bn):



See page 19

Investment Services

Proforma total revenue (\$bn):



See page 19

Asset Solutions Americas

	Reported			Proforma		
	2017 \$m	2016 \$m	Change (%)	2017 \$m	2016 \$m	Change (%)
Total Revenue	2,387	2,115	12.9%	3,186	4,219	(24.5)%
Total EBITA	158	176	(10.2)%	165	225	(26.7)%
EBITA Margin	6.6%	8.3%	(1.7)%	5.2%	5.3%	(0.1)%
People	16,800	10,900	54.1%	16,800	16,000	5.0%

The AFW acquisition provided AS Americas with a multi-sector engineering, procurement and construction capability predominantly focused on the power & process industries and an enhanced capability in the downstream & chemicals market.

The business unit retains its leading upstream oil and gas engineering activity, offshore operations services and onshore construction and maintenance offering and now has a more balanced multi sector exposure with an enhanced engineering procurement and construction (EPC) and project management offering.

Reported results in 2017 include revenue of c.\$370m from the power & process and downstream & chemicals businesses of AFW in the period from completion on 6 October to 31 December, which included activity on US solar projects.

Proforma results are included to provide insight into the underlying business and include a full year contribution from the AFW activities acquired, together with the comparative figures for 2016. Performance in downstream and chemicals improved in 2017. Activity in power and process reduced following the step up in solar projects that arose in 2016 in response to the anticipated end of US solar investment incentives and activity in downstream & chemicals reduced.

Performance in the legacy Wood Group business was down on 2016. Revenues were broadly in line, but margins fell due to the completion of onshore engineering projects in 2016, only partly offset by increased activity in offshore engineering.

Activity on offshore greenfield capital projects including Husky White Rose, Peregrino, Leviathan and Mad Dog 2 partly offset reduced onshore engineering work following completion of a number of projects in 2016 including Flint Hills and the ETC Dakota access pipeline.

In US shale, increased drilling activity has led to a modest improvement in demand for our construction and infrastructure activities and performance is up on 2016. Operations services work remained relatively robust despite challenging conditions in the Gulf of Mexico and onshore markets. We saw increased activity in Newfoundland on the Hibernia Platform and on our Hebron hook up and commissioning scope which completed in the second half of 2017. We remain active on downstream and non-oil & gas projects including our maintenance scope on the Sweeny refinery in Texas for Phillips 66 and our onshore civil works and infrastructure projects with Sofidel in Ohio.

Outlook

We have retained our market share in the offshore greenfield market, although visibility on projects beyond existing work remains low and pricing remains under pressure. Activity in downstream and chemicals capital projects is expected to increase as work secured on contracts including the c.\$600m methanol plant YCI EPC scope ramps up from a slow start. We have good visibility on EPC projects in the power and process sectors. The improvement in shale activity is expected to continue with activity focused on the Niobrara and Permian basins where we are increasing headcount. In operations services we expect the challenging market conditions to continue into 2018. The delivery of significant cost synergies will be a key area of focus in 2018 and these are progressing ahead of plan.

Asset Solutions Europe, Africa, Asia & Australia

	Reported			Proforma		
	2017 \$m	2016 \$m	Change (%)	2017 \$m	2016 \$m	Change (%)
Total Revenue	2,617	2,331	12.3%	3,723	4,016	(7.3)%
Total EBITA	140	143	(2.1)%	283	350	(19.1)%
EBITA Margin	5.3%	6.1%	(0.8)%	7.6%	8.7%	(1.1)%
People	25,700	15,300	68%	25,700	29,800	(13.8)%

The AFW acquisition provided AS EAAA with a leading project engineering and delivery capability in oil and gas. The business unit retains its leading upstream operations services offering and now has a more balanced exposure across upstream and downstream, a proven track record in EPC and project management and an established high value engineering centre.

Reported results in 2017 include revenue of c.\$500m from the oil, gas and chemicals project engineering business of AFW in the period from completion on 6 October to 31 December, which included activity on Shah Deniz for BP, the Antwerp oil refinery for Exxon Mobil and the project management consultancy contract for the Al-Zour chemicals plant with Kuwait Oil Company.

Proforma results are included to provide insight into the underlying business and include a full year contribution from the AFW activities acquired, together with the comparative figures for 2016. Proforma performance in 2017 includes the one off settlement received by AFW, related to a dispute settlement on certain oil and gas projects. In 2016 proforma EBITA benefitted from significant provision releases in the legacy AFW business.

In the legacy Wood Group business unit, although revenue was down on 2016, EBITA in 2016 was supported in part by the positive one off impact of commercial close out on significant and legacy projects of around \$15m. Second half performance was stronger than H1 as expected, as we continued to make good progress on overhead reduction and saw some moderation in pricing pressure.

Operations services work was the largest contributor to revenue and earnings in 2017 and included improved performance in the Middle East and Asia Pacific. Our contract with Exxon in Iraq is progressing well and in Asia Pacific, activity levels on our Exxon contract in Papua New Guinea are increasing and we remain active on projects including our expanded scope with Melbourne Water. We also commenced work on our five year managed services scope from Hess Malaysia for their offshore facilities in the North Malay basin. In Saudi Arabia, work under the GES+ contract with Aramco was released at a slower than expected rate. In Europe, we retain a market leading position in the challenging North Sea market where we saw a significant fall in revenue and earnings with reduced workscopes and lower volumes of minor modifications work. Our differentiated offering continues to position us well with new entrants, building on the success of our work on CATS with Antin and Ancala's midstream assets. We also secured our first onshore downstream workscope supporting the Lindsey oil refinery for Total for 5 years. Our industrial services business performed broadly in line with the prior year. In projects and modifications, we have seen a significant reduction in modifications and upgrade work, with the most material reductions in the North Sea and Kazakhstan.

Turbine joint ventures were up on 2016, with KVVIA performing robustly and improved performance in EthosEnergy. The impairment of EthosEnergy in 2017 reflects the latest expectation of sales price less costs to sell, based on anticipated longer term prospects.

Outlook

Looking ahead, we see good underlying growth in AS EAAA in 2018. In operations services we see a positive outlook from a low base in the North Sea, a relatively robust outlook for Asia, the Middle East and Australasia and see downstream opportunities in the Middle East and mainland Europe. The delivery of significant cost synergies will be a key area of focus in 2018 and these are progressing ahead of plan. Capital projects are expected to account for c.40% of revenues. Due to the phasing of activity on secured work and the one off benefit in 2017 on certain oil and gas projects, reported performance in capital projects will likely be lower in 2018, although we have good visibility of work including the FEED and project management consultancy scope for Aramco on both the Marjan field and the integrated crude oils to chemicals complex.

Specialist Technical Solutions

	Reported			Proforma		
	2017 \$m	2016 \$m	Change (%)	2017 \$m	2016 \$m	Change (%)
Total Revenue	756	488	54.9%	1,320	1,240	6.4%
Total EBITA	82	79	3.8%	134	147	(8.8)%
EBITA Margin	10.8%	16.2%	(5.4)%	10.1%	11.8%	(1.7)%
People	7,600	2,800	171.4%	7,600	6,600	15.1%

The scale, breadth of end market exposure and technical capability within STS have been greatly enhanced by the AFW acquisition. Reported results in 2017 include revenue of c.\$180m from the mining & minerals, nuclear and process technology activities of AFW in the period from completion on 6 October to 31 December.

Proforma results are included to provide insight into the underlying business and include a full year contribution from the AFW activities acquired, together with the comparative figures for 2016.

In 2017 we saw good growth in automation revenue and robust activity in technology related work, offset by lower activity in subsea and export systems in the legacy Wood Group business. EBITA margin reduced in part due to the positive one off impact of commercial close out on significant and legacy projects in 2016 and lower margins in subsea.

Growth in automation was led by increased procurement activity on the Tengiz expansion project for TCO and the contribution of CEC in Detroit acquired in May, which enhanced our industrial process and control capabilities in the automotive sector. Technology related activity including asset integrity solutions and clean energy performed relatively robustly. Activity in subsea reduced with available worksopes in the market generally limited to small projects, brownfield or early stage work.

Outlook

Benefitting from the increase in commodity prices, our consulting and project delivery work in mining and minerals has a positive outlook and will be our largest contributor to STS revenue in 2018 with good visibility on projects including the c.\$150m Gruyere Gold EPC work in Australia. Our nuclear business is well positioned in the UK and we expect it to continue to perform robustly. In automation we are seeing early signs of improvement in some downstream and refining markets and we have strong visibility on the TCO project beyond 2018. In the subsea market, some positive sentiment is returning but with opportunities more focussed on brownfield and operations scopes.

Environment & Infrastructure Solutions

	Reported			Proforma		
	2017 \$m	2016 \$m	Change (%)	2017 \$m	2016 \$m	Change (%)
Total Revenue	321	n/a	n/a	1,279	1,252	2.2%
Total EBITA	25	n/a	n/a	72	40	80.0%
EBITA Margin	7.8%	n/a	n/a	5.6%	3.2%	2.4%
People	7,300	n/a	n/a	7,300	7,100	2.8%

The AFW acquisition provided Wood with a leading environmental remediation consultancy and engineering & construction project management capability across a broad range of sectors including government, transport, water, mining and oil & gas.

Reported results in 2017 reflect results of AFW's Environment & Infrastructure Solutions business in the period from completion on 6 October to 31 December. Proforma results are included to provide insight into the underlying business.

2017 revenues in the E&IS business were in line with 2016 due to growth in government and mining sectors and good execution on pharmaceutical projects. This is offset by a reduction in oil and gas projects, particularly in North America as challenging conditions continue and the completion of a land remediation project management scope at the end of 2016. In 2016 EBITA was impacted by significant cost overruns on a fixed price, non-oil and gas, US government capital project in the Pacific. EBITA in 2017 also includes the impact of overruns on a fixed price contract with the US government but to a lesser extent.

Undertaking contracts of this specific nature will not be part of our strategy going forward due to inherent cash flow challenges.

Outlook

We expect further growth in 2018. Government represents the largest sector for our E&IS business and we are well positioned to benefit from increased environmental and infrastructure investment, particularly in the US. In Europe we will also benefit from EPCM work for GlaxoSmithKline in Germany secured in the second half. Due to the multi-sector nature of our capabilities in E&IS we see strong opportunities for revenue synergies across complementary sectors in our Asset Solutions and Specialist Technical Solutions businesses.

Investment Services

A number of potentially non-core legacy activities in AFW are managed in Investment Services. This includes the activities of the transmission and distribution business and the industrial power and machinery business in addition to interests in a number of infrastructure projects. Investment Services generated proforma revenues of \$374m in 2017 (2016: \$508m) and EBITA of \$28m (2016: \$4m).

Financial review



"Financial performance in 2017 reflects our relative resilience despite continued challenging conditions in oil and gas markets."

David Kemp, CFO

Trading performance

Reported full year trading performance comprises the legacy Wood Group business and the contribution from AFW for the period from completion on 6 October 2017 to 31 December 2017.

There is no change to our proportionally consolidated approach to running and reporting the business which includes the contribution from joint ventures. Total EBITA and Adjusted diluted EPS are retained as our principal profit measures and EBITA is stated after costs relating to asbestos.

A reconciliation to statutory measures of revenue and operating profit from continuing operations excluding joint ventures is included in note 1 to the financial statements.

	2017 \$m	2016 \$m
Total Revenue	6,169.0	4,934.0
Total EBITA	371.6	363.4
EBITA margin %	6.0%	7.4%
Amortisation - software and system development	(61.3)	(54.4)
Amortisation - intangible assets from acquisitions	(80.0)	(49.9)
EBIT	230.3	259.1
Net finance expense (excluding exceptional items)	(52.9)	(25.8)
Profit before tax, exceptional and discontinued items	177.4	233.3
Taxation before exceptional items	(42.3)	(59.1)
Profit before exceptional items	135.1	174.2
Exceptional items, net of tax	(165.1)	(139.8)
(Loss)/profit for the period	(30.0)	34.4
Basic EPS (cents)	(7.4)c	7.5c
Adjusted diluted EPS (cents)	53.3c	64.1c

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

Reconciliation to operating profit

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

	2017 \$m	2016 \$m
Total EBITA	371.6	363.4
Amortisation	(141.3)	(104.3)
EBIT	230.3	259.1
Tax and interest charges on joint ventures included within operating profit but not in Total EBITA	(17.9)	(15.4)
Operating profit before exceptional items	212.4	243.7

Proforma Revenue and EBITA

The financial performance of the Group for 2017 and 2016 on a proforma basis is presented below. Proforma results are unaudited and are included to provide better insight into the underlying, continuing business performance and establish the base level for Wood for comparability going forward.

They include 12 months of AFW's results but exclude the results of businesses disposed; principally the AFW North Sea upstream business, the AFW North American nuclear operations and the disposed elements of GPG. They also exclude the results of other, less material disposed interests including the Aquenta consultancy, an interest in Incheon Bridge and interests in two Italian windfarms.

	2017 Total Revenue \$m	2017 Total EBITA \$m	2016 Total Revenue \$m	2016 Total EBITA \$m
Unaudited				
Asset Solutions Americas	3,186.5	164.9	4,219.0	225.0
Asset Solutions EAAA	3,722.7	283.5	4,016.0	350.0
Specialist Technical Solutions	1,320.0	133.8	1,240.0	147.0
Environment and Infrastructure Solutions	1,279.0	71.9	1,252.0	40.0
Investment Services	373.6	27.9	508.0	4.0
Centre (incl asbestos)	-	(84.3)	-	(93.0)
Proforma	9,881.8	597.7	11,235.0	673.0
EBITA margin		6.0%		6.0%

Accounting for the acquisition of Amec Foster Wheeler

Wood Group acquired Amec Foster Wheeler ('AFW') by issuing 294.5m new shares. Total consideration amounted to \$2,809.4m based on the closing share price and the US dollar exchange rate on that date. Goodwill of \$3,514.5m and intangible assets of \$1,343.6m were recognised on the transaction. The intangible assets include customer relationships, order backlog and brands and will be amortised over periods of between 2 and 20 years. Amortisation of \$32.0m is included in the 2017 results with the annual charge for 2018 expected to be around \$129m. Subsequent to completion of the acquisition, a detailed review of the acquired AFW balance sheet was carried out and a number of opening balance sheet and fair value adjustments were identified. These totalled \$211m and net assets at date of acquisition have been adjusted and had the effect of increasing the amount of goodwill recognised on the acquisition.

Amortisation

Total amortisation for 2017 of \$141.3m (2016: \$104.3m) includes \$32.0m for AFW as mentioned above and \$48.0m of amortisation relating to intangible assets arising from prior year acquisitions. Amortisation in respect of software and development costs was \$61.3m (2016: \$54.4m) and this largely relates to engineering software and ERP system development. Included in the amortisation charge for the year above is \$1.9m (2016: \$2.0m) in respect of joint ventures.

Net finance expense and debt

Net finance expense is analysed below.

	2017 \$m	2016 \$m
Interest on debt	20.8	4.8
Interest on US Private Placement debt	14.1	14.1
Finance expense relating to defined benefit pension schemes	2.6	-
Unwinding of discount relating to asbestos and deferred consideration	6.3	2.6
Other interest, fees and charges	11.9	6.5
Total finance expense pre-exceptional items	55.7	28.0
Finance income relating to defined benefit pension schemes	-	(0.2)
Other finance income	(2.8)	(2.0)
Net finance expense pre-exceptional items	52.9	25.8

Interest cover⁴ was 7.0 times (2016: 14.1 times).

Included in the above are net finance charges of \$3.4m (2016: \$2.4m) in respect of joint ventures.

Finance costs of \$8.5m relating to the acquisition of AFW have been treated as 'exceptional items' and are excluded from the above analysis.

The Group negotiated new bank facilities in order to complete the acquisition of AFW. The facilities comprised a \$1bn term loan repayable in 2020 and a 5 year Revolving Credit Facility of \$1.75bn repayable in 2022. At 31 December 2017 total borrowings under these facilities amounted to \$1,961.1m with \$692.0m undrawn. A further \$143.5m of overdraft funding is available under the Group's other short term facilities.

Net debt to proforma EBITDA at 31 December was 2.4 times (2016: 0.8 times) against our covenant of 3.5 times. The Group's target is to reduce the net debt to EBITDA ratio to below 1.5 times within 18 months.

Exceptional items

	2017 \$m	2016 \$m
Acquisition costs	58.9	-
Redundancy, restructuring and integration costs	51.4	65.9
Arbitration settlement provision	19.2	-
EthosEnergy impairment and other write offs	38.3	89.0
Investigation support costs	8.2	-
	176.0	154.9
Bank fees relating to AFW acquisition	8.5	-
	184.5	154.9
Tax on exceptional items	(19.4)	(15.1)
Continuing 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 AFW. 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.

Redundancy, restructuring and integration costs of \$51.4m have been incurred during the year. The total includes \$33.1m in respect of synergy delivery costs including \$19.0m of redundancy and restructuring costs and \$14.1m of other integration costs. Also included is other redundancy and restructuring costs of \$9.1m and costs relating to onerous property leases of \$9.2m.

A charge of \$19.2m has been recorded in relation to a legacy contract which was 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 into the historical use of agents and other third parties.

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. In addition, EthosEnergy has recorded exceptional charges of \$1.1m during the year relating to the closure of its power solutions business and the Group has impaired its receivables by \$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.

A tax credit of \$19.4m has been recorded in respect of the exceptional items included in continuing operations.

Taxation

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

	2017 \$m	2016 \$m
Profit from continuing operations before tax (pre-exceptional items)	177.4	233.3
Tax charge (pre-exceptional items)	42.3	59.1
Effective tax rate on continuing operations (pre-exceptional items)	23.8%	25.3%

The tax charge above includes \$14.5m in relation to joint ventures (2016: \$12.4m).

The Group has carried out an initial review of the US Tax and Jobs Act which came into force on 1 January 2018 and as a result has recorded a one-off non-cash credit of \$8.5m to the income statement in 2017 as a result of the revaluation of net deferred tax liabilities. The cash impact of the reduction in the headline US federal rate to 21% is likely to be offset to some extent by greater restriction on the level of interest deduction allowed in the US also introduced by the Act. The rate reduction is expected to have a favourable impact on the Group's effective tax rate going forward.

 Our tax strategy is available at:
www.woodplc.com/taxstrategy

Earnings per share

Adjusted diluted EPS for the year was 53.3 cents per share (2016: 64.1 cents). The average number of fully diluted shares used in the EPS calculation for the period was 451.3m (2016: 382.9m).

Adjusted diluted EPS adds back all amortisation. If only the amortisation related to intangible assets arising on acquisition is adjusted and no adjustment is made for that relating to software and development costs, the figure for 2017 would be 42.9 cents per share (2016: 53.5 cents).

Reconciliation of number of fully diluted shares (million)	Closing	Weighted average
At start of year	381.0	381.0
Allocation of shares to employee share trusts	2.2	1.7
Shares issued to acquire AFW	294.5	67.0
	677.7	449.7
Shares held by employee share trusts	(9.1)	(9.7)
Basic number of shares for EPS	668.6	440.0
Effect of dilutive shares	11.7	11.3
Fully diluted number of shares for EPS	680.3	451.3

Dividend

Taking account of cash flows and earnings, the progressive Wood dividend policy is a key element of our investment case and compares favourably against peers in the global engineering and construction sector. The Board has recommended a final dividend of 23.2 cents per share, which makes a total distribution for the year of 34.3 cents, an increase of 3%. The final dividend will be paid on 17 May 2018 to all shareholders on the register at the close of business on 20 April 2018.

Cash flow and net debt

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

	2017 \$m	2016 \$m
Opening net debt (excluding JV's)	(322.6)	(293.9)
EBITDA	423.1	419.7
Less JV EBITDA	(61.9)	(60.3)
	361.2	359.4
Exceptional items – cash impact	(75.1)	(25.1)
Decrease in provisions	(75.8)	(43.8)
Dividends from JV's and other	55.7	35.0
Cash generated from operations pre-working capital	266.0	325.5
Working capital movements	(16.0)	(80.4)
Cash generated from operations	250.0	245.1
Acquisitions	(1,469.3)	(36.2)
Divestments	254.9	-
Capex and intangibles	(79.1)	(86.8)
Tax paid	(99.6)	(55.6)
Interest dividends and other	(180.4)	(95.2)
Increase in net debt	(1,323.5)	(28.7)
Closing net debt (excluding JV's)	(1,646.1)	(322.6)

Cash generated from operations pre-working capital decreased by \$59.5m to \$266.0m and post-working capital increased by \$4.9m to \$250.0m as a result of improvements in working capital.

Cash conversion, calculated as cash generated from operations as a percentage of EBITDA, improved slightly to 69% (2016: 68%) due to improved working capital performance partly offset by the cash impact of exceptional costs, primarily related to the acquisition of AFW. Excluding the impact of exceptional costs cash conversion is 90%.

The cash outflow in respect of acquisitions of \$1,469.3m includes \$1,385.4m in relation to the acquisition of AFW, \$50.5m in respect of CEC and \$33.4m in respect of companies acquired in prior periods. The amount shown in respect of AFW relates to the net borrowings on its balance sheet at the date of acquisition.

Cash from divestments of \$254.9m relates to the disposal of AFW's UK upstream oil & gas business and the disposal of their North American nuclear and pulverised coal businesses.

Payments for capex and intangible assets were \$79.1m (2016: \$86.8m) and included software development and expenditure on ERP systems across the Group.

Summary balance sheet

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

	Dec 2017 \$m	Dec 2016 \$m
Non-current assets	8,025.5	2,450.0
Current assets	4,049.6	1,579.5
Current liabilities	(3,243.5)	(1,070.7)
Net current assets	806.1	508.8
Non-current liabilities	(3,859.6)	(750.6)
Net assets	4,972.0	2,208.2
Equity attributable to owners of the parent	4,960.3	2,195.2
Non-controlling interests	11.7	13.0
Total equity	4,972.0	2,208.2

Non-current assets include \$6,870.8m (2016: \$1,894.5m) of goodwill and intangible assets, \$4,859.2m of which relates to the acquisition of AFW. The Group's balance sheet has changed significantly as a result of the acquisition with significant increases in current assets, current liabilities and non-current liabilities. Long term borrowings have increased by \$1.8bn as a result of the debt acquired and the shares issued to AFW shareholders to complete the transaction have resulted in an increase in equity of \$2.8bn.

Asbestos related obligations

As a result of the acquisition of AFW, the Group is subject to claims by individuals who allege that they have suffered personal injury from exposure to asbestos primarily in connection with equipment allegedly manufactured by certain subsidiaries during the 1970s or earlier. The majority of the asbestos related liabilities arise as a result of Amec's acquisition of Foster Wheeler in 2014. The overwhelming majority of claims that have been made and are expected to be made are in the United States. The table below shows the recent claims history for former Foster Wheeler entities.

Number of US claims	2017	2016
Open claims at start of year	81,720	110,130
New claims received	3,200	3,800
Claims resolved	(14,800)	(32,210)
Open claims at end of year	70,120	81,720

The following table summarises the total approximate US asbestos related net cash impact for indemnity and defence cost payments and collection of insurance proceeds:

	2017 \$m	2016 \$m
Asbestos litigation, defence and case resolution payments	50.6	46.0
Insurance proceeds	(16.4)	(17.2)
Net asbestos related payments	34.2	28.8

The Group expects to have net cash outflows of \$35.9m as a result of asbestos liability indemnity and defence payments in excess of insurance proceeds during 2018. The estimate assumes no additional settlements with insurance companies and no elections to fund additional payments.

The Group has worked with its independent asbestos valuation experts to estimate the amount of asbestos related indemnity and defence costs at each year end based on a forecast to 2050.

The Group's EBITA is stated after deducting costs relating to asbestos including administration costs, movements in the liability as a result of changes in assumptions and changes in the discount rate.

Pensions

The Group operates a number of defined benefit pension schemes in the UK and US and a number of defined contribution plans. At 31 December 2017, the schemes had a net surplus of \$167.7m (2016: deficit \$7.0m). The movement in the year is largely due to the addition of a number of defined benefit schemes as a result of the AFW acquisition. In assessing the potential liabilities, judgment is required to determine the assumptions around inflation, investment returns and member longevity. The assumptions at 31 December 2017 showed a slight reduction in the discount rates (which results in higher scheme liabilities) and lower inflation rates (which results in lower scheme liabilities). Full details of pension assets and liabilities are provided in note 30 to the Group financial statements.

Acquisitions and divestments

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.

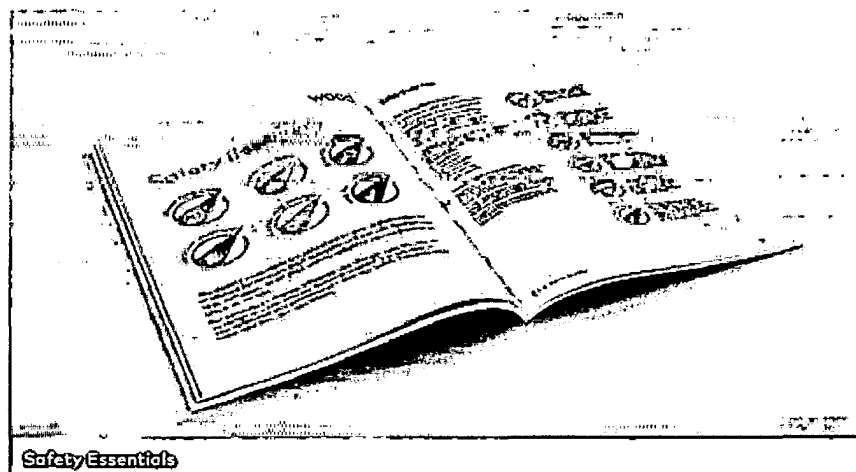
On 6 October 2017, the Group acquired 100% of the share capital of Amec Foster Wheeler plc ('AFW') by issuing 0.75 Wood Group shares for each AFW share. The total value of the consideration was \$2,809.4m. In addition, the Group acquired AFW net debt amounting to \$1,385.4m. The acquisition of AFW accelerates Wood Group's strategy to improve its service offering in project delivery, enhance its capability across the value chain in core oil and gas markets, and broaden and deepen end market and customer exposure.

On 27 October 2017, the Group disposed of AFW's UK upstream oil and gas business for a gross consideration of \$299.0m. This divestment was one of the conditions agreed with the competition authorities to enable the Group to proceed with the AFW acquisition. On 6 November 2017, the Group disposed of AFW's North American nuclear operations for a gross consideration of \$8.9m and on 1 December, the disposal of its pulverised coal business was completed for a gross consideration of \$5.2m.

Footnotes

1. Total EBITA represents operating profit including JVs on a proportional basis of \$54.3m (2016: \$104.2m) before the deduction of amortisation of \$141.3m (2016: \$104.2m) and continuing exceptional expense of \$176.0m (2016: \$154.9m) and is provided as it is a key unit of measurement used by the Group in the management of its business.
2. Adjusted diluted earnings per share ("AEPS") is calculated by dividing earnings before exceptional items and amortisation, net of tax, by the weighted average number of ordinary shares in issue during the period, excluding shares held by the Group's employee share ownership trusts and adjusted to assume conversion of all potentially dilutive ordinary shares.
3. Number of people includes both employees and contractors at 31 December 2017 and includes joint ventures.
4. Interest cover is reported EBITA divided by the net finance expense.

Health, safety, security & ethics



At Wood we care about our people. Our expectation is that wherever we work the security, safety and health of our people is our top priority. Our health, safety, security and environment assurance (HSSEA) culture is defined by our values, strong leadership, personal accountability and a commitment to achieving excellence.

The Safety, Assurance and Business Ethics Committee (SABE) is responsible for overseeing Wood's management of health, safety, security and environment (HSSE) and business ethics issues. This section of the report should be read in conjunction with the report from the SABE Chair on page 44.

In 2017 we continued our focus on four key areas:

- **Setting our standards and assuring compliance with those standards.** Following the roll out of our HSSE management system standard in 2016 we issued a suite of minimum safety standards based upon our Life Saving Rules for our high risk activities
- **Promoting strong HSSEA leadership and workforce engagement** through our 'Stand Up for Safety' campaign, a global engagement process aimed at giving our workforce the opportunity to feedback to our leaders on our safety performance and areas for improvement. This engagement continued throughout the year with a programme of site visits by our leaders

- **Maintaining the focus on improving our learning from incidents.** Our mandatory investigation procedures were strengthened; high potential incidents were reviewed by senior leaders and a "Just and Fair Culture" standard was issued to facilitate better understanding of the factors influencing individual decision-making and to help drive accountability
- **Risk-based assurance planning** remained a priority in 2017. The introduction of assurance-related KPIs has helped drive significant improvements in assurance action management. At the end of 2017 all group related assurance actions had been completed

The acquisition of AFW in October increased the size of our workforce to c.55,000 and has broadened our end markets to include nuclear, environment & infrastructure and mining. We chose to revise our HSSE policy and launch new Safety Essentials and Life Saving Rules for Day 1 of the new organisation. Our new Safety Essentials are Always Take Care, Follow The Rules, Do a Risk Assessment, You Must Intervene, Manage Any Change and Wear The Correct PPE. They are designed to give us a common set of shared behaviours that complement our Life Saving Rules.

Work also started on the consolidation and integration of key HSSEA systems and processes which will continue in 2018.

A sustained focus on the four key areas mentioned above was a key contribution to improvement in our lost work case frequency (LWCF) and total recordable case frequency (TRCF) with a 17% and 8% reduction respectively.

Lost work case frequency (LWCF)
per million man hours



Total recordable case frequency (TRCF)
per million man hours



*Lost Work Case Frequency and Total Recordable Case Frequency based upon employee and subcontractor incidents and exposure hours for Wood on a proforma basis, with previous years restated to allow comparison.

In 2017 there were regrettably two fatalities in the legacy AFW business, both vehicle related. Safe driving will be a critical area of focus for Wood in 2018, involving consideration of recognised best practices across the group and wider utilisation of in-car monitoring.

⑥ Our HSSE Policy is available at:
www.woodplc.com/hssepolicy

Wood has operations in a number of countries where the security risk environment can be complex and challenging for the business. Expert support and guidance regarding security is provided by the Wood security team.

The Wood security team focuses on ensuring that the business can pursue and execute its operations in a safe and secure manner. Key to this is early engagement of the security team prior to the mobilisation of personnel and other resources into operational locations. This ensures that appropriate risk controls are designed and applied to ensure that personnel are able to work in secure environments.

They key elements of our approach to managing global security include:

- Ongoing assessment, review and monitoring of the security risk environment in all countries in which Wood operates
- Strategic positioning of security advisors to provide expert advice to business leaders and managers
- Development and implementation of a consistent incident management response capability

In Q3 the HSSEA function was reorganised and strengthened for the enlarged business. An increased business focus on assurance was reflected in the appointment of a Group Head of Operations Assurance responsible for HSE, Quality and Technical Assurance. Directors of safety, environment, occupational health and HSSEA training & development were also appointed. Although these areas already formed part of our HSSEA function we recognised a need for individual focus in line with our expanded organisation. Our continued focus will be on understanding and managing the HSSE risks associated with our collective operations; assuring compliance with all HSSE requirements through continued implementation of robust standards and controls; promoting leadership and effective workforce engagement and driving continuous improvement through an effective learning culture.

Ethical conduct

The acquisition of AFW placed a key focus on the development of a new vision and values for the combined organisation that will guide our approach on how we conduct our business dealings. What remains unchanged is our shared commitment to doing the right thing and upholding a culture built upon ethical behaviour. At Wood we never accept or excuse behaviour that is inconsistent with these principles.

The Wood Group Business Ethics Policy and the AFW Code of Business Conduct both highlight the importance of conducting business both ethically and legally.

As we progress into 2018 a key deliverable of the integration process will be a Wood Code of Conduct, until then both policies continue to operate. Compliance with the respective Business Ethics Policy and Code of Business Conduct is mandatory for our directors, officers and employees as well as all contractors, consultants, representatives, intermediaries and agents retained by Wood. One of the key elements of the legacy documents and the Wood Code of Conduct is the prohibition on bribery and corruption with respect to all Wood business dealings. Due to the global nature of Wood's operations this express prohibition supports Wood's commitment to its values and aspirations to deliver excellent work to our customers with an unwavering focus on ethical business conduct.

Throughout 2017 we worked to strengthen our overall ethics and compliance programme in connection with commitments under our Administrative Agreement with the U.S. Department of the Interior and U.S. Environmental Protection Agency which resulted from regulatory settlements in Wood Group's Gulf of Mexico business. Good progress was made in delivering the requirements of the agreement and we will continue this improvement effort in 2018.

During 2017 we carried out an internal investigation in Wood Group's historical engagement of Unaoil. This investigation confirmed that a Wood Group joint venture made payments to Unaoil but did not confirm that the payments made were used by Unaoil in ways that would amount to bribery, corruption or money laundering offences or that there was any involvement in or knowledge of bribery, corruption or money laundering offences on the part of Wood Group companies, the joint venture or their personnel. Following the completion of the acquisition of AFW we also continued to cooperate with and assist the relevant authorities, including the SFO, in relation to their respective investigations into the historical use of agents and in relation to Unaoil.

We support and encourage our employees and third parties to speak up if they have a concern or they see something they believe is wrong. We offer an external, confidential, multi-lingual business ethics helpline where anyone, anywhere can raise a concern or report a suspected violation of our policies, procedures or the law. Violations or complaints are investigated and any necessary action is taken.

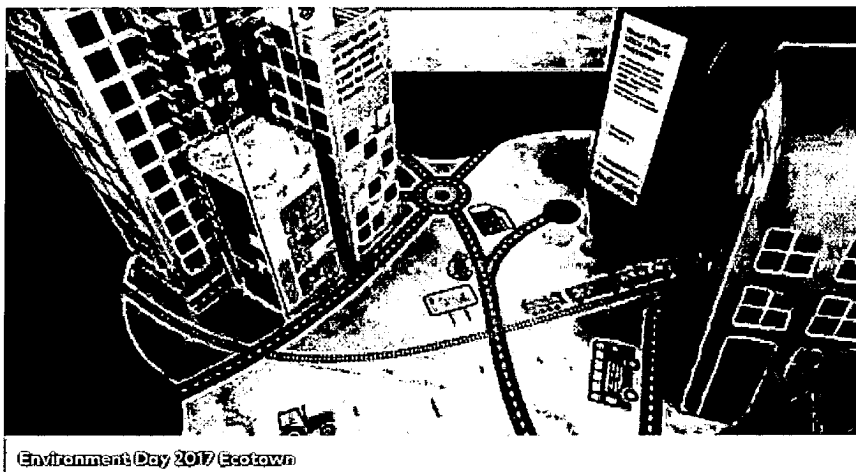
A register of matters reported is maintained by Wood's Chief Ethics and Compliance Officer and the Board is provided with regular updates. During 2017, a total of 127 allegations were added to the Wood Business Ethics register. Appropriate disciplinary action was taken on 30 of these entries, including termination of 12 personnel contracts.

In 2017, Wood appointed a full-time training lead for the Wood business ethics and compliance programme responsible for developing and overseeing the implementation of a multi-year business ethics and compliance training and education plan. In Q4 2017, the annual business ethics online training campaign covering practical ethics and data privacy was launched to over 35,000 Wood employees. Our current completion rate for the online campaign is 82%. We continue to drive towards 100% by the end of Q1 2018. In addition, over 15,000 site-based personnel are in the process of receiving face to face ethics training. Site-based training is being rolled out using a staggered approach with a completion deadline of the end of Q1 2018. Wood also launched its first annual Business Ethics Week campaign which included promotion of the Ethics Helpline and Business Ethics Reporting & Anti-Retaliation Policy. We will continue to identify innovative and interactive ways to promote a strong business ethics culture throughout Wood.

 Our Business Ethics Policy and information on our helpline is available at: www.woodplc.com/ethics

Ensuring we maintain a standard of business that complies with the law, respects the rights of others and protects human rights is crucial to the long term sustainability of our business and its operations. Wood is committed to the protection of human rights and respects and enforces the principles established in the Universal Declaration of Human Rights through our Human Rights policy. This policy is supported by our commitment to equal opportunities across the Group.

Environment



At Wood we seek ways to minimise our impact on the environment and aim to make a positive difference to the communities where we operate. We do this through careful identification and management of environmental factors such as conserving resources, reducing waste and emissions and preventing environmental pollution. We recognise that environmental sustainability is not only just important for people and the planet but is also vital for our continued business success and responsible growth.

Our strong focus on environmental risk ensures we continue to protect Wood's environmental reputation and ensure high standards of performance across our operations. We align our environmental management systems to ISO14001 and we drive environmental awareness through HSSE alerts and environmental initiatives. We ensure compliance with all regulatory requirements as well as participate in the voluntary Carbon Disclosure Project (CDP). The CDP is an independent not-for-profit organisation and the largest published registry of corporate greenhouse gas (GHG) emissions in the world.

Wood recognises that climate change is a risk that we must take steps to actively manage. Our performance in the 2017 CDP Climate Change Report and CDP Water Report demonstrated our continuous efforts in ensuring we adequately assess and mitigate these aspects of climate change risk.

Our approach strengthens financial, operational, social and environmental performance by reducing Wood's vulnerability to current and future potential climate based hazards.

Responsibly managing our energy consumption offers both environmental and economic benefits to our business. Reducing energy consumption reduces overhead cost which contributes to making us a more sustainable and competitive business. We assess and manage our carbon footprint to ensure our collective efforts help to mitigate, reduce and minimise our energy consumption helping us to reduce the impact of our operations on the environment.

In 2017 the legacy Wood Group business continued to source 100% Green Electricity across our UK locations and continued to invest in our property portfolio to improve working conditions for our employees and improve energy efficiency through upgrading and consolidating our locations.

Through local and group wide efficiency campaigns we continue to raise awareness with our employees on the environmental impact of our energy consumption and continue to promote the business and global benefits of our efforts, helping create a sustainable culture at Wood.

 For info on our global GHG emissions data: See page 28

Our annual event for World Environment Day saw activities undertaken across our global locations to raise awareness of our impact on the environment. Activities ranged from local area clean ups and garden planting to local community events, energy efficiency campaigns and informative presentations. The theme for this year's event was 'I'm with nature', launched by Robin Watson, Chief Executive. The event encouraged our employees to get outdoors to appreciate nature and promote the importance of global environmental preservation.

As part of the acquisition of AFW our environmental expertise has broadened with an environment & infrastructure solutions business that provides environmental consulting services such as land remediation and industrial water management services. Combined with our existing clean energy business, Wood provides comprehensive solutions across the life cycle of our customers' assets to improve operations, reduce risks and liabilities and shape a sustainable future.

Wood continues to influence the renewable energy sector; we support over 60% of all UK offshore wind farm developments including the first floating windfarm currently under construction. Our award winning specialists deliver an impressive depth and breadth of expertise to the environmental sector and our focus on growing our renewables capability has allowed Wood to be at the forefront of ground breaking advances in the renewable sector.

Total global GHG emissions data for Wood Group for the period 01 Oct 2016 to 30 Sept 2017:

22,120

tonnes of CO₂e

Total split as per the table below. The slight increase in 2016/17 is mainly attributable to increased utilisation of our vehicle fleet in Asset Solutions Americas.

Emissions from:	2015/16	2016/17
Scope 1 - Direct GHG Emissions	19,449	19,907
Scope 2 - Indirect GHG Emissions	2,271	2,213
Company's chosen intensity measurement: Emissions reported above normalised to per tonne of \$100,000 revenue	0.44	0.47

Methodology

Following the acquisition of AFW, our expanded portfolio has resulted in an increase to our energy and GHG emissions reporting, over the significance threshold that triggers base year emissions recalculation. In this context, and in line with World Resource Institute GHG Protocol and our internal policies and integration efforts, we have introduced several changes to our reporting methodology.

Change in reporting period – We changed our reporting period from calendar year to reporting period 1 October - 30 September in order to align with AFW internal emissions reporting. The chosen reporting period leaves the AFW acquisition out of the reporting requirement for this year. In this light, the corporate report is presented for both companies separately. As part of the integration process Wood will seek to create a joint emissions report starting with reporting period 1 October 2018 - 30 September 2019.

Reporting boundaries – Due to different data collection processes, both legacy companies will, within this report, present data within their own selected frameworks. Wood Group report on a financial basis and AFW on operational basis. We will work towards an integrated approach to presenting our data in future corporate reports.

Total global GHG emissions data for AFW for the period 01 Oct 2016 to 30 Sept 2017:

615,837

tonnes of CO₂e

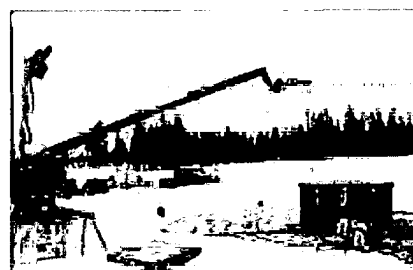
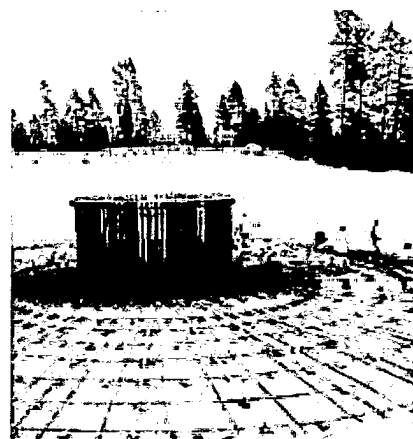
Total split as per the table below. AFW emissions include two owned power plants making up 87% of the 2016/17 reported emissions. The reduction compared with 2015/16 is mainly attributable to the sale of one of these power plants in Chile in the first quarter of the carbon year.

Emissions from:	2015/16	2016/17
Scope 1 - Direct GHG Emissions	1,150,401	565,705
Scope 2 - Indirect GHG Emissions	50,226	50,132
Company's chosen intensity measurement: Emissions reported above normalised to per tonne of \$100,000 revenue	16.26	10.59

Change in base year – The change in our selected reporting period represents a significant change and triggers recalculation of our historic, base year emissions. The new base year accounts for Wood historic emissions for the newly selected reporting period 1 October 2015 - 30 September 2016.

We have reported on all of the emission sources required under the Quoted Companies Greenhouse Gas Emissions (Directors' Reports) Regulations 2013. We do not have responsibility for any emission sources that are not included in our consolidated statement and that we do not have managerial control over. This includes Scope 1 and Scope 2 emissions.

We have used the WRI GHG Protocol Corporate Accounting and Reporting Standard (revised edition), data gathered to fulfil our requirements under the CRC Energy Efficiency scheme, and emission factors from UK Government's GHG Conversion Factors for Company Reporting 2017.



Markbygden ETT Onshore Wind Farm project

In Markbygden forest near the town of Piteå in Swedish Lapland, we have been working on the Markbygden ETT Onshore Wind Farm project. The 650MW project, which comprises 179 3.63MW GE wind turbine generators, is set to become Europe's largest single-site onshore wind farm upon completion in 2019 and will increase Sweden's installed wind generation by more than 12.5%.

As the owner's engineer on the project, Wood has provided support to GE Energy Financial Services and Green Investment Group Limited throughout the project's pre-financial close phase drawing on a wide range of skills and experience which includes the construction and operation of wind farms.

Society

Our people



Chief Executive Day 1 presentations

2017 was a historic year for our people. The creation of Wood, combining the power of three organisations, Wood Group, Amec and Foster Wheeler, brought together a talent pool of approximately 55,000 employees in over 60 countries. This is truly transformational as not only have we enhanced our ability to deliver to our customers but we are now able to offer unparalleled career opportunities for our people across more services, countries and sectors than ever before.

During 2017 we built on our success from 2016 and focused on our key people strategic deliverables of organisation effectiveness and attraction, retention & engagement of employees. This positioned us well to support the combination of the two businesses.

Organisation effectiveness

Organisation effectiveness links our structure, people, skills and style to our business strategy, enabling improved operational delivery. Our initial focus in 2017 was on key strategic linkages in technical delivery and assurance and reviewing and defining our Wood Group culture and leadership behaviours. We then expanded the remit substantially to include supporting the integration of AFW, in particular the development and delivery of the new organisational structure for Wood and ensuring that our new leadership team was created from the "best of both".

Our approach to strategic resourcing and workforce planning ensured our business was resourced with the right people to deliver to our customers. Our headcount for Wood Group remained static in 2017, with approximately 29,000 people on a like for like basis.

The acquisition of AFW increased the total headcount to approximately 55,000. During 2017 we improved the visibility of our strategic resourcing reporting metrics and developed a workforce planning tool which will be launched in 2018 to connect the Wood business strategy with our people strategy, to better manage utilisation and mobility of talent. A new Wood recruitment system will also be implemented in 2018.

Key to organisation effectiveness is our cultural framework. The framework reflects the key drivers that will underpin our success: Vision, Values, Behaviours and Leadership, and is the result of contributions from over 6,000 employees from both legacy businesses. We launched our new Vision, Values and Behaviours in Q1 2018, starting the evolution of our culture. We will continue to embed our culture, through key activities such as policy and process alignment, training and development, recognition and measurement.

Employee engagement

We are proud of our heritage and in 2017 our people strategy continued to focus on attracting, retaining, developing and mobilising the right people, to the right place, at the right time and at the right cost. Our aim is to create an environment where people choose to stay with us for the long term, by having excellent leaders, high levels of engagement, and development opportunities supported by fair and competitive compensation. We know our success depends entirely on the strength of our people, their skillset and values; so our ability to identify, promote and mobilise our people is critical in ensuring the long-term health of the organisation. Every Wood employee is supported from their first recruitment experience, through their development, career progression, global mobility and engagement. We remain committed to our talent management framework, with a focus on leadership and career development, bringing in diverse talent globally to secure the future of Wood.

We recognise that employee engagement is critical to successful integration.

In October our detailed engagement and communications plan ensured we delivered a successful Day 1 experience to our people in every location. More than 500 leaders delivered key messages ensuring all Wood employees felt involved, engaged and able to help shape our new organisation. With a focus on broad two way engagement, processes were also established to facilitate questions and feedback to be put to the new leadership team. Initiatives for the remainder of 2017 focused on enhanced employee engagement with the rollout of the Chief Executive's blog; monthly updates from the four CEOs in our business units; and a global digital weekly newsletter. Our non-executive directors also support communication and engagement by visiting sites in different locations, taking the opportunity to listen to employee feedback on key business areas, with a particular focus on safety.

In 2018 we will deliver more detailed engagement through our Listening Group Network. Groups of employees will meet in every location to provide a two-way communication and feedback channel, supporting understanding of business priorities and knowledge sharing, providing the opportunity to seek feedback from our people on targeted topics and involving them in problem solving and decision making. This engagement will aid the embedding of our new Vision, Values and Behaviours during 2018.

Leadership and succession planning

Our leaders across Wood continue to be developed as strong role models who inspire our people to be the best they can be, fulfilling their potential and career goals whilst delivering value to our customers and operating safely. We strive to create a positive employee experience, fostering innovation and collaboration and creating the best place to work. We have inclusive talent strategies which enable diverse talent pipelines; from building future leaders in early careers to recognising diversity of thought, culture and experience when promoting from within.

We have a structured approach to succession management and redeployment which ensures we build bench strength and promote and retain key talent. Identifying and developing high potential employees is a key focus area to ensure we have a strong pipeline of future leaders, which links to our workforce planning model. In 2017 we implemented our accelerated business management program to support our global mobility agenda and develop operational leaders of the future; in 2018 we will further enhance this, taking into account skills gaps and future business requirements.

We provide meaningful performance-based recognition programs to drive organisational results, recognise high performance among employees and value employee contributions. For senior leaders, we have continued to simplify our long-term reward programmes, focused on delivering the business strategy whilst ensuring alignment to our shareholders interests.

Diversity and inclusion

Diversity and inclusion is a key focus for our business. Our vision is to create a business with genuine diversity of thought, where different views and opinions are valued and fostered to help influence our decision making and problem solving. This will ensure we are better prepared to understand and deliver to our customers and in turn become a more sustainable and profitable business.

Through regular bench-marking we ensure our total compensation is externally competitive and internally fair. In support of the new organisation design we have evaluated and sized all leadership roles to ensure equity with remuneration.

Our benefit plan strategies will support the integration of AFW, continue to promote engagement, recognise the needs of our diverse workforce and support regional and local business strategy, with compliance, governance and employee feedback being key success factors. Our long term reward programs have been aligned in Wood and will continue to be focussed on driving business outcomes whilst rewarding and retaining key talent. The global employee share plan will be expanded to include 12 countries with more than 33,000 Wood employees eligible to enrol from January 2018.

Gender pay

We are confident that we do not have equal pay issues in our business. During 2017 we carried out our first gender pay report in the UK; this included eight entities in the legacy organisations of Wood Group and AFW. The overall average pay gap for Wood Group entities was 1.6% and 24% in AFW entities. The gaps are consistently related to gender distribution across occupations and job levels and are as a result of the types of roles males and females carry out across Wood. This is consistent with the trends seen across our industry peers and across the UK economy as a whole.

Full details can be found on the Government website, categorised by industry sector as determined by Office of National Statistics (ONS), or on the company website.

 Our Gender Pay Gap report is available at: www.woodplc.com/genderpay

We are committed to diversity and equality in areas that we can control as a business and will continue to strive to address the gaps by ensuring policies, practices and processes are fair and free from bias. This includes equal pay practices; fair pay of our workforce in line with our global remuneration frameworks, underpinned by job evaluation and talent, resourcing and selection practices which are gender neutral and are aimed at attracting and retaining the best person for the job.

Additional UK and global initiatives which we believe will have a positive, sustainable effect in the long term include our:

- Return to work mentor schemes
- Flexible working policies
- Job grading and evaluation implementation
- Local partnerships with education establishments
- Representation at industry wide science, technology, engineering and mathematics (STEM) forums
- Diversity & inclusion working group

We have continued to focus on gender diversity and ensure our leadership teams, in particular, reflect our desire to ensure a broad range of backgrounds, experience and thought leadership. In 2018 our talent management and people development strategies will support the enhancement of diversity within our operational leadership teams.

Gender diversity

Overall



	Male	Female
Board	67%	33%
ELT	70%	30%
Leadership team (incl. ELT)	72%	28%
Functions	62%	38%
Operations	95%	5%

Community



Hurricane Harvey support in Houston

Investing in our communities contributes to building a sustainable future that aims to address both local and global challenges. We aim to make a positive difference to the communities in which we operate and recognise our social responsibility to respect, nurture and empower the people and locations impacted by our business.

Wood supports local communities by prioritising the hiring and development of local people and working with local supply chains where possible. We help support health, welfare, education and humanitarian relief and throughout the year supported a wide range of causes that are close to the hearts and minds of our employees.

Our employees are encouraged to support charities and community groups through our employee community fund (ECF). Following the acquisition of AFW we are reviewing this process for 2018 to merge it with the similar employee matched funding programme operated by AFW to ensure we continue to engage and drive community investment across our entire combined business.

We recognise that by actively supporting our local communities we:

- Develop closer ties between Wood, the community and our clients
- Bring long term sustainability to the locations where we do business
- Form lasting relationships with local communities

In 2017 people living along the US Gulf Coast experienced the devastating effects of Hurricane Harvey.

In response, our people opened their homes; shared their vehicles; donated clothing, fans and cleaning supplies; loaned their tools and cooked meals.

The families of over 500 Wood employees were affected by Hurricane Harvey. We raised over \$200,000 through fundraising and corporate support and mobilised over 50 work crews across the Gulf Coast to ensure our colleagues, friends and neighbours received the care and support they needed during this difficult time.

Throughout 2017 Wood supported some inspiring organisations. SOS Children's Villages, the world's largest charity working with orphaned and abandoned children, was the global strategic charity of AFW. The partnership celebrated its 10 year anniversary in 2017 having raised over £700,000 through various global fundraising activities to support more than 26,000 beneficiaries and over 25 countries.

Wood Group's partnership with the Girls Academy in Perth, Australia has continued to develop. Recently the Role Models and Leaders Australia (RMLA) initiative was launched. Its aim is to develop and empower girls through leadership training, mentoring, sport and extra-curricular education programmes. This has helped Australian youth, in particular indigenous youths who suffer from poverty, misfortune or disconnection from their community.

Wood's relationship with the Girl's Academy demonstrates our commitment to gender equality, as well as our stance on diversity and inclusion for all, helping to build a sustainable future for younger generations.

Our employees continue to fundraise and drive support and awareness on a number of global topics. In Saudi Arabia our Al-Khobar office celebrated International Womens' Day with office celebrations centred on a commitment tree which asked leaders and females to make a commitment towards improving opportunities for females in the workforce.

Our Melbourne office in Australia has supported Red Dust's Healthy Living Programme since 2013. The charity delivers innovative health promotion programs and community development projects in partnership with remote communities. Wood has raised more than \$35,000 to date as part of our indigenous partnership agenda.

In Houston, our annual support of the BP MS 150, raising funds for the National Multiple Sclerosis Society, saw 45 riders from Wood join 10,000 other cyclists in completing the 180 mile, two day bike ride. This is the largest non-profit event of its kind in North America. Wood has participated in this event since 1998 and helped raise over \$1.2 million, a true demonstration of the passion and determination of our people.

At Wood we see both the importance and advantage of hiring locally and our newly established team in Anchorage, Alaska has formed partnerships with native companies to combine local experience with our global expertise. Despite its huge geographical size, Alaska is a tightknit community that prides itself on local heritage and values community involvement. While Wood's primary objective is to deliver first-class services safely to our customers, it all begins with earning respect and working towards acceptance in the communities we operate in through our hiring practices. We also recognise the need to establish strong community relations. In 2017 we sponsored the Driving Great Futures gala, a fundraising event to raise money for the Alaska Boys and Girls Club which works to develop young people to achieve their full potential, showcasing our passion for community involvement, development and sustainable growth.

We are very proud of the help our employees provide to our local communities; our people genuinely care about others not because they work for Wood, but because Wood has great people.

Principal risks and uncertainties

The principal risks identified that face the Group are set out below. During the year the Board has carried out a robust assessment of these principal risks and monitored the Group's risk management and internal control systems.

Risk management

The Board is responsible for:

- Identifying the nature and extent of the principal risks faced
- Determining the extent of those risks it is willing to take in achieving its strategic objectives (its "risk appetite")
- Performing a robust assessment of those risks
- Monitoring and reviewing the risk management and internal control systems, and providing oversight of the processes that management follows

The Board is assisted in this assessment by the Audit Committee and the Safety, Assurance and Business Ethics Committee, who are delegated responsibility for various aspects of risk, internal control and assurance.

 For more information on the effectiveness of internal control systems: See page 37

Identification of principal risks

A bottom up and top down approach to identifying risks operates within the organisation. Following the acquisition of AFW in October 2017, the risk management framework has been redesigned to reflect the increased scale and diversity of the new business. This includes a new Risk Committee attended by the full executive leadership team (ELT), which meets twice yearly, and a revised risk matrix used across the combined business.

Risk registers are developed at an individual contract or project level and rolled up into business unit (BU) risk registers, which are reviewed by the BU Leadership Teams every quarter. The Chief Executive and the Group CFO subsequently review the BU risk registers as part of the quarterly BU review meetings. Group level functional risk registers are also maintained with the functional leadership teams reviewing these risk registers twice a year.

During 2017, each BU and Group level function also maintained separate organisational change risk matrices due to the AFW acquisition.

The aggregation of the individual risk registers into a Group risk register is reviewed twice a year, during 2017 by the ELT and going forward by the Risk Committee, to ensure that the material risks for the Group are appropriately measured and managed. The focus of the first Risk Committee in January 2018 was on defining the new set of principal risks for the combined business following an initial review of the principal risks of both legacy businesses at the November Board meeting. After the ELT or Risk Committee review, the summary of principal risks is formally reviewed by the Board twice a year. Emerging risks are identified throughout the year via the BU and functional risk processes and escalated to the ELT during 2017 and now the Risk Committee; and Board as required. Each of the non-executive directors provides their perception of emerging risks, and a cross-check against the emerging risks identified by Wood's peer group is also undertaken, both of which inform the mid-year Board discussion on risk.

The principal risks considered by the Board in March 2018 are set out on pages 33 and 34.

Risk appetite

The organisation's risk appetite was further documented and discussed during the May 2017 Board meeting. Six broader risk appetite statements were defined that cover our principal risks. The suitability of these risk appetite statements for the combined business was confirmed following the acquisition of AFW.

The Group's risk appetite is taken into account when setting the nature and extent of the key control mechanisms in place and the level of assurance activity required for each risk.

Robust assessment of principal risks

The Board has carried out a robust assessment of the principal risks facing the business. To support this, the Board and its committees received regular reports from key functions such as safety, ethics, compliance, finance, legal, IT, internal audit and people & organisation (P&O), along with operational reports from the BUs, which include key risks, information on compliance with controls and reports on assurance activities where applicable.

This year, the Board also received regular updates on the acquisition process and integration planning in respect of AFW, providing more visibility and rigour on the process, risks, and controls in place.

Brexit was not considered to be a principal risk for either legacy Wood Group or legacy AFW. Following the acquisition of AFW and the disposal of the legacy AFW UK upstream business, this assessment was revisited and confirmed for the combined business.

Monitoring the risk management and internal control systems and processes

The Board received bi-annual updates on the key controls in place in relation to each of the principal risks, the level of assurance activity carried out, and management's assessment of the adequacy of the assurance provided and the effectiveness of the controls. As part of this monitoring, the Board could ensure that corrective action was taken where necessary.

To ensure that responsibilities for risk and assurance were clear within the committee structure, each principal risk and area of risk was assigned to either the Board or one of the Board committees during 2017.

Overall the control environment was considered to be operating effectively. Ongoing improvements are planned in certain key areas in 2018 including project execution in certain specific areas and protection against major incidents. Details of improvements in financial and IT internal controls are included in the Audit Committee report on page 48.

 For more information on the internal control environment: See page 37

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 01 to 31. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 20 to 23. In addition, note 17 to the Group financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk.

The Group has considerable financial resources together with the cash inflows generated from its existing activities as set out in notes 13, 15 and 27 to the Group financial statements. As a consequence, the directors believe that the Group is well placed to manage its principal risks successfully.

Having made the appropriate enquiries including a review of cash flow projections and key sensitivities, the directors consider, in accordance with the UK Corporate Governance Code (the Governance Code), that the business is a going concern. The directors also considered it appropriate to prepare the financial statements on the going concern basis, as explained in the Basis of Preparation paragraph in the Accounting Policies.

Viability statement

The directors have assessed the Group's viability over a three-year period to 31 December 2020.

The process of establishing the period over which the Group's viability has been assessed is subjective and considers a range of factors, all of which are indicative of slightly different time frames. This assessment has also been reviewed considering the recent transformational acquisition of AFW.

In making their assessment the directors have considered these factors both individually and in aggregate and have decided that, on balance, three years was the most appropriate period.

Immediately after the AFW acquisition, in October 2017, the Group refinanced its long-term funding requirements to include a package of multi-currency revolving facilities incorporating a \$1.75bn revolving credit facility (expiring in May 2022) and a \$1.0bn term loan (expiring in October 2020). These are set out in note 15 to the Group financial statements.

In making their assessment of a three-year period the directors have assumed that the \$1bn term loan, which expires within the 3-year period is renewed or replaced and the other current committed financing which extends to February 2022 remains available. The directors believe that it is reasonable to assume that the term loan will be renewed or replaced, well in advance of the expiry date.

The committed long-term financing together with factors such as the Group's asset light and flexible business model, the Group's planning cycle, the period over which the synergies from the AFW acquisition will be delivered and the visibility of operational backlog led the directors to select a period of three years to assess the Group's viability.

In order to make this assessment, the Board considered the current trading position and reviewed a number of future scenarios which stress-tested the viability of the business in severe but plausible scenarios.

These scenarios considered the potential financial and operational impacts of the Group's principal risks and uncertainties arising and the degree of effectiveness of mitigating actions. As indicated in the table below these included, individually and in combination, failure to integrate the AFW business and deliver the cost synergy and deleveraging targets, multi-year reductions in demand, project execution and contracting risk, forecasting risk, the impact of a catastrophic safety incident or the damage sustained by an ethical or regulatory breach. Based on the modelling performed, the Board's assessment was that the strength of our balance sheet, the flexibility of our business model and the mitigating actions available meant that in all plausible scenarios considered the business would continue to be viable for at least three years.

Based on this assessment, the directors have a reasonable expectation that the Group will be able to continue in operation and meet all its liabilities as they fall due up to 31 December 2020.

Analysis of principal risks

Board assessment of change in risk from 2016:

△ Risk has increased since 2016 ▶ No change in risk since 2016 ▽ Risk has decreased since 2016 ⓘ Considered as part of viability assessment ⓘ New

Risk Profile	Mitigation, monitoring and assurance
Strategic	
ⓘ Delivery of integration: ⓘ Failure to ensure business continuity while successfully integrating the business through delivering organisational change and integration projects and delivering cost synergy targets. This is a new risk in 2017 due to the AFW acquisition.	- Established an integration steering committee to ensure adequate governance, led by the ELT with regular reporting to the Board - Designated integration management structure, project team and project schedule - Governance framework and risk registers developed for each BU and functional area to capture and manage all integration projects - Utilised existing and successful organisational design principles, functional blueprints and ERP deployments - Prioritised and incorporated existing change programmes where required into the integration programme - Cost synergies opportunities identified and targets distributed across the business - Robust cost synergy identification, verification, monitoring and tracking process
ⓘ Deleveraging: ⓘ With the acquisition of AFW our leverage is currently higher than our target of 0.5-1.5 times net debt:EBITDA. To reduce this it will be critical to generate cash to repay debt as well as generate profit.	- Target business cash performance and ongoing monitoring - Designated process for governance of capital expenditure on fixed assets - Established processes for monitoring of working capital - Target improvement in day sales outstanding - Credit policy in place with monthly reporting process - Monthly monitoring and reporting of aged debt including any unbilled amounts - Identification and sale of non-core assets

Health, Safety, Security & Environment (HSSE)**➤ Major incident:**

- Significant HSSE event leading to a major incident resulting in multiple loss of life, significant harm, damage to the environment and damage to our reputation.

- Safety and integrity are Wood requirements underpinned by HSSE and integrity management systems which include standards for critical processes
- Life Saving Rules and safety essentials set a minimum standard for critical work activities and safe behaviour across the Group
- Group Incident Review Panels for high potential and high severity incidents
- New Group Operations Assurance team focused on Technical, Quality and HSSE areas and assurance against standards

Commercial and Operations**➤ Contracting:**

- Weaknesses in the contract bidding and award process, inappropriate pricing, misalignment of contract terms, or failure to comply with contractual conditions could lead to reputational damage, or poor financial performance.

- Development and roll out of revised contracting policy and associated approvals process
- Implementation of enhanced tender governance process including tender review committee
- Increased focus on fixed priced contracts
- Group Head of Commercial appointed

⚠ Project execution:

- Ineffective project start up, new country entry or failure to successfully execute projects safely and to expected quality, on time and within budget. Increased financial risk due to AFW portfolio of fixed price contracts.

- Start up and execution plans for key projects supported by monitoring and reporting
- Group strategy & development team embed learnings from previous projects
- Further developed tender governance process including tender review committee
- Implementation of enhanced project governance process and associated project reviews

Financial**➤ Forecasting:**

- Forecast information used to inform business decisions and the external perception of Wood's prospects for growth varies materially from actual results. This risk has remained high due to the challenging oil and gas environment.

- Group and BU review of budget and reforecast information
- Established budgeting process and frequent reforecast process
- Bottom up and top down assessments of budgets and reforecasts

⚠ Information security:

- Loss of Wood or client data or disruption to Wood business operations through unauthorised access, cyber-attack and/or physical or environmental event. Increased risk following the acquisition of AFW due to more diverse IT infrastructure whilst transitioning to a common operating environment.

- Consolidation of existing environments through a risk based IT integration programme
- Appointment of an IT Director for Information Security & Risk Management and Information Security & Data Protection steering committee established as part of the integration process
- IT security policy/standards and Acceptable Use policy
- Information security roadmap and associated investment including perimeter security, application and end point protection, security incident & event management
- Security Operations Centre enabling 24/7 detect/respond capability

Compliance and Litigation**⚠ Major regulatory investigation:**

- Regulatory investigation or proceedings resulting from non-compliance with applicable legislation. Increased risk due to ongoing Serious Fraud Office (SFO), Department of Justice (DOJ) and Securities & Exchange Commission (SEC) investigations into legacy AFW's historical use of agents and legacy Wood Group's internal investigation into historical engagement of Unaoil.

- Suite of Wood policies that mandate compliance with applicable laws and policies. Includes the Business Ethics policy which covers the use of commercial intermediaries
- Business management system across functional teams ensuring compliance with external verification of the management systems
- Assurance framework across technical and non-technical business processes
- Group Legal and Compliance provides support and guidance to the business
- Group Litigation report provided to the Board on a monthly basis

⚠ Litigation:

- Legal action can result from a major incident, a major regulatory investigation, contracting issues, or project execution. Failure to manage litigation can lead to increased claims, damages, fines and penalties. Increased risk due to legacy AFW ongoing litigation.

- Controls over major incident, major regulatory investigation, contracting, and project execution risks
- Group Legal team with experience in litigation supported by external specialist lawyers where necessary
- Regular review of significant and pending litigation with the Board, Chief Executive, CFO, and BU leadership

⚠ Data protection and Privacy:

- This was previously considered as part of the information security risk, however the data protection risk has increased with the EU General Data Protection Regulation (GDPR) coming into force from May 2018.

- Data Protection programme delivering improvements to prepare for GDPR
- Wood Data Protection Officer (DPO) appointed
- Data protection management system designed to deliver compliance with global data privacy laws and regulations
- Plan to attain Binding Corporate Rules (BCR) status to allow intra-group transfers of personal data across borders in compliance with European data protection laws

Letter from the Chair of the Board



"The Board devoted significant time to supporting and challenging the executive leadership team throughout the AFW acquisition. Three former AFW directors joined the Board on completion and I believe that the expanded Board ensures the appropriate skills for effective decision making in the best long term interests of the combined business."

Dear Shareholder

2017 represented a year of significant strategic development under Robin's leadership.

You showed an overwhelming level of support for the all share offer for Amec Foster Wheeler which completed on 6 October. This followed an extensive exercise to identify potential transformational acquisitions, from which AFW stood out as an opportunity to accelerate delivery of the Wood Group strategy.

During the process from identification through closing and on to integration, the governance principles of leadership, accountability and relations with shareholders were in particular focus as the Board devoted significant time to supporting and challenging the executive leadership team throughout the transaction.

Post completion, the Board's focus turned to the detailed integration of the two businesses and ensuring appropriate governance is in place. The integration process is greatly enabled by the strategic reorganisation of Wood Group during 2016, sponsored at Board level by Thomas Botts. The Board receives regular updates from the integration team and has provided appropriate direction based on their extensive experience of change management and integration programmes in complex global organisations.

Along with the acquisition, the Board continued to support the executive leadership team's focus on operating in challenging markets ensuring cost and utilisation discipline was maintained as the prolonged downturn in oil and gas markets continued in 2017. The AFW acquisition broadens our exposure to wider industrial markets and should reduce Wood's dependence on core oil and gas markets.

Our focus on safety was maintained throughout the transaction. In 2017 the Safety, Assurance and Business Ethics Committee spent time monitoring the regulatory compliance plan to ensure compliance with the administrative agreement entered into in respect of events in the Gulf of Mexico in prior years and prevent recurrence. The Committee also focussed on monitoring the ongoing SFO, DOJ and SEC investigations into legacy AFW's historical use of agents and legacy Wood Group's internal investigation into the historical engagement of Unaoil.

The Nomination Committee focussed on the effectiveness and independence of the Board. The Committee approved the reappointment of Jann Brown as non-executive director having completed her initial term of three years. Having completed his second term of three years, the Committee carried out a detailed review for Jeremy Wilson and concluded that he continues to be independent.

Three former AFW directors joined the Board on completion of the AFW transaction. Roy Franklin is now the Senior Independent Director and Deputy Chair and Linda Adamany and Ian McHoul are serving as non-executive directors. These appointments ensure diversity at Board level in terms of background, experience and thought leadership, as well as maintaining a minimum of one third of our Board being female. The Board consists of 11 non-executive directors following Richard Howson's resignation in January 2018. Although ultimately we will reduce the number of non-executive directors, for now, maintaining governance and continuity of leadership in Board committees is a key focus, which will be best delivered by this new blended Board.

During the year the Audit Committee was involved in financial aspects of the transaction including policy alignment, GAAP reconciliations, working capital statements and proforma financial statements for inclusion in regulatory documents. As noted last year, good progress has been made on auditor rotation and subject to approval at the AGM, KPMG will be appointed for the financial year 2018 following an extensive tender process.

The Remuneration Committee were engaged in reviewing and proposing remuneration arrangements in a year of substantial change, actively engaging with the wider stakeholders of the combined business to communicate the remuneration principles we apply. In recognition of Robin and David's increased responsibilities in a business of significantly increased scale and complexity than either individual legacy company, the Remuneration Committee decided to increase their remuneration with effect from 1 January 2018. The Committee and Board have every confidence in their ability to deliver and want to ensure their remuneration is commensurate with their new, more complex roles.

Your Board recognises the tremendous job Robin, David and the Executive Leadership Team have done in delivering the acquisition of AFW and I am confident they will continue this momentum to deliver the cost and revenues synergies from the acquisition. Looking ahead to 2018, I believe that the expanded Board ensures the appropriate skills for effective decision making in the best long term interests of the combined business.

Ian Marchant, Chair

Directors' report

The directors submit their report together with the audited financial statements of the Group for the year ended 31 December 2017.

The Group consolidated income statement for the year is set out on page 76. In respect of the year ended 31 December 2017 an interim dividend of 11.1 cents per share was paid on 28 September 2017 and the directors have proposed a final dividend of 23.2 cents per share to be paid on 17 May 2018. The full year dividend will therefore be 34.3 cents per share.

Further reading

Information relevant to and forming part of the report of the directors is to be found in the following sections of the annual report:

Pages

36	Statement of Directors' responsibilities
37	Fair, balanced and understandable
32	Going concern
33	Viability statement
37	Risk management and internal control
38 to 39	Board of Directors and biographies
02 to 23	Principal activities and business review
32 to 34	Principal risks and uncertainties
119 to 121	Acquisitions and divestments
131 to 144	Subsidiaries and joint ventures
40 to 49	Corporate governance
29 to 31	Employment policies
25 to 26	Health, safety, security and ethics
27 to 28	Environment
41	Substantial shareholders
115	Share capital
62	Directors' interests in options over ordinary shares
61	Directors' interests in ordinary shares

Statement of directors' responsibilities

The directors are responsible for preparing the annual report, the Directors' Remuneration Report and the financial statements of the Group and John Wood Group PLC (the Company) in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. The directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union. The Company financial statements are prepared in accordance with FRS 101 "Reduced Disclosure Framework". The Group and Company financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State that the Group financial statements comply with IFRSs as issued by the IASB and as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the directors, whose names and functions are listed on pages 38 and 39, confirms that, to the best of their knowledge:

- The Group financial statements, which have been prepared in accordance with IFRS as issued by the IASB and as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group, and
- The directors' report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the significant risks and uncertainties that it faces.

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Relevant information is defined as 'information needed by the Company's auditors in connection with preparing their report'. Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Governance Code compliance

The Board remains fully committed to maintaining high standards of corporate governance and believes that this is key to overall performance and integrity, consistent with our shared values.

The Board also believes that good corporate governance extends beyond regulatory compliance and consistently monitors developments in best practice, including guidance published by investor groups.

This section of the annual report explains how the Group has applied the main principles of Leadership, Effectiveness, Accountability, Remuneration and Relations with shareholders outlined in the latest UK Corporate Governance Code issued in April 2016 (the Governance Code). A copy of the Governance Code is available at www.frc.org.uk. The directors consider that the Group has, throughout 2017, fully complied with the provisions of the Governance Code which applies to the year ended 31 December 2017.

Fair, balanced and understandable

The Board considers that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

In reaching this assessment, the Board was assisted by the Chair and the Chair of the Audit Committee who engaged directly with company management during the planning, drafting and review stages of the annual report and were provided with draft materials for review and comment as the document progressed. This facilitated a good level of understanding of the process of compilation and assurance over the information contained within the annual report. The Board subsequently considered the annual report and accounts as a whole and discussed the report's tone, balance, and language at the March 2018 board meeting.

Risk management and internal control

The Board has overall responsibility for the Group's systems of internal control and risk management which is fundamental to the achievement of the Group's strategic objectives.

Risk management

The Board has established an ongoing process for identifying, evaluating and managing the principal risks faced by the Group that has been in place for the year under review and up to the date of approval of this annual report. The process is regularly reviewed by the Board and is in accordance with the April 2016 edition of the Governance Code. The Group, for the purposes of applying the Code, comprises John Wood Group PLC and its subsidiaries¹. The risk management process was updated in light of the AFW acquisition. For further details on these changes and on the principal risks and uncertainties faced by the Group along with associated mitigations, monitoring and assurance please refer to pages 32 to 34.

Any system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The key elements of the ongoing procedures, which the directors have established to review the effectiveness of the system of internal control on an annual basis, are listed below. As a result of these ongoing procedures the Board's assessment was that the overall internal control environment was operating effectively, with some areas for improvement noted.

• Internal control structure

The Group has a clear organisational structure for the control and monitoring of its businesses, including defined lines of responsibility through the organisation up to board level and delegations of authority in place. The Group has issued policies which define the standards of business conduct and include Accounting; Contract Risk Management and Review; Health, Safety, Security and Environment; and Business Ethics. A Group Business Ethics helpline, operated by an independent third party, is in place to enable staff and third parties to raise concerns in confidence about possible non-compliance with the Group's Business Ethics Policy.

 For more information on Business Ethics: See page 26

• Ongoing monitoring of internal control systems

The Board has agreed certain reporting procedures to monitor key risk areas on an ongoing basis, including safety, legal and financial matters. The Audit Committee has been delegated the responsibility to review the effectiveness of the financial and IT internal control systems implemented by management. The Safety, Assurance and Business Ethics Committee has been delegated responsibility for the effectiveness of the Group's safety policies and systems and has responsibility for ethical and regulatory matters.

The Board and its committees are assisted by the internal audit function, HSSEA function and, where appropriate, the external auditors. Where the internal or external auditors identify any significant deficiencies in the financial or IT internal control systems, a plan of action is agreed to remedy these and progress against them is tracked and reported with updates provided to the Audit Committee as necessary.

The Audit Committee receives regular updates concerning ongoing audits. Details of audit updates received by the Committee in 2017 are set out on page 48.

The Chairs of the Audit and Safety, Assurance and Business Ethics Committees report regularly to the Board on their discussions.

• Information and communication

The Group has a comprehensive system for reporting performance to the Board. This includes monthly and quarterly reports. The quarterly reports include a detailed financial review against budgets and latest forecasts. The ELT also receives detailed monthly financial reports and meets on a monthly basis to discuss financial performance and other operational matters. In addition, each BU holds Quarterly Review Meetings (QRMs) involving the Chief Executive and the CFO.

Statutory disclosures

Disclosures in relation to listing rule LR 9.8.4R where applicable are included in note 20 to the financial statements in relation to Long Term Incentive Plans.

Footnotes

1. Subsidiaries include those entities which are under Group management and control.

Board of Directors

Chair



Ian Marchant

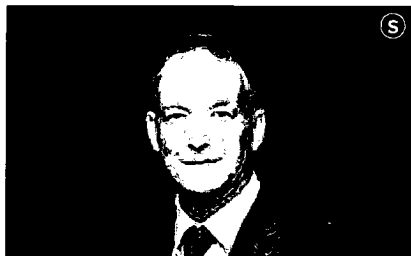
Chair

Key experience: Public company boards, power sector, finance and public capital markets, government and regulation

Appointed: 2006

Chair since 2014. Ian is currently Chairman of Thames Water; a director of Nova, the tidal energy company; non-executive director of Aggreko plc and Maggie's Cancer Charity and Honorary President of the Royal Zoological Society of Scotland. Until December 2015 he was Chair of Infinis Energy plc. He was Chief Executive of SSE plc, a leading UK energy utility company, for over 10 years until stepping down in 2013.

Executive directors



Robin Watson

Chief Executive

Appointed: 2013

Group Chief Executive since January 2016. Formerly Chief Operating Officer from April 2015, CEO of Wood Group PSN and Managing Director of Wood Group PSN in the UK, having joined Wood Group in 2010. Prior to joining Wood Group, Robin served in a variety of leadership and management positions with Petrofac and Mobil. He serves as non-executive director of Oil & Gas UK, the Oil & Gas UK Contractors Council and the Scottish Business Board. Robin was previously work group co-chair on the Step Change in Safety Leadership Team.



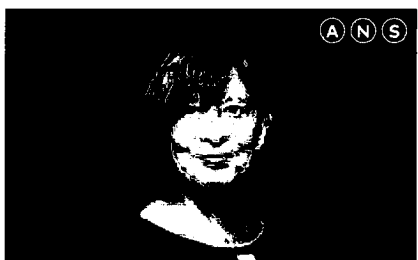
David Kemp

Chief Financial Officer

Appointed: 2015

Group Chief Financial Officer (CFO) since May 2015, previously CFO of Wood Group PSN having joined Wood Group in 2013. Prior to joining Wood Group, David served in executive roles at Trap Oil Group, Technip, Simmons & Company International and Hess Corporation, working across Finance, M&A and Operations. He is a member of SCDI North East and of the Institute of Chartered Accountants of Scotland and is also a director and governor of Albyn School.

Non-executive directors



Linda Adamany

Non-executive Director

Key experience: Public company boards, international oil & gas, petrochemicals

Appointed: 2017

Linda is currently a non-executive director of Coeur Mining Inc, Leucadia National Corporation and BlackRock Institutional Trust Company and is a former non-executive director of Amec Foster Wheeler. She previously worked for BP for 27 years in the UK and US. During that time she held various roles in refining & marketing, exploration & production and petrochemicals including Chief Executive of BP Shipping and Group Vice President and Commercial Director of BP Refining & Marketing.



Thomas Botts

Non-executive Director

Key experience: International oil & gas (including North America, Europe, South America, Middle East and downstream)

Appointed: 2013

Thomas is a non-executive director of EnPro Industries, is co-chair of the Governor's Task Force at the University of Wyoming, a director of the University of Wyoming Foundation and is a long-standing member of the Society of Petroleum Engineers. He was formerly with Shell for 35 years, latterly as Global Head of Shell's manufacturing business.



Jann Brown

Non-executive Director

Key experience: International oil & gas, public company boards, finance and public capital markets

Appointed: 2014

Jann is currently Managing Director and CFO of SOCO International plc. She spent her career in the accounting profession before moving into the oil industry, latterly as Managing Director and CFO of Cairn Energy plc. She is a past-president of the Institute of Chartered Accountants of Scotland (ICAS) and Audit Committee Chair of Troy Income and Growth Trust and of the Scottish Ballet. She was Senior Independent Director of Wood until October 2017.

Non-executive directors

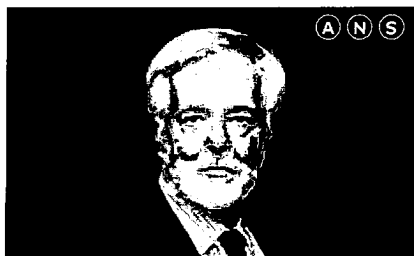


Jacqui Ferguson
Non-executive Director

Key experience: Technology sector specialising in cloud security, telecommunications, financial services, travel and transportation, energy and government

Appointed: 2016

Jacqui is currently Public Services Chair at the Confederation of British Industry and a board member of the Tech Partnership. She was previously Senior Vice President and General Manager of Hewlett Packard Enterprise Services in the UK and Ireland and Middle East, Mediterranean and Africa. She was also the Vice President and Chief of Staff to the CEO of Hewlett Packard from March 2012 to 2014. Prior to this she held a number of senior roles within the technology sector in Europe, the Middle East, Africa, Asia and North America.



Roy Franklin
Senior Independent Director

Key experience: Public company boards, international oil & gas, mergers and acquisitions

Appointed: 2017

Roy is currently Chairman of Premier Oil plc and Deputy Chairman of Statoil ASA. He is also a member of the advisory board of Kerogen Capital LLC and Chairman of privately-held companies Cuadrilla Resources Holdings Ltd and Energean Israel Ltd. Roy is a former non-executive director of Amec Foster Wheeler. He spent 18 years at BP, latterly as Head of M&A, BP Exploration, after which he was Group MD of Clyde Petroleum and then CEO of Paladin Resources until 2005. Roy has served on a number of international energy boards in non-executive roles and, until recently, was Chairman of the Keller Group plc.



Ian McHoul
Non-executive Director

Key experience: Public company boards, finance and strategy

Appointed: 2017

Ian is currently a non-executive director of Bellway plc, Young's plc and Britvic plc and was formerly CFO of Amec Foster Wheeler. He spent 23 years working in the brewing industry, latterly as Group Finance Director of Scottish & Newcastle plc. He was previously Finance & Strategy Director at Intreprenuer Pub Company Limited and before that held various positions at Foster's Brewing Group including General Manager, Strategy.



Mary Shafer-Malicki
Non-executive Director

Key experience: Public company boards, international oil & gas (including Europe, Asia and Africa)

Appointed: 2012

Mary is currently a non-executive director of McDermott International Inc, an independent director of QEP Resources Inc and is a former non-executive director of Ausenco Limited. She is a member of industry councils at Oklahoma State University and the University of Wyoming. Mary worked for Amoco and BP for 26 years, latterly as Senior Vice President and CEO for BP Angola, with previous appointments in Vietnam, Aberdeen, Holland and the US, principally in upstream activities.



Jeremy Wilson
Non-executive Director

Key experience: Public company boards, finance and public capital markets

Appointed: 2011

Jeremy is a non-executive director of Tullow Oil plc and Chair of The Lakeland Climbing Centre. He spent his career at J.P.Morgan, which he joined in 1987, until retiring in October 2013. He held a series of senior level positions there including Head of the European Mergers and Acquisitions Group, global co-head of the Natural Resources and Diversified Industrials Group and latterly Vice Chair of the Energy Group and was involved in a number of major oil & gas mergers over the years.

Key to Committee membership

- A** Audit
- N** Nomination
- R** Remuneration
- S** Safety, Assurance & Business Ethics
- Chair

Previous directors

Richard Howson

Appointed: 2016

Non-executive director and member of the Safety, Assurance & Business Ethics and Nomination Committees. Resigned January 2018.

Corporate governance

Role of the Board and Committees

Board

The Board focuses its time and energy on strategy, significant acquisitions, the annual budget and performance against it, monitoring the performance of the management team and risk management, specifically focusing on principal risks and the overall system of internal control. The Board has delegated some of its responsibilities to the Executive Leadership Team (ELT) and the Board Committees – the Safety, Assurance & Business Ethics Committee, the Nomination Committee, the Audit Committee and the Remuneration Committee.

Safety, Assurance & Business Ethics Committee

Responsible for the Group's safety strategy and performance and for ensuring compliance with laws and regulations including business ethics

 Read more on page 44

Nomination Committee

Monitors and reviews the structure, size and composition of the Board, makes recommendations with regard to any changes and ensures board succession plans are in place.

 Read more on page 45

Audit Committee

Responsible for compliance with financial reporting standards, consideration of the internal financial and IT control environment and the relationship with the external auditor.

 Read more on page 46

Remuneration Committee

Advises the Board on executive remuneration and sets the packages of each of the executive directors within the approved Remuneration Policy.

 Read more on page 53

Executive Leadership Team

The ELT operates under the authority of the Chief Executive and comprises the Group CFO plus the CEOs of our four BUs and the leaders of our other key functional areas: HSSEA; People & Organisation; Strategy & Development and now also Integration. They are responsible for delivering against the strategy approved by the Board.



Dave Stewart
CEO Asset Solutions
EAAA



Andrew Stewart
CEO Asset Solutions
Americas



Ann Massey
CEO Environment &
Infrastructure Solutions



Bob MacDonald
CEO Specialist Technical
Solutions



Sue MacDonald
Executive President
People & Organisation



Nina Schofield
Executive President
HSSEA



Steve Wayman
Executive President
Integration



Jeff Reilly
Executive President
Strategy & Development

 Find out more about the ELT at:
www.woodplc.com/leaders

Investigations Oversight Committees

In addition to the Committees above, the Board has established separate, dedicated Investigations Oversight Committees to oversee and report to the Board on the legacy AFW investigations and the legacy Wood Group internal investigation referred to in note 32 to the financial statements.

Board composition

The Board comprised nine directors for the majority of the year increasing to 12 effective from 6 October due to the AFW acquisition. At that point, three former AFW non-executive directors joined the Board. Roy Franklin joined as Deputy Chair and Senior Independent Director, and Ian McHoul and Linda Adamany joined as non-executive directors. Going into 2018 the Board will comprise 11 directors following the resignation of Richard Howson in January 2018. Non-executive directors comprised a majority of the Board (excluding the Chair) as recommended by the Governance Code.

A clear separation of the roles of the Chair and the Chief Executive has been agreed by the Board, in compliance with the Governance Code. The Chair is responsible for the leadership and effectiveness of the Board. He chairs the Board meetings, ensures the agendas are appropriate and is responsible for facilitating that all directors actively contribute to the determination of the Group's strategy. The Chief Executive is responsible for the day to day management of the Group and implementation of the Group's strategy. He develops proposals for Board approval, and ensures that a regular dialogue with shareholders is maintained. Members of the Executive Leadership Team report directly to the Chief Executive.

 For brief biographies of the directors: See pages 38-39

Board independence

After careful consideration, the Board considers all of its non-executive directors, with the exception of Ian McHoul, to be independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement. Ian McHoul was the CFO of Amec Foster Wheeler up to the date of acquisition and is therefore not considered to be independent.

Board re-election

All directors, with the exception of Richard Howson, who resigned in January 2018, are expected to seek re-election at the 2018 AGM.

Conflicts of interest

The Board requires directors to declare any appointments or other situations which would amount to a possible conflict of interest.

The Board has procedures in place to deal with and, if necessary, approve any such conflicts.

Board development

The training needs of directors are periodically discussed at Board meetings and briefings provided on issues relating to corporate governance. Arrangements are in place for newly appointed directors to undertake an induction process designed to develop their knowledge and understanding of the Group's business. This includes briefing sessions during regular Board meetings, visits to operating sites and discussion of relevant business issues.

Upon their appointment, directors are advised of their legal and other duties and their obligations as directors of a listed company and under the Companies Act 2006.

There is a procedure for any director to take independent professional advice at the Group's expense and all directors have access to the services of the Company Secretary, who is responsible for ensuring that the Board's procedures are followed.

Engagement with shareholders

Our investor relations activities are led by the Chief Executive and Group CFO, supported by the investor relations (IR) team and other members of senior management as appropriate. We provide the opportunity for significant shareholders to meet with the Chief Executive and Group CFO at least twice a year around the interim and final results announcements. In 2017 we provided additional opportunities around the key milestones in the AFW transaction.

Major shareholdings

The Company has been notified, in accordance with DTR 5, of the following major shareholdings in the Company as of 22 March 2018:

Shareholders	No of shares	% of shares
Deutsche Bank AG	46,333,419	6.84%
BlackRock, Inc.	44,662,986	6.59%
FIL Limited	38,415,067	5.66%
Standard Life Aberdeen plc (formerly Aberdeen Asset Management)	35,630,669	5.25%
Artisan Partners Limited Partnership	33,979,001	5.01%
Kiltearn Partners LLP	23,028,390	3.40%
APG Asset Management N.V.	21,000,000	3.10%

Board and Committee attendance 2017

The Charters of the Board's Committees are available on Wood's website. Attendance by directors at the meetings of the Board and its Committees is summarised in the table below. The dates of future Board meetings have now been agreed until the end of 2020.

 Read the Charters of the Board's Committees at:
www.woodplc.com/charters

     											
Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17
Board Safety, Assurance & Business Ethics Committee Nomination Committee Audit Committee Remuneration Committee											
Robin Watson			9/9		4/4						
David Kemp			9/9								
Thomas Botts			9/9		4/4		3/3		5/5		
Jann Brown			9/9				3/3		5/5		4/4
Jacqui Ferguson			9/9				3/3		5/5		
Richard Howson			9/9		4/4		3/3				
Ian Marchant			9/9				3/3				
Mary Shafer-Malicki			9/9		4/4		3/3				4/4
Jeremy Wilson			8/9				3/3		5/5		4/4
Linda Adamany*			2/2				1/1				
Ian McHoul*			2/2				1/1				
Roy Franklin*			2/2				1/1				

* appointed 6 October 2017

Board programme & agenda

The Board typically schedules four face to face meetings and two calls on an annual basis. In 2017, due to the workload associated with the acquisition of AFW the Board met more frequently than this with an additional three Board calls held, making a total of nine meetings. Within the face to face meetings, the following are covered as standing agenda items:

- Review of Governance and reports from Board Committees Safety, Assurance & Business Ethics, Audit, Remuneration and the Chief Executive report
- Operations updates and functional updates Legal, HSSEA, P&O, IT&S and Finance (including Acquisitions, Tax & Treasury and Investor Relations)

The Board also receives presentations from management and discusses other matters arising which are set out in the table opposite.

Topic	Activity	Outcome/Progress
Strategy	- Approved the proposed acquisition of AFW in March 2017 and received regular updates throughout the year until completion of the transaction in October 2017 - Reviewed and approved all public documents and announcements related to the transaction including the Prospectus and Circular - Received updates and provided input into the integration plan to integrate AFW into the Group	- Completed the acquisition of AFW, which significantly progressed the Group's strategy to reduce our dependence on oil and gas and broadened our service offering - The Board received presentations at the November board meeting on all service lines constituting the new business including those that were added with the AFW acquisition - The Board held its August meeting at the offices of STS's automation business, received presentations on the business prospects and held meetings with local management
Safety, Assurance and Business Ethics	- Updates were received at each meeting on the activities of the Safety, Assurance & Business Ethics Committee - Reports were received directly from the Chief Executive and senior management at each meeting on specific compliance related matters - Establishment of separate dedicated Investigations Oversight Committees in respect of the legacy AFW investigations and the legacy Wood Group internal investigation referred to in note 32 to the financial statements - Significant focus on the legacy AFW investigations and the legacy Wood Group internal investigation	- Good progress was made developing the scope of the Committee, following the decision in late 2016 to include Business Ethics - Monitoring of the Gulf of Mexico regulatory compliance plan and actions to ensure compliance with the administrative agreement and prevent recurrence - Establishment of a framework for group-wide monitoring and decision-making in respect of the legacy AFW investigations and the legacy Wood Group internal investigation
Review of financial results	Review of monthly management accounts, preliminary results statement, annual report and half year report	Reports reviewed, challenged and approved for release
Risk management and internal control	- Review of Group risk register, principal risks and associated controls and assurance provision, including the impact of the acquisition of AFW - Review and challenge of management's conclusions on the effectiveness of internal control	- Updated principal risks included in annual and half year reports - Risk register updated to include risks associated with the legacy AFW business, plus risks arising from the integration of that business. - Internal controls agreed to have operated effectively during the year
Governance	- Board received training from the Group's external lawyers on the Market Abuse Regulations (MAR) and other Directors responsibilities as part of the AFW transaction - Reviewed and approved changes to the CEO's Delegation of Authority and Matters Reserved to the Board as a result of the AFW transaction - The Board participated in an internally facilitated Board evaluation process and reviewed the output from that process at the November meeting	- Updated CEO's Delegation of Authority and Matters Reserved to the Board approved - Given the changes in the board following the acquisition of AFW, a formal internal review of board performance was held with the intention of holding an externally facilitated review later in 2018. The observations noted in this year's review will be considered when planning the 2018 board sessions
People and succession planning	- Reviewed succession plans in place for the ELT and other key positions in the Group - Approved the appointment of the three new non-executive directors following the acquisition of AFW - Approved the appointment of a new Company Secretary effective from December 2017	- The Board noted improvement in the succession planning process for senior executives, and key areas where succession plans require to be strengthened - Prof. Franklin joined the Board as Deputy Chair and Senior Independent Director, and Ian McHaul and Linda Adamany joined as non-executive directors. This provided a level of continuity to the board with respect to legacy AFW matters
Board engagement with shareholders	- The Board seeks to understand the views of shareholders and take these into account where appropriate - Regular reports received from the Group CFO on IR activities, supplemented by analysis provided by our brokers. In 2017 this focussed on the shareholders views on the AFW acquisition - The Chair, Senior Independent Director and the Chair of the Remuneration Committee make themselves available to meet with key shareholders	- We provide the opportunity for significant shareholders to meet with the Chief Executive and Group CFO at least twice a year around the interim and final results announcements, and in 2017 we provided additional opportunities around the key milestones in the AFW transaction - During the year the opportunity to meet with the Chair was offered to significant shareholders. The Chair and the Chair of the Remuneration Committee also consulted with significant shareholders on proposals for the changes to executive remuneration following the AFW acquisition

Safety, Assurance & Business Ethics Committee



Thomas Botts Chair, Safety, Assurance & Business Ethics Committee

"The primary focus of the Committee is to ensure that risks associated with HSSE and business ethics are understood and managed."

Membership and responsibilities

During 2017 the Committee comprised Thomas Botts, Chair, Mary Shafer-Malicki and Richard Howson. The Chief Executive and Executive Director of HSSEA are also in attendance. In January 2018, Linda Adamany, Jacqui Ferguson and Roy Franklin joined the Committee, Mary Shafer-Malicki and Richard Howson stepped down from the Committee.

The Committee meets four times a year, and has written terms of reference setting out its responsibilities.

 Read the Safety, Assurance & Business Ethics Committee charter at: www.woodplc.com/sabecommittee

Main responsibilities:

- Safety & assurance strategy and performance
- Effectiveness of the Group's policies and systems
- HSSE and Business Ethics leadership development throughout the Group
- Quality and integrity of internal and external reporting of HSSE and Business Ethics performance and issues
- Preparedness for response to a major HSSE incident or ethics non-compliance
- The process for an outcomes of investigations into major HSSE and Business Ethics incidents
- Oversight of any ongoing regulatory investigations and the associated case management

Committee meetings in 2017

											
Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17

The Safety, Assurance & Business Ethics Committee is responsible for overseeing the Group's management of Health, Safety, Security, Environmental and regulatory compliance & Business ethics issues, in line with the Group's values commitment.

The primary focus of the Committee is to ensure that risks associated with matters relating to HSSE and Business Ethics are understood and managed and oversight is provided to systems and assurance activities that are in place to minimise the occurrence of major events.

During 2017, the Committee was joined by the CEOs from Wood Group's three business units who provided an overview on the key risks, mitigations and HSSEA improvement plans in their respective areas.

The Committee has introduced a higher level of governance for any matters concerning major regulatory investigations or significant breaches of a compliance nature. In 2017, the business entered into an Administration Agreement with the U.S. Department of the Interior and U.S. Environmental Protection Agency, which resulted from regulatory settlements related to some of Wood Group's Gulf of Mexico operations. A key focus of the Committee in 2017 was assuring compliance with the requirements of the agreement through scrutiny of the arrangements and actions taken and oversight of the associated performance dashboard and metrics.

The Committee met in November following completion of the AFW acquisition. The Committee was joined by the former AFW directors who were appointed to the Board, where an overview was provided of specific ethics and compliance issues relating to the legacy AFW business and in particular a case review of the SFO investigation into AFW's historical use of agents.

In addition to the normal routine SABE review of ongoing investigations a Case Oversight Team was established in May 2017. This was put in place to provide additional governance on any matters that have the potential to incur serious criminal sanctions or cause significant and lasting reputational harm to Wood. The Case Oversight Team, chaired by Thomas Botts, in particular provides independent oversight of the risk analysis, mitigation and response of the business in connection with the ongoing investigations by the relevant authorities, including the SFO, into AFW's historical use of agents.

Internal controls over project execution are recognised as an area for improvement in 2018. To address this the Committee will review and provide oversight of the Group Operations Assurance programme which implements processes and controls to ensure project and contract compliance with HSSE, Technical and Quality policies and standards, as well as customer specific, legal and regulatory requirements.

Nomination Committee



"The Nomination Committee took steps to ensure appointments on the acquisition of Amec Foster Wheeler maintained a balance of experience, background and thought leadership at Board level."

Membership and responsibilities

The Nomination Committee comprises the Chair and all of the independent non-executive directors. Roy Franklin, Linda Adamany and Ian McHoul joined the Nomination Committee following their appointment as non-executive directors. Richard Howson stepped down from the Committee in January 2018 following his resignation as non-executive director.

The Committee meets at least once a year, and met three times in 2017. It operates within a written charter setting out its roles and responsibilities.

 Read the Nomination Committee Charter at: www.woodplc.com/nomcommittee

Main responsibilities:

- Reviewing Board structure, size and composition
- Making recommendations to the Board with regard to any changes
- Identifying and nominating candidates for the approval of the Board
- Filling Board vacancies
- Ensuring succession plans are in place

Committee meetings in 2017

												
Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	

The Nomination Committee monitors and reviews the structure, size and composition of the Board, makes recommendations with regard to any changes and ensuring board succession plans are in place.

The Committee met in January 2017 to consider the reappointment of Jann Brown as a non-executive director, having completed her initial term of three years. It was unanimously agreed that her term be renewed for a further three years, subject to annual reappointment at the AGM.

The Committee met in August 2017 to consider the reappointment of Jeremy Wilson as a non-executive director, having completed his second term of three years. Given that this was Jeremy's second term a particularly rigorous review of his independence was carried out focussing on his contributions to Board discussions, challenges of management, experience of finance and capital markets and the overall mix of experience of the Board. It was agreed that he continued to be independent. It was unanimously agreed that his term be renewed for a further three years, subject to annual reappointment at the AGM.

The appointment of the three former Amec Foster Wheeler directors to the board in October 2017 as part of the acquisition was discussed and agreed at a main Board meeting. Roy Franklin is now the Senior Independent Director and Deputy Chair and Linda Adamany and Ian McHoul were appointed as non-executive directors. The Committee considers these appointments ensure diversity at Board level in terms of background, experience and thought leadership and provide a level of continuity with respect to legacy AFW matters whilst also maintaining a minimum of one third of our Board being female.

The Committee met in December 2017 to consider the appointment of Martin McIntyre as Company Secretary. The appointment was unanimously agreed.

Diversity

The Committee is cognisant of the Governance Code's requirement to pay due regard to the benefits of diversity, including gender, when considering appointments to the Board. Wood is committed to remaining an equal opportunities employer.

Audit Committee



"In this transformational year maintaining good governance over the financial control framework has remained a key focus for the Audit Committee."

Membership and responsibilities

During 2017 the Audit Committee comprised Jann Brown (Chair, recent and relevant financial expertise), Jeremy Wilson, Thomas Botts and Jacqui Ferguson. In January 2018 Linda Adamany and Roy Franklin joined the Audit Committee and Thomas Botts stood down. The Chair of the Committee reports to each Board meeting on the activity of the Committee.

The Committee has a written charter of responsibilities which is reviewed on an annual basis, setting out its roles and responsibilities.

 Read the Audit Committee Charter at: www.woodplc.com/auditcommittee

Main responsibilities:

- Compliance with financial reporting standards and relevant financial reporting requirements
- Consideration of the financial and IT internal control environment
- Consideration of the internal audit programme and results
- Review of the external audit relationship and provision of non-audit services

Committee meetings in 2017

Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17

The Committee met five times in 2017, including an extra meeting in May 2017 to sign off the financial elements of the Prospectus published in respect of the acquisition on AFW.

In addition to the members of the Committee, the Group Chair, the Group CFO, Group Financial Controller, Group Head of Internal Audit & Risk and the external auditors, PricewaterhouseCoopers LLP (PwC), attended all Audit Committee meetings.

During the year other relevant people from the business presented to the Committee on the topics as noted below. The Group Head of Internal Audit & Risk and PwC have the right of direct access to the Chair of the Committee at all times and to meet the Committee without management present.

During the year the following areas were discussed at the Committee meetings.

February

- Review of the 2016 Group financial statements including Going Concern review, Fair, Balanced & Understandable review and viability statement
- Review of 2016 external audit status, discussion of the findings of the external audit and the key judgemental areas and assessment of external audit effectiveness
- Review of the 2016 Audit Committee Corporate Governance Report
- Review of internal audit reports and status, in addition to the 2016 annual summary

May (two meetings)

- Update on the Group's evaluation of the impact of IFRS 15, including a presentation from KPMG
- Review and sign off on the financial workstreams relevant to the issuance of the Prospectus in relation to acquisition of AFW
- Effectiveness reviews of internal and external audit
- Presentation on the Group's ERP, shared services and entity simplification programmes
- Preliminary external audit plan for 2017, including initial view on the impact of the potential AFW acquisition
- Update from Group Head of Internal Audit on the way forward for risk, assurance and internal audit
- Review of internal audit reports and status

August

- Review of the 2017 Group interim financial statements including Going Concern review
- Update on 2017 interim financial statements external review and discussion of key judgemental areas and findings of the external auditor
- Update on the preliminary finance integration work carried out in anticipation of the AFW acquisition
- Review of internal audit reports and status and preliminary plans for the integration of AFW

November

- Review of upcoming year end issues, including acquisition accounting related to AFW
- Review of final 2017 external audit plan and review of draft fees
- Review and approval of 2018 interim Internal Audit Plan, taking into account the acquired AFW businesses
- Review of the US ERP implementation including presentation from the Programme Director
- Review of output from Audit Committee evaluation process
- Review of internal audit reports and status incorporating legacy AFW internal audit activity

During the year the Committee focused on the following areas:

Financial reporting and significant accounting issues

There were no new accounting standards which had a material impact on the Group during the year, and the Committee focused on the application of our accounting policies and on the areas of judgement and estimation, as well as the impact of the acquisition of AFW.

The Group will adopt IFRS 15 'Revenue from contracts with customers' from 1 January 2018 and has undertaken a review process, assisted by KPMG, to evaluate the potential impact on the financial statements. Following the acquisition of AFW the internal review was expanded to include legacy AFW businesses. The output from these reviews was considered by the Committee at its May 2017 and March 2018 meetings. The Group's assessment is that it does not expect the adoption of the standard to have a significant impact on its reported results, however some further work is required on the acquired AFW entities to confirm this.

The primary areas of judgement and estimation considered by the Committee in relation to the 2017 financial statements and how they were addressed are outlined below.

Accounting for the AFW acquisition

The Committee considered the accounting implications of the AFW acquisition including the determination of the purchase consideration, valuation of intangible assets, fair value adjustments made to assets and liabilities and the value of the resulting goodwill. The Committee reviewed work done by external valuation experts in the areas of intangibles, asbestos and property and the output of that work.

The accounting for the disposal of AFW's North Sea upstream oil and gas business which was required to be sold as part of the transaction was also considered and reviewed.

The Committee was satisfied that the transaction had been accounted for correctly and received reports on the audit work done by PwC in this area.

Impairment reviews

At both the half year and the year end, the Committee considered whether indicators of impairment existed and the results of any related impairment reviews. Annual reviews are carried out in relation to goodwill and indefinite life intangible assets, with the Committee's role being primarily to challenge the significant assumptions and estimates made to ensure that they are fit for purpose. During 2017 the AFW acquisition meant that the Cash Generating Units (CGUs) used to test goodwill required to be adjusted. The Committee reviewed the revised CGUs, the key assumptions used and other than as set out below, no impairments were noted. The Committee noted however, the sensitivity of goodwill in the Asset Solutions EAAA business unit to impairment and agreed the disclosures in Note 8 to the Group Financial Statements.

The Committee reviewed management's assessment of the carrying value of EthosEnergy in the year, which concluded that a further write down of \$28m was required at 31 December 2017. Following previous write downs in 2015 and 2016, the financial performance of the joint venture improved somewhat in 2017 following actions taken by management to close down loss making operations. Despite this improved performance the Group has continued to develop opportunities to dispose of its interest in the joint venture and the impairment recorded in 2017 reflects the latest expectation of sales price less costs to sell, along with a write down to recoverable value of turbine engines held for sale. The Committee reviewed the assumptions used by management to value the Group's investment in the JV considering the available third-party evidence at the end of 2017, as well as separately considering a value in use basis. The Committee was satisfied that the valuation is based on a reasonable expectation of sales price less costs to sell and, after the impairment, gives an appropriate carrying valuation for the investment in EthosEnergy. The external auditors assessed this as an area of focus and the Committee received updates on related work undertaken by PwC.

Current and deferred tax balances

The Group operates in a number of different tax regimes and a range of judgements underpin the calculations for both current and deferred tax, including uncertain tax positions.

In the Income Statement, these can have an impact on both the tax charge and the operating profit. The Committee receives a detailed written report on taxation matters at each meeting, which included AFW tax matters from the date of acquisition onwards. The impact of the changes to US tax legislation on the value of the Group's deferred tax balances was specifically considered at the March 2018 meeting.

Where necessary, the Committee considers advice received from professional advisory firms. This was also recognised by PwC as an area of higher audit risk and the Committee received updates on related work undertaken by them during the year.

Review of significant contracts

As a result of the AFW acquisition, and to a lesser extent in the legacy Wood Group business, the Group executes a number of contracts on a fixed price or lump sum basis. Such contracts inherently involve a greater degree of estimation and judgement than is typically the case in reimbursable contracts. The Committee reviewed and was satisfied with the accounting for significant lump sum projects in progress at the year-end and the material judgements taken by management in recognising profit or the quantification of known losses where these are probable. The external auditors assessed this as an area of focus and the Committee received updates on related work undertaken by PwC.

Review of provisions

The Committee considers the appropriateness, adequacy and consistency of approach to provisioning at each meeting. All material provisions, including those made against uninsured legal claims, asbestos litigation and doubtful debts, are discussed and challenged. Given the continued uncertain economic climate for the oil and gas companies which form the core customer base of the Group, there was a continued focus on the recoverability of receivables and on the processes in place to assess and monitor credit risk.

Internal financial control

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. The Audit Committee has been given the responsibility to review the effectiveness of the financial and IT internal control systems implemented by management. This work is informed by regular updates from the Group Head of Internal Audit & Risk and the results of various self-assessment processes undertaken across the Group. External audit also provide feedback on areas of financial or IT control which they wish to bring to the Committee's attention.

The Board's assessment of the Group's internal financial and IT control environment, as informed by internal audit, is effective, with some areas where improvement is needed. Particular areas for focus are the Group's maturity with respect to cyber security, the monitoring and project controls over significant fixed price US government contracts in the E&IS business unit and the controls around the transition of processes into shared service centres. These areas are being prioritised by the Group. Work is also ongoing to bring all areas of the business on to the same platform both for IT and financial reporting.

IT security review

During the year the status of the Group's IT security was discussed by the full Board and it was agreed thereafter this would be delegated to the Audit Committee.

Internal audit

Monitoring the activity of the Group Internal Audit function is an agenda item at each Committee meeting. The Group Head of Internal Audit & Risk attended all meetings except for the extra meeting to sign off the financial elements of the AFW Prospectus. Each year, the Committee agrees the plan to be carried out and receives regular updates on progress against this plan, including a summary of the key findings from each of its reviews, an update on the status of actions agreed with management and a note of any themes or emerging risk areas to be considered by the Committee.

During 2017, the Committee received regular updates on the restructuring of the legacy Wood Group internal audit team. This continued with the amalgamation of the legacy AFW internal audit team.

As part of this exercise, the Group Head of Internal Audit also formally took on responsibility for the corporate risk management process. The Committee considered whether this would give rise to any conflict of interest and were satisfied with the safeguards in place.

The Chair of the Committee holds private discussions with the Group Head of Internal Audit as necessary during the year outside the formal Committee process.

External audit

As part of the 2017 external audit process, PwC prepared an audit plan identifying their assessment of key audit risks. These risks were discussed during the year with input from management and the Group Head of Internal Audit & Risk as necessary, providing the Committee with an opportunity to understand, challenge and ultimately agree with the auditors which areas should be covered.

Following the acquisition of AFW in early October 2017, it was agreed that the most efficient audit approach would be to retain EY, the legacy AFW external auditor, to complete the 2017 audit for the former AFW Group. EY were also asked to perform audit procedures on the opening balance sheet at the date of acquisition. EY reported the results of their work in these areas to PwC, who as Group auditors were responsible for forming an opinion on the results and financial position of the enlarged Group as a whole.

The Committee assessed the effectiveness of the audit process through consideration of the reporting received from PwC at the half year and the year end, the robustness of the external auditors' handling of key judgemental areas and the quality of the external auditors' interaction with, and reporting to, the Committee. As EY audited a material part of the Group in 2017, the Committee had direct access to the key EY partners. EY were present at an additional meeting of the Audit Committee in March 2018.

The Committee also reviews the standing, experience and tenure of the external audit lead partner, the arrangements for ensuring the independence and objectivity of the external auditors and the nature and level of non-audit services provided.

In addition, an annual exercise to seek feedback from around the Group on the effectiveness of the external audit process is performed.

Appointment and independence

The Committee has overall responsibility for ensuring that the external auditors' independence and objectivity is not compromised.

The Committee considers the appointment of the external auditor each year and assesses their independence on an ongoing basis.

In 2017 this included assessing the independence of both PwC as the principal Group auditor and also of EY as an auditor of material Group subsidiaries. During the year the Committee received confirmation from the external auditors regarding their independence.

In accordance with UK regulations and to help ensure independence, the auditors adhere to a rotation policy based on Auditing Practices Board standards that require the Group audit partner to rotate every five years. This is the fifth and final year that Lindsay Gardiner of PwC, the current lead audit partner, has been involved in the audit of the Group. Given the substantial change to the Group structure following the acquisition of AFW, the Audit Committee requested that one of the key EY audit partners for the AFW component extended their tenure for one further year, in order to provide continuity and to support the maintenance of audit quality. Consequently, they have remained a key EY audit partner for the 31 December 2017 audit.

In compliance with the provisions of the UK Competition & Markets Authority (CMA) Order the Audit Committee decided to conduct a tender for the audit during 2016. To allow a transition of non-audit services currently performed by firms tendering for the audit (see next section below), and to coincide with the planned lead partner rotation, it was agreed that the appointment would take effect for the audit of the year ending 31 December 2018.

After a full audit tender process the Committee decided that on balance KPMG's proposal demonstrated the greatest understanding of the Group's culture and strategy, industry knowledge and proposed an innovative and effective audit approach which would provide a high level of challenge to management.

The Board approved the Committee's recommendation that KPMG be appointed for the 2018 audit.

Accordingly, a resolution proposing the appointment of KPMG as the Group's external auditor will be put to shareholders at the 2018 AGM. There are no contractual obligations that restrict the Group's choice of external auditors.

The company confirms that it complied with the provisions of the CMA Order for the financial year under review.

Non-audit services

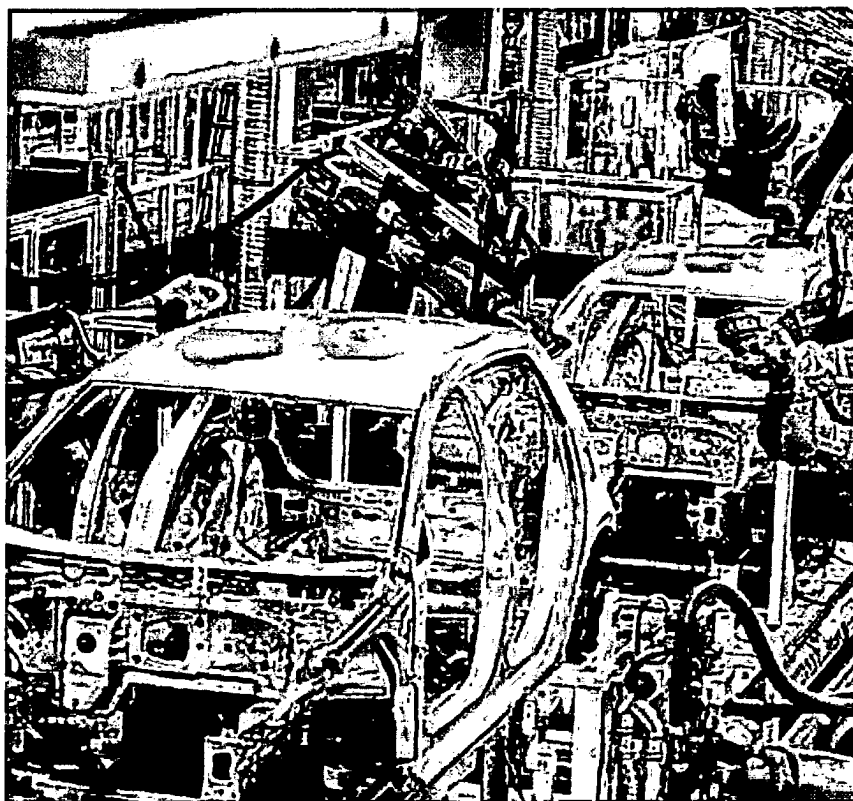
One of the key risks to external auditor independence is the provision of non-audit services by the external auditor. The Group's policy in this area, which is set out in the Audit Committee's terms of reference, is clear.

The Committee considers and approves fees in respect of non-audit services provided by the external auditors in accordance with policy and the cost of non-audit services provided in 2017 is reported in note 3 to the financial statements, including the Reporting Accountant fees and due diligence work associated with the AFW acquisition. In the opinion of the Committee, the provision of these non-audit services did not impair PwC or EY's independence. The provision of prohibited services by PwC to legacy AFW entities ceased following the acquisition, in line with the rules on audit transition following an acquisition.

Given the intention to appoint KPMG as Group auditors at the 2018 AGM the Group has been working with KPMG since the conclusion of the tender process to ensure that they would be independent from the start of 2018. KPMG confirmed their independence of Wood, including legacy AFW, in writing to the Committee during 2017 and confirmed that they would be able to accept the audit engagement for 2018.

Committee evaluation

The Committee's activities formed part of the review of Board and Committee effectiveness performed in the year. Overall the Committee was considered to be operating effectively, however it was agreed that some additional deep dives into relevant areas should be scheduled for 2018 agenda and that this should include a cyber security review.



Governance in action

During the year the Board undertook a series of activities to deepen their understanding of the full service capability of the business.

As part of the August Board meeting, the Board visited the offices of our automation business in the UK and received demonstrations of our automation capabilities from apprentice engineers as well as presentations from senior management. The Board then visited the main UK factory of Jaguar Land Rover, where they were able to see our automation services in action.

Following completion of the acquisition of AFW, the Board participated in an information sharing day during which members of the newly appointed ELT for the combined business presented on their respective service line or functional area. This provided the Board with the opportunity to develop a deeper understanding of the strategy and governance implications for the enlarged business.

Directors' Remuneration Report

The Directors' Remuneration Report (DRR) is the Board's report to shareholders on directors' remuneration for year ending December 2017 and is in three main sections:

The Board's Report

Includes the Letter from the Chair of the Remuneration Committee, reflecting on the activities of the Remuneration Committee for the year ending December 2017, and future application of the Directors' Remuneration Policy. This section also provides details of the Remuneration Committee and the statement of shareholder voting.

 Read more on page 51

Part 1: Policy Report

Contains the Directors' Remuneration Policy.

 Read more on page 54

Part 2: Annual Statement on Remuneration

Sets out the remuneration details of the executive and non-executive directors and includes a summary of the key considerations and decisions taken by the Committee on directors' remuneration during the year ending December 2017.

 Read more on page 55

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* Audited

Unless otherwise noted, the remaining sections of the Directors' Remuneration Report are not subject to audit.

Board's Report



Jeremy Wilson Chair, Remuneration Committee

Letter from the Chair

Dear Shareholder

I am pleased to present the Directors' Remuneration Report for the year ending 31 December 2017, on behalf of the Board and as Chair of the Remuneration Committee.

The purpose of this report is to set out the remuneration of executive directors and demonstrate alignment to creating shareholder value while delivering the short and long term strategic business objectives of the company. The report is fully compliant with all corporate governance requirements and aims to clearly detail remuneration outcomes for 2017 and the future application of the remuneration policy in 2018.

The Committee and I are proud of the business transformation led by our executives and the wider leadership team. Not only have they continued to safely deliver core business activities, in a year with ongoing industry challenges, but they have also accelerated achievement of our strategy through the acquisition of AFW and the formation of Wood. This includes successfully delivering initial synergies committed to as part of the transaction process, implementing a new organisation structure and forming an integrated leadership team before year end.

As Chair, I have led the Committee in reviewing and proposing remuneration arrangements, in consultation with our shareholders, in a year of substantial change. During 2017 we have continued to proactively engage with shareholders and to listen and understand wider views and concerns in a constantly changing executive remuneration environment.

This engagement extended to include our new stakeholders, following the acquisition of AFW, to ensure we communicated the remuneration principles we apply, along with our strategy to reward fairly for exceptional performance against stretch targets. As a reminder our principles are:

- Alignment with strategy and delivery of shareholder value
- Simplicity and balance
- Internally fair, externally competitive
- Proactive shareholder engagement

During 2017 we carried out our first gender pay report in the UK, including eight entities in the legacy organisations of Wood Group and AFW; more information can be found on page 30. The Committee engages with leadership and the wider workforce to ensure our people policies, practices and processes are fair and support diversity and equality. We welcome the changes proposed in the corporate governance code; for example, this year we have taken a proactive decision to report on the Chief Executive pay ratio. As a Committee we will continue to take an active interest in the developments during 2018, ensuring a considered and proactive approach.

We were pleased to receive overwhelming support from you for our revised remuneration policy which achieved 94.2% votes in favour at the annual general meeting in May 2017.

Remuneration and performance outcomes for 2017

Targets set for both the annual bonus plan 2017 and the Long Term Incentive Plan (LTIP), 2017 - 2019 performance

period, took into account the challenging market conditions in the oil and gas sector and the associated uncertainty; they did not take into account the acquisition as it had not been agreed or announced at that time.

Annual bonus

As a Committee, we focused on establishing stretching non-financial objectives, with tangible performance outcomes focused on the delivery of short term strategic plans. Financial measures included a measure of profit and Days Sales Outstanding (DSO), in line with the remuneration policy. During the course of 2017, and taking into account the impact of the acquisition of AFW in Q4, the decision was taken to retain EBITA as the profit measure instead of operating profit; guidance to the market was based on EBITA. To ensure the assessment of the bonus remained sufficiently stretching, during the year the Committee increased the profit measure target to reflect the period of AFW ownership. The approach to assessing DSO remained unchanged from previous years with stretching targets set appropriately for 2017.

The financial performance outcomes in 2017 reflected a relatively resilient performance in challenging oil and gas markets. The Group delivered and reported EBITA of \$371.6m ahead of expectations, achieving 98.9% of target, resulting in partial payment. Whilst progress was made on managing DSO, this was only sufficient to achieve a partial payment.

HSSE measures totalled 10% of bonus opportunity; 2.6% was achieved as a result of the improvement against Total Recordable Case Frequency (TRCF); and a further 5% was achieved due to delivery against the HSSE 2017 plan.

Delivery against team and personal objectives achieved 91.6%; detailed disclosure of the achievements can be found on page 58 within section 2 of the report. Taking all of the above into account, annual bonuses of 59.4% of maximum are being awarded to executive directors.

LTIP

The Committee wants to support our high calibre executive directors and other senior leaders and incentivise them to deliver our business objectives safely; we remain focused on ensuring the targets continue to be stretching.

The 2017 business performance contributed to a low LTIP pay out for the performance period 2015-2017, which had 75% of performance measures attributed to AEPS and 25% to Total Shareholder Return (TSR). AEPS of 53.3c was down 16.8% on 2016 and did not meet threshold performance, resulting in zero award for this measure; the underlying cause for this was our inability back in 2015 to predict the length and severity of the cyclical industry downturn. The TSR performance achieved 56th percentile, resulting in award just above threshold. This resulted in an overall achievement of 10.9% of the maximum award available for all participants.

Proposed policy application for 2018

The following section details the changes that we plan to make in implementing our policy in 2018. In particular, we have incorporated significant focus on delivery of our cost synergy targets, in line with our business strategy.

Base salary - last year we informed you of our intention to review, and if appropriate, increase base salaries in recognition of the executive directors' development in their roles, taking into account their performance and contribution to delivering the strategic business objectives.

During 2017 the Committee spent a significant amount of time considering executive pay during our scheduled meetings with particular reference to the implications of the AFW acquisition. We engaged with our largest shareholders to gather their views on executives' salaries and our proposals for 2018. In recognition of Robin and David's increased responsibilities in a business of significantly increased scale and complexity and their performance and contribution, the Committee has decided to increase their remuneration with effect from 1 January 2018. The Committee and Board have every confidence in their ability to deliver and want to ensure their remuneration is commensurate with their roles in the new organisation.

When determining the appropriate level of remuneration to lead Wood and deliver the considerable stretching targets the Board has set, including cost synergies of at least \$170m by the end of the third year following completion, we considered the following:

- Performance to date: the restructuring and transformation of

Wood Group, under Robin and David's leadership has resulted in a strong balance sheet and cash position, despite the extremely challenging industry conditions. This enabled the acquisition of AFW at an appropriate premium, accelerating achievement of our business strategy

- The increased complexity and scale of the executive director roles – for example, increased number of service lines and countries with associated increased risk profile
- The executive directors and leadership team have already delivered more than \$40m of annualised cost synergies, ahead of our prospectus commitments
- The maintenance of an appropriate balance between fixed and variable pay, with the latter designed to deliver reward, aligned to shareholders interests, if stretch targets are achieved
- The position of the proposed remuneration around the median of UK listed companies of a similar size and complexity

In our engagement with shareholders we had proposed to increase Robin's base salary from £600,000 to £750,000, with the maximum variable pay opportunity remaining unchanged; and to increase David's base salary from £390,000 to £475,000, with his maximum variable pay opportunity for annual bonus increasing from 140% to 150% and from 160% to 175% for LTIP.

Whilst we received some strong support for these increases, we also considered views that salary increases should be more paced with the longer term delivery of the benefits of the AFW transaction. We listened to this feedback and have significantly tempered the proposed increases. From 1 January 2018, Robin's salary is £690,000 and David's salary is £450,000. We will increase David's maximum variable pay opportunity as originally proposed. The Remuneration Committee understands the focus on executive pay and has not taken these decisions lightly. However, we feel that these increases are the right thing to do for the company and to maintain a highly motivated and strongly performing leadership to deliver further shareholder value creation. We will review salaries again in 2019, taking into account business and individual performance.

Annual Bonus Plan – we will continue to pay out 50% at target. Maximum bonus opportunity for the Chief Executive will be 175% of salary and 150% for the CFO. Full details of the personal objectives, which account for 30% of the annual bonus opportunity, are contained in section 2.10. The other performance measures will be EBITA, accounting for 20% of the annual bonus opportunity; cash generation, also accounting for 20%; HSSEA at 10%; and a synergy target achievement at 20%.

Long Term Plan - the maximum opportunity for the Chief Executive will be 200% of salary and 175% for the CFO. No portion of these awards may now be released until five years from grant in line with our focus on creating value for shareholders over the long term by linking a significant portion of executive directors' remuneration to long term performance. For the performance period commencing 2018 the performance measures will be relative TSR at 50% weighting and a strategic measure based on cost synergies also at 50% weighting. The strategic measure is to achieve the three-year synergy target of \$170m; threshold will be \$160m and the maximum will be achieved if \$200m or greater synergies are realised. The Committee considers these measures are well aligned to our strategy and shareholders interest and focused on delivering substantial value. We will review our approach again for 2019.

As always, we seek and welcome your feedback. Should you wish to get in touch please email the Secretary to the Committee, Claire Yule.

I trust that in the report for 2017 we have clearly explained our application and intentions regarding future implementation of the Directors' Remuneration Policy and I look forward to your support on the relevant resolution.



Jeremy Wilson
Chair, Remuneration Committee

Remuneration Committee

The Remuneration Committee advises the Board on executive remuneration and sets the remuneration packages of each of the executive directors within the approved policy. The Committee has a written charter, which is reviewed annually and is publicly available on the company website.

 Read the Remuneration Committee Charter at:
www.woodplc.com/remcommittee

During 2017, the Remuneration Committee comprised the following independent non-executive directors: Jeremy Wilson (Chair), Mary Shafer-Malicki and Jann Brown. Where appropriate, the Committee receives input from the Chair of the Board, Chief Executive, CFO, Executive President of People & Organisation and the Head of Compensation & Benefits, who also acts as Secretary to the Committee.

The aim of the Committee is to establish an overall remuneration structure which will:

- Promote the long term success of the company and deliver the strategy
- Create a competitive total remuneration package that supports recruitment, retention and motivation of executive directors, through a balance of fixed and variable pay
- Reflect the size and complexity of the global business
- Take account of executives' individual responsibilities and geographical location
- Align executive remuneration with the company's long term strategy, maximising the interests of shareholders
- Take into account the broader setting of pay conditions elsewhere within the company

In setting remuneration policy the Committee gives full consideration to the relevant provisions of the UK Corporate Governance Code, relevant regulations enacted under the Companies Act 2006 and shareholder views through consultation.

During the year, the Committee took advice from Deloitte LLP, who was retained as external advisor to the Committee. Deloitte adhere to the Remuneration Consultants Groups' Code of Conduct. Deloitte received £69,270 for the provision of services to the Committee during the year. These fees consisted of core services (where the cost was agreed in advance) and additional services (which were charged on a time and materials basis). As well as advising the Remuneration Committee, Deloitte provided other services in 2017, predominately related to tax compliance and advisory, integration activities related to the acquisition of AFW, systems consultancy and immigration advice. The Committee has reviewed the remuneration advice provided by Deloitte during the year and is comfortable that it has been objective and independent. The Committee has reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts.

Committee meetings in 2017

											
Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17

During 2017, the Committee met four times to discuss remuneration issues and the operation of the Directors' Remuneration Policy. There was full Committee attendance at each of these meetings. The Committee considered the following matters during the course of the year:

February

- Target setting for ABP 2017 and LTIP performance period 2017- 2019
- Agreed final outcomes for ABP 2016, 2017 arrangements and deferred payments from 2014
- Agreed LTIP outcomes for 2014-2016 performance period, 2017-2019 arrangements and deferred awards from performance period 2012-2014
- Approved 2016 Directors' Remuneration Policy and Report
- Reviewed and approved Committee charter

May

- Considered reward implications for the proposed acquisition of AFW including existing remuneration policy, variable reward plans and transitional arrangements
- Annual bonus Q1 performance update
- AGM preparation
- Reviewed approach to UK gender pay gap reporting as part of considerations of pay in the wider group

August

- Reviewed update on reward implications for proposed AFW acquisition including transitional arrangements, retention, potential future policy application and related shareholder consultation process
- Considered employee share plan arrangements and application for 2018
- Agreed approach to DRR 2017 for AGM 2018
- Determined process for Committee performance evaluation 2017

November

- Considered proposed 2018 remuneration and policy application for executive directors and agreed approach to shareholder consultation
- Reviewed ABP projected outcomes for 2017 and agreed process for determining achievement against 2017 objectives
- Considered ABP arrangements for 2018 and process for determining executive directors' objectives
- Reviewed estimated LTIP performance for 2015-2017 and considered arrangements for 2018-2020 performance period
- Completed Committee performance evaluation against 2017 objectives and agreed proposed 2018 objectives

Statement of shareholder voting

The Committee encourages shareholder engagement. Where there are a substantial number of votes against any resolution on directors' remuneration, the Committee would seek to understand the reasons for any such vote, and will detail here any actions in response to it.

The following table sets out the 2017 AGM voting in respect of our remuneration matters:

Item	For ^(a)	Against	Number of Abstentions ^(b)
Advisory vote on the 2016 annual report on Remuneration (2017 AGM)	299,339,821 (96.85%)	9,737,501 (3.15%)	447,507
Binding vote on the 2017 Director's Remuneration Policy (2017 AGM)	290,409,885 (94.23%)	17,782,054 (5.77%)	1,358,331

Notes to the Statement of shareholding voting

- Discretionary votes have been added to "For" votes.
- A vote abstained is not a vote in law and is not counted in the calculation of the percentage of votes "For" or "Against" a resolution.

Part 1: Policy Report

This part of the Directors' Remuneration Report contains the Directors' Remuneration Policy. This policy was approved by shareholders at the 2017 AGM, and took effect from that date. The objective of the remuneration policy is to provide a compensation package that promotes the long term success of the company and supports the strategy. It does this through a balance of fixed and variable pay, with the intent of creating a competitive total remuneration package which attracts and retains executives while creating an appropriate alignment between incentivising executive performance and the interests of shareholders.

There are no proposed changes to the policy, and therefore no requirement for shareholder vote at the 2018 AGM. The Committee will put a policy to shareholders again no later than the 2020 AGM.

 The Directors' Remuneration Policy with updated scenario charts can be found at:
www.woodplc.com/rempolicy

Part 2: Annual Statement on Remuneration

2.1 Single figure of remuneration for each executive director

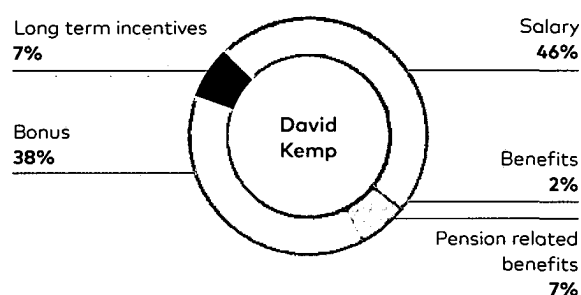
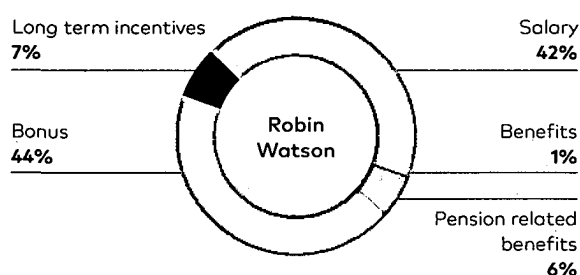
The following table set out the single figure of remuneration for each of the executive directors:

Executive directors - UK based (£'000)							
	Year	Salary ^(a)	Benefits ^(b)	Bonus ^(c)	Long term incentives ^(d)	Pension related benefits ^(e)	Total ^(f)
Robin Watson	2017	£600	£14	£623	£93	£90	£1,420
	2016	£600	£14	£320	£156	£90	£1,179
David Kemp	2017	£390	£14	£324	£58	£59	£844
	2016	£390	£14	£208	£80	£59	£751

Notes to the single figure of remuneration (executive directors)

- Salary received during the year.
- Taxable benefits received during the year. Taxable benefits include car allowance, private medical, dental and contributory health and welfare cover as applicable.
- Bonus awarded in relation to the year, inclusive of all amounts subject to further deferral.
- The value of long term incentives which vested in respect of performance periods ending during the year, inclusive of all amounts subject to further deferral. The figures have been calculated using the number of share options that vested multiplied by the closing mid-market share price on 29 December 2017 of £6.50. LTIP performance periods commencing 2013 onwards accrue dividends from the commencement of the performance period, which are paid as additional share options; 80% is paid following the end of the performance period and 20% deferred for two years. The deferred element may continue to attract dividends which will be reported in the period in which they are received. The figure in the table includes dividends accrued to 31 December 2017.
- Pension figure reflects cash value of defined contribution pension contribution or cash alternative. Further detail in relation to individual pension arrangements is provided in section 2.2.
- The single figure of remuneration, being the sum of columns (a) to (f) inclusive.

Single figure remuneration % of total 2017



Single figure remuneration for Chair of the Board and non-executive directors

The following table sets out the single figure of remuneration for the Chair and each of the non-executive directors. Further details on the non-executive director fee structure are set out on page 66.

Chair & non-executive directors single figure of remuneration (£'000)		
	Year	Total Fees
Ian Marchant	2017	£275.0
	2016	£275.0
Linda Adamany ^(a)	2017	£17.2
	2016	n/a
Thomas Botts	2017	£60.5
	2016	£60.5
Jann Brown	2017	£64.3
	2016	£63.7
Jaqueline Ferguson ^(b)	2017	£55.5
	2016	£4.6
Roy Franklin ^(c)	2017	£14.3
	2016	n/a
Richard Howson ^(d)	2017	£55.5
	2016	£35.4
Mary Shafer-Malicki	2017	£55.5
	2016	£55.5
Ian McHoul ^(c)	2017	£13.1
	2016	n/a
Jeremy Wilson	2017	£60.5
	2016	£58.7

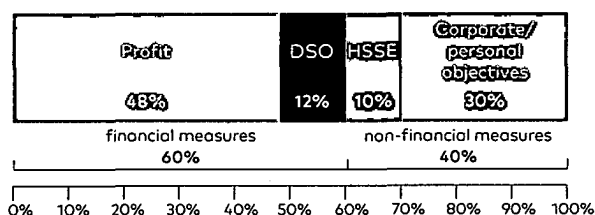
Notes to the single figure of remuneration (Chair & non-executive directors)

- Linda Adamany was appointed to the Board on 6 October 2017; fees shown are pro rata from this date and include an uplift as a non UK based director.
- Jaqueline Ferguson was appointed to the Board on 1 December 2016; fees shown for 2016 are pro rata from this date.
- Roy Franklin and Ian McHoul were appointed to the Board on 6 October 2017; fees are pro rata from this date.
- Richard Howson was appointed to the Board on 12 May 2016. Fees shown for 2016 are pro rata from this date.

Bonus

For 2017, the maximum bonus opportunity for the executives was 175% of base salary for the Chief Executive and 140% for the CFO. Bonus measures were split between financial (60%) and non-financial (40%) measures as illustrated in the chart below; 10% of the non-financial corporate objectives related directly to HSSE performance measures.

Relative weighting (% of bonus opportunity)



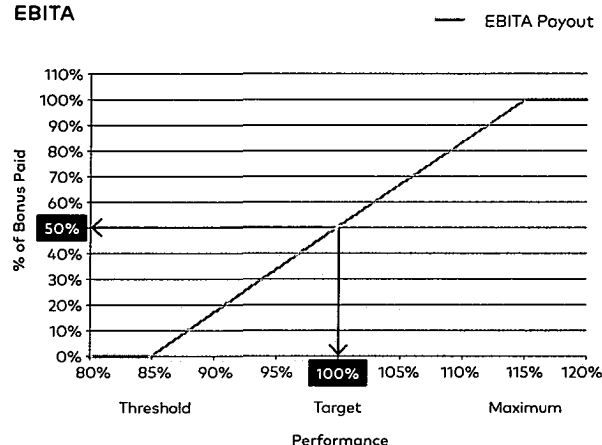
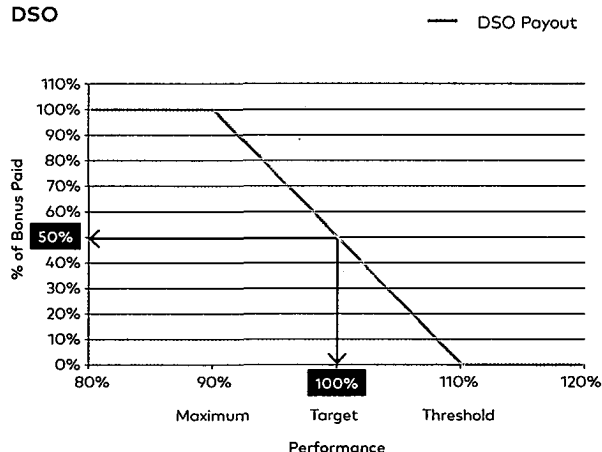
Financial measures

In line with policy, the financial measures consisted of measures of profit and revenue collection, split 48% and 12% respectively. The profit measure for 2017 was intended to be operating profit before exceptional items, as outlined in section 2.10 of 2016 DRR. During the course of 2017, and taking into account the impact of the acquisition of AFW during Q4, the decision was taken to retain EBITA which is reflective of the measures both companies had previously used as the profit measure for the annual bonus plan. Guidance to the market was based on EBITA.

DSO remains unchanged from previous years relating to revenue collection as a key contributing factor to cash flow.

For the executive directors, profit threshold performance is 85% of the target set; maximum bonus is achieved when results exceed 115% of target. For DSO, threshold performance is 110% of the target set and maximum is 90%. The monthly average is taken over the year and a lower DSO indicates better performance.

For both financial measures, threshold performance must be met before any award is paid; if target performance is met, 50% of the potential bonus opportunity is paid; 100% is payable for reaching maximum performance. Performance between threshold and target and between target and maximum will result in a proportionate award calculated on a straight-line basis. The relationship between performance against financial targets and bonus achieved is illustrated in the following graphs.

EBITA**DSO**

For awards made in 2017, 75% of any award will be paid in cash in the March following the end of the performance year; the remaining 25% is deferred into nil cost share options for a further two years with continued employment a requirement to receive the deferred payment, other than for those classified as good leavers.

Financial performance outcomes

EBITA performance achieved 98.9% to target, resulting in a pay out of 22.6% of maximum 48%. DSO achieved 107.1% of target resulting in a pay out of 1.7% of maximum 12%. The financial targets for the bonus year ended 31 December 2017, and the extent to which they were achieved, are set out in the table below.

Measures	Threshold	Target	Maximum	Achieved
EBITA ^(a)	\$323m	\$375m	\$438m	\$371.6m
DSO ^(b)	77 days	70 days	63 days	75 days

Notes to financial performance outcomes

- To ensure the assessment of the bonus remained sufficiently stretching, the Committee increased the profit measure target to reflect the period of Amec Foster Wheeler ownership.
- DSO is the average for legacy Wood Group

Non-financial measures

Non-financial measures total 40% and were split between corporate and personal objectives (30%) and HSSE performance measures (10%). Detailed objectives and actual performance for 2017 are detailed below:

HSSE measures and performance:

HSSE performance relates directly to HSSE improvement targets (5%), measured using Total Recordable Case Frequency (TRCF), and delivery against the HSSE 2017 plan (5%).

For 2017, the TRCF target was to reduce by 25%, with a 10% reduction required before any pay out is achieved. At maximum, TRCF achievement accounted for 5% of the total bonus. The HSSE plan for 2017 contained a number of objectives including: delivery against leadership engagement plans; improvement measures for close out of assurance actions and a percentage completion of culture reviews on safety breaches.

Performance achievement is considered by the Safety, Assurance and Business Ethics Committee (SABE). TRCF improvement in legacy Wood Group was 13%, resulting in partial pay-out of this element (2.6%); delivery against the HSSE plan resulted in full pay out for that element (5%). This resulted in an overall pay out of 7.6% of total potential bonus.

Corporate and personal objectives and performance:

Corporate and personal objectives are aimed at the achievement of the company's business strategy. Achievement of objectives is considered by the Chair of the Board and the Remuneration Committee as part of the annual review process. Measurement against each of the objectives is based on tangible performance outcomes and demonstrable evidence of achievement during the year. Overall achievement of corporate and personal objectives as agreed by the Committee for the bonus year ended 31 December 2017 is 91.6%.

2017 was dominated by the AFW acquisition intended to accelerate the long term growth strategy as laid out in the strategic objectives for 2017. Both executive directors' personal contribution to the overall success of this transformational change and integration activities is reflected in the bonus outcome award. Activities to date have focused on building an effective leadership organisation structure with the ELT in place for Day 1 and a further two levels of the organisation by day 100; the focus of the executive directors has delivered annualised synergies of \$40m to date. This was achieved in addition to delivering against the original objectives set at the beginning of the year.

Further details are set out in the tables below:

Corporate objectives	Achievements
ELT through-cycle growth target - Delivery against the strategic framework & priorities: - Overall business positioning for 2018 budget earnings to be greater than 2017 earnings - Strategic acquisitions; complete appropriate acquisitive opportunities - Achieve organic growth from established relationships, with wins balanced across the BUs - Continue to broadening the service and sector mix in line with the Group strategy Stability and effectiveness of the ELT: - Develop the ELT working relationships and inter-relationships within the new organisational structure - Assess team health in a measured manner (independently/via the Lintstock process) - Outcome will be assessed by reviewing team effectiveness and success of roles in new structure	- Completed AFW acquisition accelerating strategic growth plans and resulting service and sector broadening by end 2017. The overall portfolio is now 57% oil and gas, with strengthened midstream and downstream presence and expanded into mining and minerals, nuclear, power and process - Overwhelming shareholder support for the AFW transaction (over 99%) - Embedded Wood Group revised organisation structure – the effectiveness of the ELT was fundamental in delivering the acquisition and acceleration of the business strategy. During Q4 2017, an enhanced Wood organisation structure was achieved with the philosophy of "best of both"; this included leadership structure, assessment and selection to organisation level two - ELT development plans and succession planning in place and ongoing monitoring of team effectiveness supported via external executive coaching

Personal objectives		
Executive director	Objectives	Achievements
Robin Watson	- Organisational transition - Fully embed the new organisation and complete the transition plan in 2017 - Customers & stakeholders - Actively engage core stakeholder groups and key customers in dialogue about the Group's strategic direction and potential - Mature our tactical decisions and delivery, from our strategy - Provide mechanisms for delivering against the Group strategy and demonstrate continued tactical progress - Group positioning in Governmental and business community relationships - provide a programme of engagement across key (but non-core) stakeholder groups - Active safety and ethics leadership - provide a programme of active leadership and delivery in the safety and ethics arena	- Driving the plans of accelerating the strategy through the AFW acquisition was a focus for 2017 delivering all of personal objectives achievement. This includes: - Multiple shareholder engagements during the course of 2017 with a focus on clearly articulating the rationale of the deal and ensuring shareholder approval; this resulted in over 99% shareholder approval - Internal engagement activities focused on the development of the Wood vision, values and behaviours through a focused culture workstream - Strengthening of the ethics and compliance function globally. Leading the strategic focus on safety with a global campaign 'Stand up for Safety'
David Kemp	- ERP & finance shared services - Deliver 2017 ERP and shared services plan for Finance - IT&S outsourcing - Deliver outsourcing of IT Services to IBM in line with agreed service levels - Entity simplification - Establish entity simplification project and deliver 2017 workscope - Establish Group supply chain and real estate function - Establish function, implement agreed organisation structure and deliver efficiencies and savings - Investor relations - Deliver 2017 investor engagement programme - Risk management - Deliver agreed risk management and assurance action plan	- ERP and shared services programmes delivered substantially in line with plan and within budget. c.85% of legacy Wood Group business on Oracle ERP. - IBM outsourcing of infrastructure and application services completed delivering significant savings 103 legal entities eliminated; a further 59 commenced and future further simplification planned - Organisation designed and implemented; savings partially delivered with less success in Americas - Delivered the investor engagement programme resulting in multiple engagements during the course of 2017 with a focus on ensuring deal approval with over 99% shareholder approval - Risk and assurance plan delivered with Internal Audit extended into P&O, Legal, Ethics and Compliance, Commercial, Supply Chain in addition to Finance and IT

Bonus award achievement summary:

The table below provides a summary of overall bonus achievement for each of the executive directors:

Executive director	Financial award		Non-financial award		Total award as % of max bonus opportunity	Total bonus payment	Total award as % of salary
	% achieved	Payment	% achieved	Payment			
Robin Watson	24.3%	£255,212	35.1%	£368,025	59.4%	£623,237	103.9%
David Kemp	24.3%	£132,710	35.1%	£191,373	59.4%	£324,083	83.1%

Long term incentives – Long Term Incentive Plan (LTIP)

The figures set out in the single figure of remuneration table are related to awards under LTIP 2015-2017, which vested at 31 December 2017. Maximum awards and LTIP measures under the performance period were as per the table below:

Name	Participation Level	Performance Measures split	
		TSR	AEPS
Robin Watson	150%	25%	75%
David Kemp	125%	25%	75%

TSR is "Total Shareholder Return" and is a measure of the growth in John Wood Group PLC (JWG) share price plus dividends and other shareholder returns over the period; performance is measured relative to a peer group of comparative companies. Each company is ranked and JWG position in this group is taken as a measure of success. On reaching the threshold, or 50th percentile for TSR, 25% of the relevant measure becomes payable; and on reaching the maximum, or 75th percentile for TSR, 100% of the relevant measure becomes payable. For achievement between threshold and maximum, the allocation is on a straight line basis.

The TSR peer group for 2015 – 2017 LTIP performance cycle comprised the following companies – Aker Solutions, Amec Foster Wheeler, Chicago Bridge & Iron Company, Fluor, Jacobs Engineering, KBR, McDermott, Petrofac, Saipem, SBM Offshore, Sulzer, Technip, The Weir Group, Worley Parsons and WS Atkins. The treatment of the TSR peer group for the performance period 2015-2017 was considered by the Committee as a result of acquisition activity within the peer group with the following rationale applied: if a company has been in for more than half the performance period then this company will be retained in the peer group, adjusting to the end of the period for the movement in the acquirers share price – this should apply in the case of Technip, WS Atkins and Amec Foster Wheeler; if a company has been in for less than half the performance period, this company will be removed.

AEPS is determined using actual foreign exchange rates. No adjustment is made to reflect changes in currency from the date the targets are set.

For the 2015-2017 performance period all vestings were made as nil cost options. For all participants, 80% is paid following the end of the performance period and 20% of the share options awarded is deferred for a further two years. The LTIP award accrues dividends from the commencement of the performance period, which are paid as additional share options. The deferred element may continue to attract dividends which will be reported in the relevant period. For executive directors, all awards granted from 2017 will have 100% of all vestings subject to a further two year deferral period following the end of the performance period.

The targets for LTIP 2015-2017, and the extent to which they were achieved, are set out in the table below. For the performance period 2015-2017, AEPS did not meet threshold performance resulting in zero award for this measure. We achieved 56th percentile for our TSR peer group, which resulted in 10.9% award on this performance measure for all participants.

Financial measures	Threshold	Maximum	Achieved	Award %
TSR	50th percentile	75th percentile	56.25th percentile	10.9%
AEPS	100.0 cents	120.0 cents	53.3 cents	nil

 Details relating to 2016 bonus and long term incentive awards can be found in the 2016 Annual Report: www.woodplc.com/ar16

2.2 Pension related benefits

In line with the Directors' Remuneration Policy, the executive directors can choose to participate in the relevant local defined contribution pension arrangement or receive a cash allowance in lieu of pension, or a combination thereof. Payment may be up to 15% of base salary.

The Chief Executive was provided with life assurance cover of £2,500,000. The CFO was provided with life assurance cover of four times basic salary, up to a maximum free cover limit as specified in the life assurance policy.

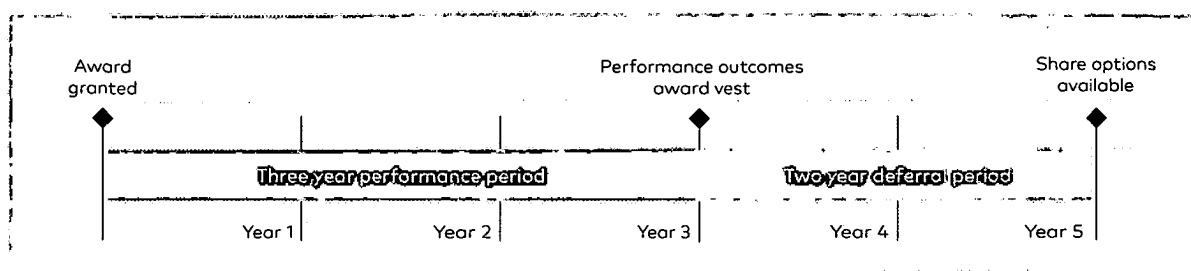
2.3 Long Term Incentive Plan interests awarded during the year

The following table sets out the awards made to each of the executive directors under the company's share based long term incentive arrangements for the performance period 2017-2019.

Share incentive plan interests awarded during the year								
Executive director	Type of award	Participation Level	Salary relevant to performance cycle	Face value of the award	Percentage vesting at threshold	Performance period	Holding period for 100% of award	Targets
Robin Watson	Conditional award of shares awarded under the LTP	200%	£600,000	£1,200,000	25%	1 Jan 2017 – 31 Dec 2019	Two years from vesting	TSR threshold is set at 50 th percentile with maximum at 75 th percentile; 25% becomes payable on reaching threshold; 100% becomes payable on reaching maximum. EPS for the performance period 2017-2019 was set as 44.8 cents at threshold and 74.8 cents at maximum
David Kemp		160%	£390,000	£624,000				

Performance measures are based on relative TSR and EPS weighted equally at 50%. Performance is measured over a period of three financial years and for awards granted from 2017 onwards, 100% of any award is deferred for a period of two years following the end of the performance period. Malus and clawback will apply as detailed in the remuneration policy. This timeline is demonstrated below:

LTIP timeline



2.4 Payments to past directors

For the year ending December 2017, there were no payments made to past directors which require disclosure and have not already been disclosed in previous Directors' Remuneration Reports.

2.5 Payments for loss of office

There were no payments made for loss of office to any director during 2017.

2.6 Statement of directors' shareholding and share interests

Shareholding guidelines were reviewed during the 2016 directors' remuneration policy review and approved by shareholders at the 2017 AGM. The policy requires the Chief Executive to hold shares valued at 200% of base salary and the other executive directors to hold shares valued at 100% of base salary. The holding will be built up from after tax share awards which are not subject to any further performance or other conditions, such as continued employment. The holding does not include shares held by connected persons.

There have been no changes in the interests of directors between 31 December 2017 and 6 March 2018.

The extent to which each director met the shareholding guidelines is shown in the table below:

Executive director	Shareholding at 31 December 2017 (not including connected persons)	Value of shares held as a % of salary ^(a)	Shareholding guideline met at 31 December 2017
Robin Watson	198,153	214.7%	Achieved
David Kemp	23,891	39.8%	Accumulating

Notes to shareholding guidelines achievement

a. Calculated using the closing mid-market share price on 29 December 2017 of £6.50 and base salary levels at the same date.

A summary of directors' share interests and incentive plan interests are provided in the following two tables. The first table details directors' interests in the ordinary shares of the company at 31 December 2017 with and without performance conditions; declaration includes shares held by connected persons as defined for the purposes of section 96B (2) of the Financial Services and Markets Act 2000. The second table details directors' interests in long term incentive plans at 31 December 2017.

Directors' interests in the ordinary shares of the company at 31 December 2017.

Beneficial interest	Shares owned outright as at 1 January 2017	Shares owned outright as at 31 December 2017	Interests in share incentive plans, awarded without performance conditions at 31 December 2017	Interests in share incentive plans, awarded subject to performance conditions at 31 December 2017
Executive directors				
Robin Watson	146,951	203,346	43,422	413,164
David Kemp	2,216	23,891	28,784	219,819
Non-executive directors				
Ian Marchant	22,777	22,777	-	-
Linda Adamony ^(a)	-	2,325	-	-
Thomas Botts	8,500	8,500	-	-
Jann Brown	11,382	12,575	-	-
Jacqueline Ferguson	-	-	-	-
Roy Franklin ^(b)	-	-	-	-
Richard Howson	-	-	-	-
Mary Shafer-Malicki	3,450	3,450	-	-
Ian McHoul ^(c)	-	389,225	-	-
Jeremy Wilson	10,000	10,000	-	-

Notes to share interests

a. Linda Adamony was appointed to the board 6 October 2017

b. Roy Franklin was appointed to the board 6 October 2017

c. Iain McHoul was appointed to the board 6 October 2017. His previous role was CFO of AFW and the number of shares owned outright relates to the treatment of AFW shares which vested at the point of change of control.

None of the executive directors had a material interest in any contract, other than a service contract, with the company or any of its subsidiary undertakings. At the date of this report the interests of the directors in the shares of the company remain as stated. Where applicable the December 2017 figures include interest in retained long term plan awards.

Details of directors' interests in long term incentive and bonus plans at 31 December 2017; all interests are awarded as share options:

	Date of award/ performance period	Performance conditions Y/N	Earliest exercise date	Exercise price per share	Market value at date of exercise per share	Number as at 1 Jan 2017	Granted in 2017	Exercised in 2017	Lapsed in 2017	Dividends awarded as additional share options ^(a)	Number as at 31 December 2017
Robin Watson											
LTIP	2012 - 2014	N	March 2015	–	£5.67	8,717	–	9,309	–	592	0
LTP	2013 - 2015	N	March 2016	–	–	1,870	–	–	–	–	1,870
LTP	2014 - 2016	N	March 2017	–	£5.67	17,778	–	14,222	–	–	3,556
LTP	2015 - 2017	N	March 2018	–	–	118,048	–	–	–	–	118,048
LTP	2016 - 2018	Y	March 2019	–	–	154,593	–	–	–	–	154,593
LTP	2017 - 2019	Y	March 2022	–	–	–	140,523	–	–	–	140,523
ABP 2014	01 March 2015	N	March 2017	–	£5.67	27,275	–	27,275	–	–	0
ABP 2015	01 March 2016	N	March 2018	–	–	19,287	–	–	–	–	19,287
ABP 2016	01 March 2017	N	March 2019	–	–	–	18,709	–	–	–	18,709
Total						347,568	159,232	50,806	0	592	456,506
David Kemp											
LTRP	13 April 2013	N	13 April 2017	–	£6.89	20,000	–	20,000	–	–	0
LTP	2013 - 2015	N	March 2016	–	–	1,056	–	–	–	–	1,056
LTP	2014 - 2016	N	March 2017	–	£6.89	9,183	–	7,346	–	–	1,837
LTP	2015 - 2017	N	March 2018	–	–	63,009	–	–	–	–	63,009
LTP	2016 - 2018	Y	March 2019	–	–	83,738	–	–	–	–	83,738
LTP	2017 - 2019	Y	March 2022	–	–	–	73,072	–	–	–	73,072
ABP 2014	01 March 2015	N	March 2017	–	£7.145	13,770	–	13,770	–	–	0
ABP 2015	01 March 2016	N	March 2018	–	–	–	13,730	–	–	–	13,730
ABP 2016	01 March 2017	N	March 2019	–	–	–	12,161	–	–	–	12,161
Total						190,756	98,963	41,116	0	0	248,603
Total for all executive directors						538,324	258,195	91,922	0	592	705,189

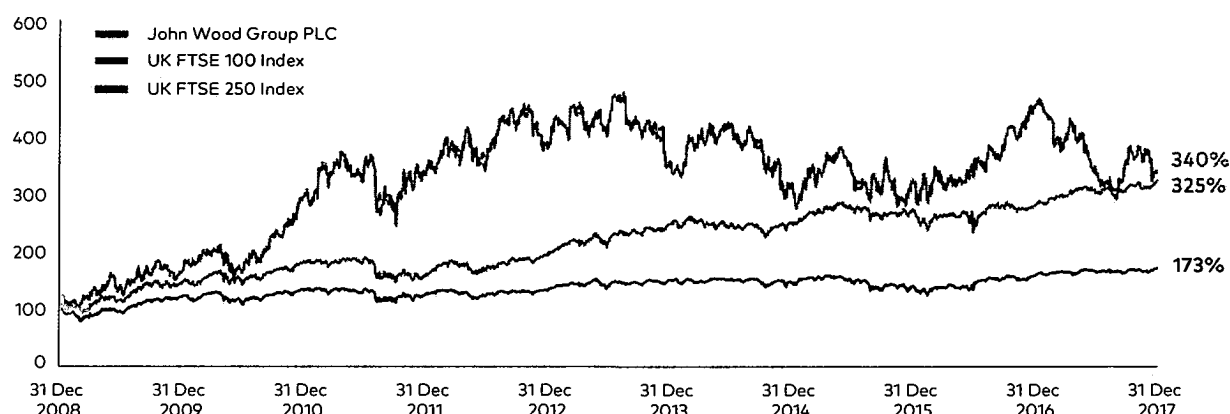
Notes to incentive plan interests

- a. The 20% deferred element for LTIP performance period 2012-2014 attracts dividends which are paid as additional share options. For performance periods commencing 2013 onwards, dividend accrues on 100% of award; 80% is paid in March following the end of the performance period and 20% is deferred for two years. The deferred element may continue to attract dividends which will be reported in the relevant period.

2.7 TSR performance summary & Chief Executive remuneration

In accordance with the reporting regulations the TSR performance summary will be built up until a 10 year period is disclosed, and will be maintained at a 10 year disclosure period.

As the company is included in the UK FTSE 250 index, but has been included in the FTSE 100 index for part of the period under review, both the UK FTSE 250 and UK FTSE 100 indices are shown, by way of providing a reasonable TSR comparison. The graph below compares the TSR on a holding of shares in John Wood Group PLC with the TSR on a holding of shares in the companies in the UK FTSE 250 and 100 indices for the last nine financial years.



Chief Executive remuneration

The total remuneration for the Chief Executive over the same period as the TSR performance graph detailed is listed in the following table. This table includes details of the annual bonus received in each year as a percentage of the maximum opportunity that was available, as well as the long term incentives which vested in each year as a percentage of the maximum number of shares that could have been received.

Chief Executive remuneration (£000)										
Year	2009	2010	2011	2012	2012	2013	2014	2015	2016	2017
Chief Executive	Allister Langlands	Allister Langlands	Allister Langlands	Allister Langlands ^(a)	Bob Keiller ^(b)	Bob Keiller	Bob Keiller	Bob Keiller	Robin Watson ^(c)	Robin Watson
Chief Executive single figure of total remuneration (£'000)	£1,417	£1,314	£3,338	£2,276	£199	£1,624	£1,330	£1,147	£1,179	£1,420
Annual bonus award as a % of maximum opportunity	60%	84%	87%	76%	75%	60%	48%	37%	43%	59%
Long term incentive vesting rates as a % of maximum opportunity	0%	23%	100%	100%	25%	79%	51%	16%	25%	11%

Notes to Chief Executive remuneration table

- Allister Langlands was appointed Chair on 1 November 2012. His remuneration for 2012 related to his time as Group CEO only.
- Bob Keiller was appointed Group CEO on 1 November 2012. His remuneration for 2012 reflected his remuneration from appointment as Group CEO only. Long term incentives vesting during the year were awarded during his time as Wood Group PSN CEO and vested based on performance targets linked to performance of that division.
- Robin Watson was appointed as Chief Executive on 1 January 2016. Long term incentives vesting during the year were awarded during his time as Wood Group PSN CEO and vested based on performance targets linked to performance of that division.

Ratio of Chief Executive pay to average employee

For 2017, we have calculated the ratio of Chief Executive salary with a UK comparator group using two scenarios:

- The ratio of Chief Executive base salary to the average base salary of the integrated UK workforce is 10:1
- The ratio of Chief Executive base salary, overtime, cash allowances and bonuses paid via payroll in 2017, to the comparator group is 13:1

The comparator group used relates to legacy Wood Group UK integrated payrolls, which represent 59% of the total UK workforce (legacy Wood Group). Integrated payrolls are those which are processed in house and directly from the ERP system. The calculations are based on actual payments made during 2017.

The average annual salary is £58,000; for the same group the average of salary, overtime, cash allowances and bonus pay is £65,000. The bonus figure used for the Chief Executive is inclusive of deferred elements, payable in equivalent share options following a two year deferral period, and the pension cash allowance. Other pension contributions and taxable benefit entitlement have not been included.

2.8 Percentage change in Chief Executive remuneration

The following table provides a summary of the increases in remuneration for the Chief Executive as compared with the average increase for all other UK based employees in the company.

	% change between 2016 and 2017		
	Salary	Benefits ^(a)	Bonus ^(a)
Chief Executive	0%	-1.5%	93.9%
Average of all other UK employees ^(a)	0%	-2.4%	-6.8%

Notes to the percentage change in Chief Executive remuneration

- Given the wide variation in inflation rates across the various geographies in which the company operates, the comparator group used is UK based employees; for 2017 legacy Wood Group has been used as the representative group due to the timing of the AFW acquisition. UK based employees constituted approximately 23% of the overall global workforce.
- Benefits are based on a sample employee with a UK average salary of £58,000 per annum, receiving taxable employee benefits including car allowance, private family medical and dental insurance. The change between 2016 and 2017 is related to the reduced company cost of private medical and dental cover; the same cover is provided to the Chief Executive and average UK employee.
- The bonus increase is based on average bonus award as a percentage of salary for 2016 against 2017. The percentage increase from 2016 to 2017 for the Chief Executive is attributed to the increase in participation level, from 125% in 2016 to 175% in 2017, and a higher percentage performance outcome for 2017.

2.9 Relative importance of spend on pay

The table below is provided to assist shareholders in assessing the relative importance of the company's spend on pay. It contains details of the remuneration paid to or received by all employees of the company as well as the value of distributions to shareholders by way of dividend and share buyback over the previous two years.

Item	2016 (\$m)	2017 (\$m)	Difference (\$m)	% change
Remuneration paid to or received by all employees of the Group	2,210.1	2,741.6	531.5	24.0%
Distributions to shareholders by way of dividend and share buyback	116.0	125.6	9.6	8.3%

2.10 Statement of implementation of remuneration policy in the following financial year

The Directors' Remuneration Policy was approved at the 2017 Annual General Meeting (AGM). This section provides an overview of how the Committee will implement the remuneration policy in 2018 which is subject to shareholder approval at the 2018 AGM. There are no proposed changes to policy for 2018.

Base salary

As described in the letter from the Chair of the Committee, the Chief Executive base salary will increase to £690,000 and the CFO to £450,000 effective from 1 January. This will form part of the advisory notification to shareholders at the 2018 AGM.

Executive	2017 annual base salary	2018 annual base salary	% increase
Robin Watson	£600,000	£690,000	15.0%
David Kemp	£390,000	£450,000	15.4%

Benefits

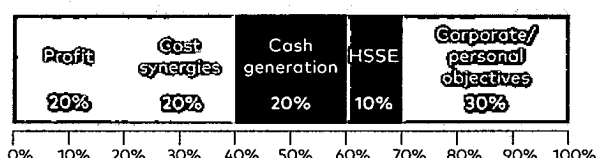
The executive directors will continue to participate in existing benefit arrangements in line with the agreed remuneration policy.

Bonus

The 2018 annual bonus opportunities for the executive directors will remain as 175% for the Chief Executive. As detailed in the Chair's letter, the CFO participation level will increase to 150%.

Consistent with previous years, bonus measures will be split between financial, HSSE and non-financial measures with a balance of 60%, 10% and 30% respectively as illustrated in the chart below.

Relative weighting (% of bonus opportunity)



Financial measures

For 2018, the financial measures and the weighting will be:

- EBITA (as a measure of profit), weighted at 20%
- 2018 cost synergy target, weighted at 20%
- Cash generation measure, weighted at 20%

For profit and cash generation measures, threshold performance will be 90% of the target set, and maximum bonus is achieved when results exceed 110% of target. Targets for cost synergies will reflect the overall objectives built into the strategy.

Threshold performance must be met before any of that element of the award is paid; if target performance is met, 50% of the potential bonus opportunity is paid; 100% is payable for reaching maximum performance. Performance between threshold and target and between target and maximum will result in a proportionate award calculated on a straight-line basis.

For awards made in 2018, 75% of any award will be paid in cash in the March following the end of the performance year, with the remaining 25% deferred into nil cost share options for a further two years.

The Committee has set the targets for the annual bonus plan for the year ending 31 December 2018 at its meeting in March 2018. It is the opinion of the Committee that these are commercially sensitive and in line with previous practice, the details of annual bonus targets and the extent to which the targets are met will be disclosed retrospectively in next year's report.

Non-financial measures

HSSE measures

HSSE measures total 10% of bonus opportunity and will relate directly to HSSE improvement targets, measured using Total Recordable Case Frequency (TRCF), and delivery against the HSSE 2018 plan.

Corporate / personal objectives

Non-financial measures relating to corporate/personal objectives, weighted as 30% of bonus opportunity are summarised in the tables below. These are considered stretching objectives, with tangible performance outcomes focused on the delivery of strategic plans. Detailed disclosure of performance against objectives will be contained in next year's Directors' Remuneration Report.

Corporate objectives

ELT Integration programme delivery and positioning for through-cycle growth

Develop and deliver deleveraging plan

ELT leadership effectiveness and mitigate the likelihood and effect of any down-side risk/unexpected event

Personal objectives

Robin Watson

- Organisational transition: Fully embed the new organisation and complete the integration in 2018
- Customers & Stakeholders: Actively engage core stakeholder groups and key customers
- Corporate Affairs: Positioning and engagement programme
- Mature our tactical decisions and delivery, from our strategy: Provide mechanisms for delivering against the strategy and demonstrate continued tactical progress
- Active safety and ethics leadership: Provide a programme of active leadership and delivery in the safety and ethics arena

David Kemp

- Deliver 2018 Synergy Delivery Budget for Finance & Administration
- Develop and communicate long term deleveraging plan and deliver 2018 element
- Develop and deliver financing plan for Wood
- Deliver and govern an active cash management programme across the company
- Deliver functional integration plan delivering simpler and consistent operating model to Wood
- Provide thorough governance structure leadership, assessment of progress and reporting to Board
- Develop and deliver Wood investor engagement programme

Long Term Incentive Plan – LTIP

For 2018, there will be no change to the LTIP maximum opportunity, which will remain as 200% of salary. The award to the Chief Executive will be 200% of salary and the award to the CFO will be 175% of salary. As detailed in the letter from the Chair, the award for the CFO has increased from 160% in 2017.

Awards achieved under LTIP will be deferred in full for a period of at least two years following the end of the three year performance period, resulting in a total holding period of five years from the year of the award being granted.

For the performance period commencing 2018, the performance measure will be relative TSR, at 50% weighting and a strategic measure, also at 50% weighting. The strategic measure is to achieve the three year cost synergy target of \$170m; threshold will be \$160m and maximum performance will be achieved at \$200m. No award will be made for less than threshold performance; 25% becomes payable on reaching threshold and 100% is payable on reaching maximum performance.

For TSR performance, no award is made for less than performance at the 50th percentile. On reaching the 50th percentile, 25% becomes payable and on reaching maximum performance of 75th percentile, 100% becomes payable. For achievement level between the 50th and 75th percentile the allocation is on a straight line basis.

The TSR peer group was reviewed by the Committee and has been amended as a result of acquisition activity and in recognition of the new organisation structure.

The peer group for 2018 will be as follows: Aecom, Aker Solutions, Fluor, Jacobs, KBR, Hunting, McDermott, Petrofac, Saipem, SBM Offshore, SNC Lavalin, Stantec, Technip FMC, Tetrattech, The Weir Group, Worley Parsons and WSP.

Pension and life assurance benefits

The executive directors will continue to participate in existing pension and life assurance arrangements in line with the Policy.

Shareholding requirements

The shareholding requirements will remain as 200% for the Chief Executive and 100% for all other executives.

Chair of the Board and non-executive director (NED) remuneration

The Chair and NED fee structure for 2018 is set out below, which is unchanged from 2016:

	2018 fees per annum
Chair of the Board remuneration	£275,000
Annual non-executive director fee inclusive of all Committee attendance	£55,500
Additional fee for senior independent director	£5,000
Additional fee for Audit / Remuneration / Safety, Assurance & Business Ethics Chairs	£5,000

Financial statements

Group financial statements

The audited financial statements of Wood
for the year ended 31 December 2017

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Independent auditors' report

to the members of John Wood Group PLC

Report on the audit of the financial statements

Opinion

In our opinion:

- John Wood Group PLC's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2017 and of the group's loss and cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 31 December 2017; the consolidated income statement and consolidated statement of comprehensive income/(expense), the consolidated cash flow statement, the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the company.

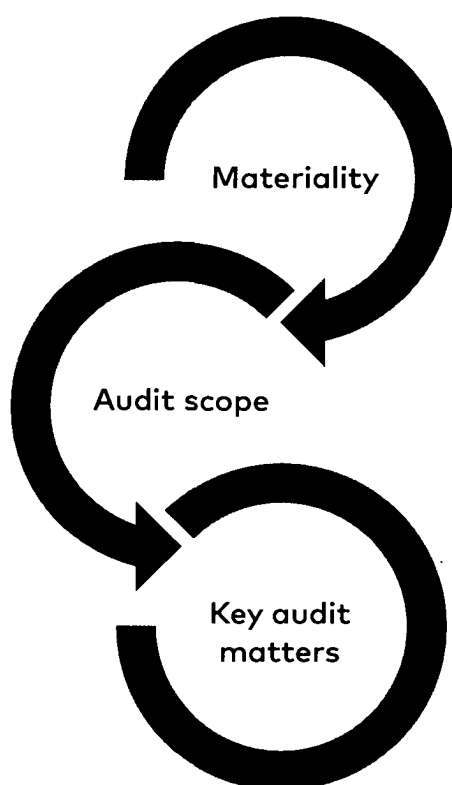
Other than those disclosed in note 3 to the financial statements, we have provided no non-audit services to the group or the company in the period from 1 January 2017 to 31 December 2017.

Our audit approach

Context

John Wood Group PLC ("Wood") is a global leader in the delivery of project, engineering and technical services to energy and industrial markets. They provide performance-driven solutions throughout the asset life-cycle, from concept to decommissioning across a broad range of industrial markets including the upstream, midstream and downstream oil & gas, chemicals, environment and infrastructure, power & process, clean energy, mining and general industrial sectors. Its activities and results continue to be impacted by challenging conditions in its core oil & gas markets. On 6 October 2017, the group completed the acquisition of Amec Foster Wheeler plc ("AFW"). Following the acquisition, the group revised its operating structure and now operates through five BUs: Asset Solutions Americas, Asset Solutions Europe Africa Asia and Australia ("EAAA"), Specialist Technical Solutions ("STS"), Environment and Infrastructure Solutions ("E&IS") and Investment Services with additional centralised group functions. Our audit was planned to take into account the impact of market conditions and this significant acquisition on the results and activities of the group.

Overview



- Overall group materiality: \$30.0 million (2016: \$14.6 million), based on 0.5% of total revenues (2016: 5% of average profit before tax from continuing operations before exceptional items).
- Overall company materiality: \$13.5 million (2016: \$1.7 million), based on an allocation of group materiality.
- On 6 October 2017, the group completed the acquisition of Amec Foster Wheeler ("AFW"). After due and careful consideration it was considered effective and efficient to engage the incumbent auditors, Ernst & Young LLP ("EY"), to perform the audit of the legacy AFW business as one component under our instruction and supervision.
- We conducted full scope audits on 12 further components and the audit of specified balances and classes of transactions on a further 8 components. The scope of work at each component was determined by its contribution to the group's overall financial performance and its risk profile.
- The group audit team performed the audits of 10 of the full scope components including those in the US. We engaged our network firms in Australia, Norway and Guernsey to perform the audit procedures in their respective locations.
- The components where audit work was performed accounted for approximately 80% of group revenue.
- Appropriateness of revenue recognition on lump sum contracts.
- Carrying value of goodwill.
- Purchase price allocation arising on the acquisition of AFW.
- Legacy, environmental, and other similar provisions.
- Asbestos related claim provisions.
- Carrying value of investment in EthosEnergy joint venture (group and company).
- Liabilities for uncertain tax positions, recognition of deferred tax assets and R&D credits (group).
- Recovery of unbilled revenue and accounts receivable (group).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We gained an understanding of the legal and regulatory framework applicable to the group and the industries in which it operates, and considered the risk of acts by the group which were contrary to applicable laws and regulations, including fraud. We designed audit procedures at group and significant component level to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the group and company financial statements, including, but not limited to, the Companies Act 2006, the Listing Rules, Pensions legislation, UK tax legislation and equivalent local laws and regulations applicable to significant component teams. Our tests included, but were not limited to, review of the financial statement disclosures to underlying supporting documentation, enquiries of management, review of significant component auditors' work and review of internal audit reports in so far as they related to the financial statements. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits we also addressed the risk of fraud in revenue recognition and management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Appropriateness of revenue recognition on lump sum contracts Refer to page 47 (Audit Committee Report) and page 82 Accounting Policies. Revenue from lump sum contracts as a proportion of total revenue has increased significantly following the acquisition of AFW. Lump sum contract revenue is recognised over the term of the contract with reference to the percentage stage of completion at each reporting date. Determining the percentage stage of completion for lump sum contracts requires significant judgement around forecast costs to complete, which for longer term contracts may include a number of assumptions and estimates. There is also added complexity associated with assessing the forecast revenue which may include incentive payments and variation orders. There may also be contract contingencies or customer claims which require measurement, or provisions required for loss making lump sum contracts. These provisions require significant judgement in determining the status of the disputes, probability of future outflow, and the appropriate value of contract related provisions to recognise. We focused on this area due to the material value of the revenue recognised in the year from lump sum contracts, and the level of judgement required in estimating forecast costs, revenue and contract provisions.	Where controls were in place for the full year, we tested key internal financial controls over the calculation of revenue, including those used to determine the initial project set up and cost estimations, and ongoing project review controls. For a sample of contracts we obtained the percentage of completion calculations, agreed key terms back to the signed contracts, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue taken in the year based on the percentage of completion. We discussed the sample of contracts selected with project managers and other members of senior management to understand the status of the contract, any changes from previous years, the key assumptions underpinning the revenue and costs, and the existence of any claims or litigation. For forecast costs, we obtained the breakdown of costs and agreed a sample to supporting evidence such as labour rates, or subcontractor quotes. For any variation orders above the original contract value we obtained the signed contract amendments, or where these were not available we inspected third party correspondence or legal advice as appropriate to support the recognition of the variation orders and claims as revenue. As part of our testing of significant contracts, we also assessed the adequacy of contract provisions and management's assessment around the potential for liquidated damages for projects with delays. For those contracts subject to claims, we have made enquiries of internal and external legal counsel to assess the adequacy of and corroborate the position taken by management. Overall, we are satisfied that the group's accounting policies for lump sum contract revenue recognition and contract related provisions are reasonable and have been appropriately applied.
Carrying value of goodwill Refer to page 47 (Audit Committee Report), page 81 Accounting Policies and page 95 (note 8). The carrying value of goodwill as at 31 December 2017 is \$5.4 billion. The goodwill balance relates to a number of acquisitions, the most significant of which being the group's acquisition of AFW (\$3.5 billion) in 2017, as well as a number of smaller acquisitions in recent years. Following the AFW acquisition, management performed a reorganisation and reassessed the underlying Cash Generating Units ('CGU's'), resulting in the creation of 5 CGU's incorporating elements of the legacy WG and AFW businesses. Management undertook an annual impairment assessment in accordance with their accounting policy. The lower oil & gas price environment since many acquisitions were undertaken, and the impact this has had on the results of the group, may have indicated that goodwill is impaired. We focused on this area given the significant judgements involved, and complexity of valuation methodologies requiring the use of estimates, to determine whether the carrying value of goodwill is appropriate.	We obtained managements' impairment model and tested the mathematical accuracy of the model and confirmed the CGU's identified following the acquisition are the lowest level at which management monitors goodwill. We performed audit procedures over the assumptions used in respect of forecast growth rates and discount rates and involved our valuation specialists to corroborate the appropriateness of the rates used by reference to third party source data. We agreed the underlying cash flow forecasts used in the models to approved budgets and forecasts. We evaluated the budgets and forecasts used within the model against current trading conditions and corroborated the reasonableness of key assumptions including agreeing future cost synergies to management's detailed plans. We performed sensitivity analysis by stress testing the valuation models to determine the degree to which the assumptions would need to move before an impairment would be triggered. Based on our work performed we conclude that the carrying value of goodwill at the year-end is appropriate. We agree with management that reasonably possible changes in assumptions would result in an impairment loss in the Asset Solutions EAAA cash generating unit and that the sensitivity disclosures included in note 8 in the financial statements comply with the requirements of IAS 36.

Purchase price allocation arising on the acquisition of Amec Foster Wheeler plc Refer to page 47 (Audit Committee Report), page 81 Accounting Policies and page 119 (note 28). The group's acquisition of AFW completed on 6 October 2017. The consideration for the acquisition was \$2.8 billion. Intangible assets acquired were valued at \$1.3 billion and goodwill of \$3.5 billion was recognised. The group was required to complete an acquisition accounting exercise in accordance with IFRS 3. This comprised determining the fair value of the consideration payable and allocation of the consideration across the various identifiable assets and liabilities acquired, intangible assets and any resultant goodwill. Management used third party experts to assist them in this exercise in the areas of property valuation and the valuation of intangibles. This was an area of focus due to the material values associated with the acquisition and the nature of the judgements and assumptions management were required to make in determining the associated fair value of the assets acquired.	We reviewed the recommended all share offer documents which were approved by shareholders and recalculated the implied equity value based on the number of shares issued for the share exchange. We instructed our component teams to perform audit procedures over the material balances in the AFW balance sheet at the date of acquisition and we reviewed their working papers. With support from our valuation experts, we obtained an understanding of the methodology applied in allocating the purchase price across intangible assets and goodwill. This included discussions with management's third party experts, and understanding and assessing the scope of the experts work. We also considered whether management had identified all potential intangible assets. In conjunction with our valuation experts, we benchmarked the key assumptions in the valuation models, including the discount rate, against our own internal data and recent public announcements from other comparable companies. We compared the forecasts used within the intangible asset valuation model to the AFW approved budgets at the time of the acquisition. We understood the basis for the fair value adjustments attributed to the assets and liabilities acquired, and tested these adjustments to supporting documentation. We tested the disclosures in the financial statements and checked for compliance with IFRS 3 'Business Combinations.' Based on our work performed, we consider the fair value adjustments on the assets and liabilities, and the valuation of intangible assets and goodwill acquired, to be appropriate.
Legacy, environmental, and other similar provisions Refer to page 47 (Audit Committee Report), page 82 Accounting Policies and page 108 (note 18). At 31 December 2017, the total legacy AFW group provisions, excluding asbestos were \$261.6m. The estimation of the provisions involves significant judgment when determining the likely future outflow, in particular for longer term environmental liabilities which have a higher level of estimation uncertainty.	We held discussions with management's internal and external legal experts and reviewed legal letters received from external counsel. We obtained supporting calculations and performed audit procedures on the mathematical accuracy of the calculations, and agreed the detailed assumptions underpinning the provisions to supporting documentation. We considered the completeness of the provisions through review of board papers, legal letters and claims correspondence. We considered whether the disclosures made in note 18 were full and accurate. Based on our work we did not identify any material misstatements with regard to legacy, environmental and other similar provisions.
Asbestos-related claim provisions Refer to page 47 (Audit Committee Report), page 82 Accounting Policies and page 108 (note 18). At 31 December 2017, the group had total provisions of \$562.4m arising from claims against the legacy AFW businesses in the US and the UK relating to products previously manufactured which contained asbestos. The estimation of the provisions involves significant judgment, in particular over the assumptions relating to the US litigation environment, such as the number and value of future claims. The group has insurance cover in place to partially offset the liability arising from claims in the US and the UK (\$132.4m included in other receivables). This was also considered in our work.	We have performed procedures on both the UK and US asbestos liabilities. We examined the model maintained by management's asbestos valuation expert, and involved our actuarial experts to evaluate their work, considering the appropriateness of the methodology used and the reasonableness of assumptions including risk premium and considering alternative outcomes. We agreed the accuracy of input data to the model by agreeing to source documents, testing the effectiveness of the controls in place over the ongoing handling of that data, and vouching a sample of defense and indemnity cash flows. We confirmed the valuation of the insurance cover held by the group by agreeing to source documents and considered the creditworthiness of insuring parties. Finally, we tested the disclosures in the financial statements and checked for compliance with IAS 37 'Provisions, Contingent Liabilities and Contingent Liabilities' and IAS 1 'Presentation of Financial Statements'. Based on our work, we consider the assumptions and approach adopted by management to be appropriate in arriving at a reliable estimate for the provision, and that the disclosures contained within notes 18 and 14 of the financial statements, to be appropriate.

Carrying value of investment in EthosEnergy joint venture Refer to page 47 (Audit Committee Report), page 81 Accounting Policies and page 97 (note 10). After accounting for the trading results from the joint venture for the year ended 31 December 2017, the carrying value of the investment in EthosEnergy at that date (pre impairment) was \$105m. Given the history of impairment charges within EthosEnergy and the risk of a further impairment this was an area of focus. Management have considered selling their share of the joint venture and discussions with a prospective buyer have continued during 2017. Management have compared the fair value less costs of disposal implied by the potential selling price discussed with the prospective buyer with the carrying value which has resulted in an impairment charge of \$28m being recorded. The carrying value of the investment as at 31 December 2017 following the impairment is \$77m. Management also prepared a value in use ("VIU") model which presented a lower valuation than their assessment of fair value less costs of disposal.	We tested management's assessment of the carrying value of EthosEnergy at 31 December 2017 by obtaining the latest offer received for the EthosEnergy joint venture and compared this to the investment carrying value. We tested the calculation of the revised carrying value of the investment being the expected proceeds adjusted for estimated costs of disposal. In addition, we performed substantive procedures over the VIU model to confirm the appropriateness of the basis of the valuation of the investment being the higher of fair value less cost to sell and value in use. We assessed the key assumptions within the model being short term cash flow assumptions, discount rate and long term growth rate. We reviewed the presentation and disclosure of the joint venture and considered the appropriateness of this not being classified as held for sale. Based on the work performed we concluded that the carrying value of the group's investment in EthosEnergy at the year-end is appropriate and properly disclosed.
Liabilities for uncertain tax positions, recognition of deferred tax assets and R&D credits Refer to page 47 (Audit Committee Report), page 82 Accounting Policies and page 92 (note 5). The group operates in multiple tax jurisdictions where uncertain tax positions and treatments may be challenged at a later date. There are a number of tax associated balances across the group, the most judgmental of which are provisions associated with tax risks, the completeness of uncertain tax positions, and the carrying value and recognition of deferred tax assets. There is judgement required in assessing the level of provisions to cover the risk of successful challenge of certain of the group's tax positions. Provisions are held principally in respect of current tax deductions previously taken, ongoing tax audits, and uncertainties on the utilisation of deferred tax assets. This is an area which requires management to exercise significant judgement. Given the uncertainties inherent in establishing the group tax provisions there is a risk that these may be materially misstated.	We assessed the valuation of tax exposures estimated by management. Using our tax experts, we evaluated the range and quantum of risks associated with these exposures along with claims or assessments made by tax authorities to date. We have also inspected documentation in relation to tax audits to ensure that exposures the tax authorities are raising have been considered and provided for where necessary. We tested the basis used by management in determining the quantum and period over which deferred tax assets and R&D tax credits will be recovered. We have also assessed if management's rationale over the length of time such assets will be recovered is supportable and consistent with prior periods based on forecasting information and growth assumptions. From the work performed we are satisfied that the provisions recorded in respect of tax risks and the carrying value of deferred tax assets are appropriate.
Recovery of unbilled revenue and accounts receivable Refer to page 47 (Audit Committee Report), page 84 Accounting Policies and page 99 (note 12). At 31 December 2017 group trade receivables and unbilled revenue amounted to \$1,705.1m. The level of risk associated with the recoverability of these balances is a result of continued market pressures and strain in the industry supply chain in light of the general decline in the core oil and gas market. Whilst the group has not incurred any significant bad debt write offs in recent years, we believe the continued pressures in the supply chain, coupled with the magnitude of the balance is sufficient to warrant increased audit focus.	For long-outstanding accounts receivables and unbilled revenue (aged greater than 90 days) we tested the recoverability by tracing to post year end cash collection/ invoicing. Where the balance had not yet been invoiced or cash collected, additional support was obtained including customer correspondence, approved timesheets or approved purchase orders. From the evidence we have obtained from the detailed procedures performed, we have not identified any material issues around recoverability of unbilled revenue and accounts receivable.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate. In addition, our scoping also incorporated the significant impact of the acquisition of AFW during the year.

The group financial statements are a consolidation of a large number of components which make up the group's operating businesses within the five Business Units and group functions. In establishing the overall approach to the group audit, we determined the type of work that needed to be performed over the components either by us, as the group engagement team, or component auditors from other PwC network firms operating under our instruction. EY were instructed by us to audit the acquired AFW business as one component. After due and careful consideration this was deemed to be the most effective and efficient manner in which to obtain sufficient audit evidence. It also mirrored the group's year end internal reporting.

The group's components vary significantly in size and we identified 13 components that, in our view, required a full scope audit due to their relative size or risk characteristics. Ten of these full scope component audits were performed by members of the UK group engagement team of which 5 were UK based and 5 were USA based.

These covered trading components and group managed balances including treasury, uncertain tax positions, post-retirement benefits, goodwill and intangibles. Of the remaining 3 full scope components, audits of 2 components were performed by our PwC network firms in Australia and Norway and the audit of the final full scope component (AFW) was performed by EY.

Where component audits were performed by teams other than the group engagement team, members of the group engagement team were involved in their work throughout the audit. We maintained regular communication and conducted formal interim and year-end conference calls with all full and specified procedure component teams. Additionally, senior members of the group engagement team, including the group engagement leader, performed site visits to various locations in the USA including to legacy AFW locations.

Due to the size and nature of the acquired AFW business, this entity was classified as a 'significant component'. The group engagement team maintained sufficient oversight of the audit of AFW by performing the following procedures:

- Considered the competence, knowledge and independence of EY;
- Determined the scope and materiality of work to be performed by EY as component auditors, so that sufficient coverage and work was performed for the consolidated financial statements;
- Held a number of planning discussions with EY to understand their historic audit approach and risks, and to ensure that group instructions and approach were agreed and understood;
- Senior team members were involved in planning, interim and close out meetings with AFW management and EY; and
- Senior team members performed detailed reviews of EY's working papers.

Together these full and specific scope component audits gave appropriate coverage of all material balances at a group level. On a consolidated basis, these components represent approximately 80% of group revenue.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	\$30.0 million (2016: \$14.6 million).	\$13.5 million (2016: \$1.7 million).
How we determined it	0.5% of total revenues (2016: 5% of average profit before tax from continuing operations before exceptional items).	An allocation of group materiality.
Rationale for benchmark applied	We considered the following benchmarks when approaching the calculation of overall materiality - total revenues, total assets, loss before tax and EBITA. This year we concluded that the most appropriate benchmark was total revenue given profitability measures continue to be depressed as a result of the challenging core oil & gas markets and not reflective of the scale of the operations of the enlarged group following the AFW acquisition. Revenue is also a benchmark used in the annual accounts and a key measure used by shareholders in assessing the performance of the group. Using auditor judgement, we determined an overall materiality level of \$30 million to be a reasonable amount, which equates to 0.5% of total revenue. In previous years, materiality was based on the current period profit before tax before disclosed exceptional items.	An allocation of group materiality.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between \$1 million and \$15 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$1 million (group audit) (2016: \$730,000) and \$1 million (company audit) (2016: \$730,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the group's and the company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.
We are required to report if the directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R (3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006, (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. (CA06)

The directors' assessment of the prospects of the group and of the principal risks that would threaten the solvency or liquidity of the group

We have nothing material to add or draw attention to regarding:

- The directors' confirmation on page 32 of the Annual Report that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The directors' explanation on page 33 of the Annual Report as to how they have assessed the prospects of the group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the directors' statement that they have carried out a robust assessment of the principal risks facing the group and statement in relation to the longer-term viability of the group. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the group and company and their environment obtained in the course of the audit. (Listing Rules)

Other Code Provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the directors, on page 37, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position and performance, business model and strategy is materially inconsistent with our knowledge of the group and company obtained in the course of performing our audit.
- The section of the Annual Report on page 46 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. (CA06)

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 36, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Based on the records available, we were first appointed as auditors of John Wood Group PLC (as John Wood Ltd, the predecessor entity prior to the company becoming a publicly listed company in 2002) on 5 June 2002 to audit the financial statements for the year ended 31 December 2002, and have been annually reappointed by the members at the Annual General Meeting for subsequent financial periods. Our total uninterrupted period of engagement is 15 years to John Wood Group PLC, covering periods from our initial appointment through to the period ended 31 December 2017. During 2016, taking into account mandatory firm rotation rules, the group conducted an audit tender exercise, in which PwC did not participate, and will seek to appoint KPMG to perform the audit of the group's financial statements for the year ending 31 December 2018 at the May 2018 Annual General Meeting.



Lindsay Gardiner (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
19 March 2018

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 81 to 144 are an integral part of these consolidated financial statements.

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
Total items that will not be reclassified to profit or loss		(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)
Total items that may be reclassified subsequently to profit or loss		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 81 to 144 are an integral part of these consolidated financial statements.

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
Total equity attributable to owners of the parent		4,960.3	2,195.2
Non-controlling interests	26	11.7	13.0
Total equity		4,972.0	2,208.2

The financial statements on pages 76 to 144 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 81 to 144 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

for the year to 31 December 2017

Strategic report

Governance

Financial statements

	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 81 to 144 are an integral part of these consolidated financial statements.

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

The notes on pages 81 to 144 are an integral part of these consolidated financial statements.

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 forecasts as approved by the Board. The budgets and forecasts are based on various assumptions relating to the Group's businesses including assumptions relating to market outlook, resource utilisation, contract awards and contract margins. The outlook for the Group is discussed in the Chief Executive Review. Pre-tax discount rates of between 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 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 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 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.

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.

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 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'), Environment 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.

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.

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 31 Dec		Year ended 31 Dec		Year ended 31 Dec		Year ended 31 Dec	
	2017 \$m	2016 \$m	2017 \$m	2016 \$m	2017 \$m	2016 \$m	2017 \$m	2016 \$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

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 \$m	2016 \$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

1 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.

Other segment items

	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							
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
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.

Geographical segments

	Segment assets		Continuing revenue	
	2017 \$m	2016 \$m	2017 \$m	2016 \$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 \$m	2016 \$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.

3 Profit before taxation

	2017 \$m	2016 \$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 \$m	2016 \$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.

4 Exceptional items

	2017 \$m	2016 \$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.

5 Taxation

	2017 \$m	2016 \$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 \$m	2016 \$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)

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 \$m	2016 \$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.

6 Dividends

	2017 \$m	2016 \$m
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
	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.

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
Adjusted diluted earnings per share calculation						
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.

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.

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.

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 Environment 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 Environment 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
Environment 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.

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.

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.

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

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.

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

12 Trade and other receivables (continued)

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

	Asset Solutions EAAA \$m	Asset Solutions Americas \$m	Specialist Technical Solutions \$m	Environment & Infrastructure Solutions \$m	Investment Services \$m	Total \$m
2017						
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).

13 Cash and cash equivalents

	2017 \$m	2016 \$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 \$m	2016 \$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.

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

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 \$m	2016 \$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 \$m	2016 \$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.

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.

(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.

17 Financial instruments (continued)**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.

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.

17 Financial instruments (continued)

(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 proforma EBITDA at 31 December 2017 was 2.4 (2016: 0.8). The calculation of proforma 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.

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.

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.

18 Provisions (continued)

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.

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.

18 Provisions (continued)**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).

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.

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

19 Deferred tax (continued)

The deferred tax balances are analysed below:-

	Accelerated capital allowances \$m	Pension \$m	Share based charges \$m	Other temporary differences \$m	Losses \$m	Total \$m
2017						
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
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)

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

20 Share based charges (continued)

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.

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

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	381¼p	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	767½p	2018-2024
	3,026,273	3,850,154		

20 Share based charges (continued)

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 $\frac{3}{4}$ p	2016-2017
2013	73,947	433,187	4 $\frac{3}{4}$ 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		

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%, pence each (2016: 4%, pence) Issued and fully paid	shares	2017 \$m	shares	2016 \$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 \$m	2016 \$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 4% pence (2016: 4% pence).

23 Retained earnings

	2017 \$m	2016 \$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

23 Retained earnings (continued)

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.

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.

26 Non-controlling interests

	2017 \$m	2016 \$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.

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).

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.

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.

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 proforma 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. The proforma figures 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

29 Employees and directors

Employee benefits expense	2017 \$m	2016 \$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 No.	2016 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 \$m	2016 \$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 \$m	2016 \$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.

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

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

30 Retirement benefit schemes (continued)

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

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

30 Retirement benefit schemes (continued)

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

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

30 Retirement benefit schemes (continued)

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.

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.

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 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.

32 Contingent liabilities (continued)**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 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.

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 8º, 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
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
Gedi 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 Olais 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 Servicios 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, Vazrozhdane 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
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.	Codon 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 Ramuntcho 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		
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
Gorlan 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 Tekdil 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	5B/2 Kausor 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, Bengkang-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 - Geshm Company (pjs)	No 2564, Hafez Street, Toola Industrial Park, Annaba, Geshm Island	97
Iraq		
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	Shores, 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	opp. 27, h. 64, Bostandykskiy district, Abaya Ave., Almaty City, Kazakhstan	100
GED 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
Yeskertish 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 Damansara, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan	100
Rider Hunt International (Malaysia) Sdn Bhd	Level 7, Menara Milenium, Jalan Damansara, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan	100
Wood Group Engineering Sdn. Bhd	Level 7, Menara Milenium, Jalan Damansara, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan	0*
Wood Group Kenny Sdn Bhd	Level 7, Menara Milenium, Jalan Damansara, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan	0*
Wood Group Mustang (M) Sdn. Bhd.	Level 7, Menara Milenium, Jalan Damansara, 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
GED 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.	Blvd. 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.	Blvd. 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, nº 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.	Noritaweg 165, 1043 BW Amsterdam, Netherlands	100
Foster Wheeler Europe B.V.	Noritaweg 165, 1043 BW Amsterdam, Netherlands	100
John Wood Group B.V.	Atrium Building, 8th Floor, Strawinskyloaan 3127, Amsterdam, 1077 ZX	100
John Wood Group Holdings BV	Atrium Building, 8th Floor, Strawinskyloaan 3127, Amsterdam, 1077 ZX	100
Wood Group Azerbaijan B.V.	Atrium Building, 8th Floor, Strawinskyloaan 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
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 Manila 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, Kommunistichesy 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		
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, Florida 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, Thungsukla, 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, Suthisarnvinichai Road, Khwaeng Samsennok, Khet Huaykwang, Bangkok Metropolis, Thailand	100
Simons International Engineering Ltd.	91/17 Soi Wattananivet 4, Suthisarnvinichai 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
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
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
Sandway 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
Troy 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
Igronic 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
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 Intotech Holdings Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ	90
Wood Group Intotech 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, 08827-9000	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
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
Altblue 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
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 Reparaçao 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, Serio KB2533, PO Box 105, Serio 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
Visto-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
Consorcio AMEC CADE / PSI Consultores Limitada	Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	50
Consorcio de Ingeniería Geoconsult Code Idepe Limitada	Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	50

Consorcio de Ingeniería Systra Code Limitada	Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	50
Consorcio 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 Los Condens, Santiago, Chile	50
Consorcio 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
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, Bender Menjalara, Kepong, 52200 Kuala Lumpur, Wilayah Persekutuan	25
Mexico		
AFWA DUBA Solina Cruz, S. de R.L. de C.V.	Carlos Salazar, #2333, Colonia Obrera, Monterrey, Nuevo Leon, Mexico	50
Mustang Diavoz, 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&GPlxS 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
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, Terrozas 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 Aluminumm Building, Avenue Shah, Tehran	45
Oman		
AMEC Al Turki LLC	Al Alawi, Monsoor 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)
 JWUSA Holdings Limited (Registered number SC178512)
 Wood Group Investments Limited (Registered number SC301983)
 Wood International Limited (Registered number SC202031)

Company financial statements

Company financial statements

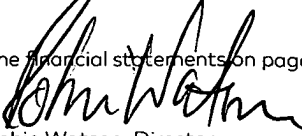
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Company balance sheet

as at 31 December 2017

	Note	2017 \$m	2016 \$m
Non-current assets			
Investments	1	5,944.8	3,235.1
Retirement benefit scheme surplus	2	22.9	-
Deferred tax	3	4.4	9.6
		5,972.1	3,244.7
Current assets			
Trade and other receivables	4	2,123.4	735.5
Income tax receivable		33.8	39.0
Cash and cash equivalents	5	30.0	16.5
		2,187.2	791.0
Current liabilities			
Borrowings	6	69.3	236.7
Trade and other payables	7	746.0	459.1
		815.3	695.8
Net current assets		1,371.9	95.2
Non-current liabilities			
Borrowings	6	2,336.1	495.0
Retirement benefit scheme deficit	2	-	7.0
Other non-current liabilities	8	1,091.9	1,393.3
		3,428.0	1,895.3
Net assets		3,916.0	1,444.6
Equity			
Share capital	10	40.5	23.9
Share premium	11	63.9	63.9
Merger reserve	13	2,790.8	-
Other reserves	14	538.2	537.6
Retained earnings	12		
At 1 January		819.2	955.3
Loss for the year		(233.6)	(44.2)
Other changes in retained earnings		(103.0)	(91.9)
		482.6	819.2
Total equity		3,916.0	1,444.6

The financial statements on pages 146 to 156 were approved by the board of directors on 19 March 2018, and signed on its behalf by:


Robin Watson, Director


David Kemp, Director

Statement of changes in equity

for the year ended 31 December 2017

	Share capital \$m	Share premium \$m	Retained earnings \$m	Merger reserve \$m	Other reserves \$m	Total equity \$m
At 1 January 2016	23.8	63.9	955.3	-	537.6	1,580.6
Loss for the year	-	-	(44.2)	-	-	(44.2)
Dividends paid	-	-	(116.0)	-	-	(116.0)
Credit relating to share based charges	-	-	10.7	-	-	10.7
Re-measurement loss on retirement benefit scheme	-	-	(14.2)	-	-	(14.2)
Movement in deferred tax relating to retirement benefit scheme	-	-	2.8	-	-	2.8
Shares disposed of by employee share trusts	-	-	7.5	-	-	7.5
Shares allocated to employee share trusts	0.1	-	(0.1)	-	-	-
Exchange movement in relation to employee share trusts	-	-	20.9	-	-	20.9
Other exchange movements	-	-	(3.5)	-	-	(3.5)
At 31 December 2016	23.9	63.9	819.2	-	537.6	1,444.6
Loss for the year	-	-	(233.6)	-	-	(233.6)
Dividends paid	-	-	(125.6)	-	-	(125.6)
Credit relating to share based charges	-	-	10.2	-	-	10.2
Share based charges allocated to AFW purchase consideration	-	-	2.1	-	-	2.1
Fair value gains	-	-	-	-	0.6	0.6
Re-measurement gain on retirement benefit scheme	-	-	18.7	-	-	18.7
Movement in deferred tax relating to retirement benefit scheme	-	-	(3.7)	-	-	(3.7)
Shares issued in relation to Amec Foster Wheeler acquisition	16.5	-	-	2,790.8	-	2,807.3
Shares disposed of by employee share trusts	-	-	2.6	-	-	2.6
Shares allocated to employee share trusts	0.1	-	(0.1)	-	-	-
Other exchange movements	-	-	(7.2)	-	-	(7.2)
At 31 December 2017	40.5	63.9	482.6	2,790.8	538.2	3,916.0

Other comprehensive income comprises the loss for the year and the re-measurement gains and losses relating to the retirement benefit scheme together with the related deferred tax. The total other comprehensive expense for the year amounts to \$218.6m (2016:\$ 55.6m).

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for the year to 31 December 2017

Accounting policies

General information

John Wood Group PLC is a public limited company, incorporated and domiciled in the United Kingdom and listed on the London Stock Exchange. The Company's registered address is 15 Justice Mill Lane, Aberdeen AB11 6EQ.

Summary of significant accounting policies

The principal accounting policies, which have been applied in the preparation of the Company financial statements, are set out below. These policies have been consistently applied to all the years presented.

Basis of preparation

The financial statements of the Company have been prepared in accordance with United Kingdom Accounting Standards - in particular FRS 101 - and the Companies Act 2006 ("the Act"). FRS 101 sets out a reduced disclosure framework for a "qualifying entity", as defined in the Standard, which addressed the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRSs").

The Company is a qualifying entity for the purposes of FRS 101.

The application of FRS 101 has enabled the Company to take advantage of certain disclosure exemptions that would have been required had the Company adopted International Financial Reporting Standards in full. The only such exemptions that the directors consider to be significant are:

- no detailed disclosures in relation to financial instruments;
- no cash flow statement;
- no disclosure of related party transactions with subsidiaries;
- no statement regarding the potential impact of forthcoming changes in financial reporting standards;
- no disclosure of "key management compensation" for key management other than the directors, and
- no disclosures relating to the Company's policy on capital management.

The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

The financial statements are presented in US dollars and all values are rounded to the nearest \$0.1m except where otherwise indicated.

The financial position of the Company is shown in the balance sheet on page 146. Note 9 includes the Company's objectives, policies and processes for managing its financial risks and details of its financial instruments and hedging activities, and its exposures to interest rate risk and liquidity risk. The Company adopts the going concern basis of accounting in preparing these financial statements.

Reporting currency

The Company's transactions are primarily US dollar denominated and the functional currency is the US dollar.

The following sterling to US dollar exchange rates have been used in the preparation of these financial statements:-

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

Investments in subsidiaries

Investments are measured initially at cost, including transaction costs, less any provision for impairment.

Impairment of assets

At each balance sheet date, the Company reviews the carrying amounts of its investments to assess whether there is an indication that those assets may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in the income statement.

Foreign currencies

Transactions in foreign currencies are translated 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 dates or at a contractual rate, if applicable, and any exchange differences are taken to the income statement.

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.

Financial instruments

The accounting policy for financial instruments is consistent with the Group accounting policy as presented in the notes to the Group financial statements. The Company's financial risk management policy is consistent with the Group's financial risk management policy outlined in note 17 to the Group financial statements.

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. The cost of shares held by the employee share trusts is deducted from equity.

Share based charges

The Company has a number of share schemes as detailed in the Group accounting policies and note 20 to the Group financial statements. Details relating to the calculation of share based charges are provided in note 20 to the Group financial statements. In respect of the Company, the charge is shown as an increase in the Company's investments, as the employees to which the charge relates are employed by subsidiary companies.

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 income statement when the dividend has been approved by the board of directors of the subsidiary company making the payment.

Trade receivables

Trade receivables are recognised initially at fair value less an allowance for any amounts estimated to be uncollectable. An estimate for doubtful debts is made when there is objective evidence that the collection of the debt is no longer probable.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Borrowing costs are expensed through the income statement.

De-recognition of financial assets and liabilities

A financial asset is derecognised where the rights to receive cash flows from the asset have expired. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Taxation

The tax expense in the income statement represents the sum of taxes currently payable and deferred taxes. The tax currently payable is based on taxable profit for the year and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible.

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised only to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise, tax is recognised in the income statement.

Retirement benefit scheme surplus/deficit

The Company is the sponsoring entity for the John Wood Group PLC's Retirement Benefit Scheme. The surplus or deficit recognised in respect of the defined benefit scheme represents the difference between the present value of the defined benefit obligations and the fair value of the scheme assets. The assets of this scheme are held in separate trustee administered funds. The scheme was closed to future accrual on 30 June 2014. See note 30 to the Group financial statements for full details.

Judgements and key sources of estimation or uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of investments

The Company assesses whether there are any indicators of impairment of investments at each reporting date. Investments are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Details of impairments recorded during the year and the carrying value of investments are contained in note 1.

Retirement benefit scheme surplus/deficit

The Company is the sponsoring entity for John Wood Group PLC's Retirement Benefit Scheme which was closed to future accrual on 30 June 2014. The value of the retirement benefit scheme surplus/deficit is determined on an actuarial basis using a number of assumptions. Changes in these assumptions will impact the carrying value of the surplus/deficit. The Company determines the appropriate discount rate to be used in the actuarial valuation at the end of each financial year following consultation with the retirement benefit scheme actuary. In determining the rate used, consideration is given to the interest rates of high quality corporate bonds in the currency in which the benefits will be paid and that have terms to maturity similar to those of the related retirement benefit obligation. See note 30 of the Group financial statements for further details.

1 Investments

	2017 \$m	2016 \$m
Cost		
At 1 January	3,512.1	3,506.4
Additions	2,825.4	10.7
Disposals	(191.5)	(5.0)
At 31 December	6,146.0	3,512.1
Amounts provided		
At 1 January	277.0	154.5
Provided during year	23.0	122.8
Disposals	(98.8)	(0.3)
At 31 December	201.2	277.0
Net book value		
At 31 December	5,944.8	3,235.1

The additions in the year include the acquisition of Amec Foster Wheeler.

Disposals reflect a number of capital reductions carried out during the year in order to wind up various dormant UK subsidiary companies.

At 31 December 2017, an impairment charge of \$23.0m (2016: \$92.2m) was recorded in relation to the Company's investment in Wood Group Power Investments Limited which holds the Group's investment in EthosEnergy Limited. The impairment was recorded following the Group's decision to impair its investment in EthosEnergy and reflects the underlying carrying value of the business. See note 10 of the Group financial statements for additional information.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

1 Investments (continued)

The Company's direct subsidiaries at 31 December 2017 are listed below. Ownership interests reflect holdings of ordinary shares. Details of other related undertakings are provided in note 35 to the Group financial statements.

Name of subsidiary	Country of incorporation or registration	Registered address
JWGUSA Holdings Limited	UK	15 Justice Mill Lane, Aberdeen
Wood Group Investments Limited	UK	15 Justice Mill Lane, Aberdeen
Wood Group Power Investments Limited	UK	15 Justice Mill Lane, Aberdeen
Wood Group Holdings (International) Limited	UK	15 Justice Mill Lane, Aberdeen
Wood Group Management Services Limited	UK	15 Justice Mill Lane, Aberdeen
Wood Group Properties Limited	UK	15 Justice Mill Lane, Aberdeen
Wood Group Gas Turbine Services Holdings Limited	UK	15 Justice Mill Lane, Aberdeen
JWG Trustees Limited	UK	15 Justice Mill Lane, Aberdeen
Kelwat Investments Limited	UK	15 Justice Mill Lane, Aberdeen
WGD023 Limited	UK	15 Justice Mill Lane, Aberdeen
Wood Group Engineering Contractors Limited	UK	15 Justice Mill Lane, Aberdeen
Wood Group Gas Turbine Services Limited	UK	15 Justice Mill Lane, Aberdeen
Wood Group Limited	UK	15 Justice Mill Lane, Aberdeen
Wood International Limited	UK	15 Justice Mill Lane, Aberdeen
Wood Group Engineering Services (Middle East) Limited	Jersey	La Motte Chambers, La Motte Street, St Helier
Alta Blue Limited	Jersey	La Motte Chambers, La Motte Street, St Helier
GTS Power Solutions Limited	Jersey	La Motte Chambers, La Motte Street, St Helier
Wood Group Production Facilities Limited	Jersey	La Motte Chambers, La Motte Street, St Helier
JWG Ireland USD	Ireland	Blocks 4&5, Galway Technology Park, Parkmore, Galway
JWG Ireland USD 2	Ireland	Blocks 4&5, Galway Technology Park, Parkmore, Galway
JWG Ireland USD 3	Ireland	Blocks 4&5, Galway Technology Park, Parkmore, Galway
John Wood Group Holdings BV	The Netherlands	Atrium Building, Strawinskylaan 3127, Amsterdam
John Wood Group BV	The Netherlands	Atrium Building, Strawinskylaan 3127, Amsterdam
JWGUSA Holdings Inc	USA	2711 Centerville Road, Suite 4000 Washington DE 19808
Amec Foster Wheeler Group Limited	UK	Booths Park, Chelford Road, Knutsford, Cheshire WA16 8QZ

All companies listed above are 100% owned by John Wood Group PLC.

2 Retirement benefit scheme surplus

	2017 \$m	2016 \$m
(Deficit)/surplus at 1 January	(7.0)	4.5
Finance (expense)/income	(0.1)	0.2
Contributions	2.2	2.3
Re-measurement gain/(loss)	18.7	(14.2)
Scheme expenses	(0.2)	-
Settlement of unfunded liability	8.5	-
Exchange movements	0.8	0.2
Surplus/(deficit) at 31 December	22.9	(7.0)

Full details of the retirement benefit scheme are provided in note 30 to the Group financial statements.

3 Deferred tax

The deferred tax balance comprises :

	2017 \$m	2016 \$m
Deferred tax relating to retirement benefit scheme surplus/deficit	(4.1)	1.4
Short term timing differences	8.5	8.2
	4.4	9.6

The movement in the deferred tax asset is shown below.

	2017 \$m	2016 \$m
At 1 January	9.6	7.1
Movement relating to retirement benefit scheme	(4.1)	2.3
(Charge)/credit to income statement	(1.1)	0.2
At 31 December	4.4	9.6

The deferred tax asset recognised on short term timing differences relates to the provision for impairment in note 4.

4 Trade and other receivables

	2017 \$m	2016 \$m
Loans to Group companies	2,035.7	709.2
Trade receivables – Group companies	69.8	20.5
Other receivables	17.3	4.7
Prepayments and accrued income	0.6	1.1
	2,123.4	735.5

Interest on loans to Group companies is charged at market rates.

At 31 December 2017, \$40.3m (2016: \$48.6m) of the amounts owed by Group companies were impaired. These amounts relate to balances due from Group companies from whom there is no expectation of payment.

The ageing of these amounts is as follows:

	2017 \$m	2016 \$m
Over 3 months	40.3	48.6

The movement on the provision for impairment is as follows:

	2017 \$m	2016 \$m
At 1 January	48.6	51.1
Exchange movements	0.2	(1.2)
Released during the year	(8.5)	(1.3)
At 31 December	40.3	48.6

The Company had no outstanding balances that were past due but not impaired at either 31 December 2017 or 31 December 2016. The other classes within receivables do not contain impaired assets.

5 Cash and cash equivalents

	2017 \$m	2016 \$m
Cash and cash equivalents	30.0	16.5

6 Borrowings

	2017 \$m	2016 \$m
Borrowings repayable on demand		
Bank overdrafts	69.3	236.7
Non-current borrowings		
Bank loans	1,961.1	120.0
Senior loan notes	375.0	375.0
	2,336.1	495.0

The bank overdrafts relate to the Group's cash pooling arrangements and are largely denominated in US dollars and pounds sterling. At 31 December 2017 interest on US dollar overdrafts was payable at 2.48% (2016: 1.23%) and on sterling overdrafts at 1.65% (2016: 0.85%).

Bank loans are unsecured and bear interest based on LIBOR rates. At 31 December 2017, bank loans included \$1,747.7m of US dollar loans and \$213.4m of sterling loans. Interest was payable at 2.15% (2016: 1.96%) on the US dollar loans and 1.98% on the sterling loans.

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 also has \$375m of unsecured senior notes in the US private placement market at a mix of 7, 10 and 12 year maturities and at an average fixed rate of 3.74%. These notes are all US dollar denominated and mature in 2021, 2024 and 2026.

7 Trade and other payables

	2017 \$m	2016 \$m
Loans from Group companies	717.4	452.3
Other creditors	2.2	1.1
Accruals and deferred income	26.4	5.7
	746.0	459.1

Interest on loans from Group companies is payable at market rates.

8 Other non-current liabilities

	2017 \$m	2016 \$m
Amounts due to Group undertakings	1,091.9	1,393.3

The amounts due to Group undertakings are inter-company loans. Interest on these loans is charged at market rates.

9 Financial instruments

Financial risk factors

The Company'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 Company's overall risk management strategy is to hedge exposures wherever practicable in order to minimise any potential adverse impact on the Company's financial performance.

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

(a) Market risk

(i) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from various currencies. Where possible the Company'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 recorded in the income statement.

(ii) Interest rate risk

The Company finances its operations through a mixture of retained profits and debt. The Company borrows in the desired currencies at a mixture of fixed and floating rates of interest and then uses interest rate swaps as cash flow hedges to generate the desired interest profile and to manage the Company's exposure to interest rate fluctuations. At 31 December 2017, 18% (2016: 68%) of the Company's borrowings were at fixed rates after taking account of interest rate swaps.

The Company is also exposed to interest rate risk on cash held on deposit. The Company's policy is to maximise the return on cash deposits whilst ensuring that cash is deposited with a financial institution with a credit rating of 'A' or better, where possible.

(iii) Price risk

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

(b) Credit risk

The Company's credit risk primarily relates to its inter-company loans and inter-company receivables. Management believe that no further risk provision is required in excess of the current provision for impairment.

The Company also has credit risk in relation to cash balances or cash held on deposit. The Company's policy is to deposit cash at institutions with an 'A' rating or better where possible. 100% of the cash balance at 31 December 2017 (2016: 100%) was held with such institutions.

(c) Liquidity risk

With regard to liquidity, the Group's policy is to ensure continuity of funding. At 31 December 2017, 97% (2016: 68%) of the Company's borrowings (including bank overdrafts) were due to mature in more than one year. Based on the current outlook the Company has sufficient funding in place to meet its future obligations.

(d) Capital risk

The Company's capital risk is determined by that of the Group. See note 17 to the Group financial statements.

10 Share capital

	2017 \$m	2016 \$m
Issued and fully paid		
677,692,296 (2016: 381,025,384) ordinary shares of 4½p each	40.5	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 shares was \$2,807.3m with \$16.5m being credited to share capital and the balance of \$2,790.8m credited to the merger reserve.

The additional information required in relation to share capital is given in note 21 to the Group financial statements.

11 Share premium

	2017 \$m	2016 \$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 par value, 4½ pence (2016: 4½ pence) and consequently there was no credit to the share premium account.

12 Retained earnings

Retained earnings are stated after deducting the investment in own shares held by employee share trusts. Investments in own shares represents the cost of 9,107,787 (2016: 9,097,352) of the Company's ordinary shares totalling \$113.1m (2016: \$105.5m).

The loss for the financial year for the Company was \$233.6m (2016: loss \$44.2m). The directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and not presented a profit and loss account for the Company.

The Company does not have any employees other than the directors of the Company. Details of the directors' remuneration is provided in the Directors' Remuneration Report in the Group financial statements. The loss for the financial year is stated after charging audit fees of \$72,000 (2016: \$63,000). Details of dividends paid and proposed are provided in note 6 to the Group financial statements. Further details of share based charges are provided in note 20 to the Group financial statements.

At 31 December 2017, \$424.7m of the retained earnings balance is considered distributable. In addition, the capital reduction reserve of \$88.1m per note 14 is also a distributable reserve.

13 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. 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 credited to the merger reserve and \$2.1m of share based charges attributable to the consideration being credited to retained earnings.

14 Other reserves

	Capital reduction reserve \$m	Capital redemption reserve \$m	Hedging reserve \$m	Total \$m
At 1 January 2016	88.1	439.7	9.8	537.6
Fair value gains	-	-	-	-
At 31 December 2016	88.1	439.7	9.8	537.6
Fair value gains	-	-	0.6	0.6
At 31 December 2017	88.1	439.7	10.4	538.2

Five year summary

	2017 \$m	2016 \$m	2015 \$m	2014 \$m	2013 \$m
Total revenue	6,169.0	4,934.0	5,852.4	7,616.4	7,064.2
EBITA	371.6	363.4	469.7	549.6	533.0
Amortisation	(141.3)	(104.3)	(109.0)	(101.2)	(102.1)
Non-recurring items	(184.5)	(154.9)	(171.2)	37.6	0.5
Net finance expense	(52.9)	(25.8)	(23.1)	(24.2)	(18.6)
(Loss)/profit before taxation	(7.1)	78.4	166.4	461.8	412.8
Taxation	(22.9)	(44.0)	(76.3)	(125.5)	(112.3)
(Loss)/profit for the year	(30.0)	34.4	90.1	336.3	300.5
Attributable to:					
Owners of the parent	(32.4)	27.8	79.0	322.0	295.9
Non-controlling interests	2.4	6.6	11.1	14.3	4.6
	(30.0)	34.4	90.1	336.3	300.5
Equity attributable to owners of the parent	4,960.3	2,195.2	2,398.3	2,546.2	2,407.4
Net borrowings	1,646.1	331.4	290.3	295.7	309.5
Gearing ratio	33.2%	15.1%	12.1%	11.6%	12.9%
Interest cover	7.0	14.1	20.3	22.7	28.7
Diluted earnings per share (cents)	(7.4)	7.3	20.8	85.8	79.2
Adjusted diluted earnings per share (cents)	53.3	64.1	84.0	99.6	98.6
Dividend per share (cents)	34.3	33.3	30.3	27.5	22.0
Dividend cover	1.6	1.9	2.8	3.6	4.5

Information for shareholders

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.

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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



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