



News Release

Full year results for the year ended 31 December 2021

20 April 2022

This announcement contains inside information

Improving business momentum and sale of Built Environment progressing well

Year ended 31 December	2021 \$m	2020 \$m	Movement %
Revenue	6,400	7,564	(15.4)%
Revenue (pre-exceptional items) ¹	6,426	7,564	(15.0)%
<i>Growth on a like-for-like basis²</i>			(14.2)%
Adjusted EBITDA ³	554	630	(12.1)%
<i>Growth on a like-for-like basis²</i>			(9.8)%
Adjusted EBITDA margin	8.6%	8.3%	0.3ppts
Operating profit before exceptional items	192	214	(10.3)%
Operating profit / (loss)	32	(33)	n/a
Loss for the year	(136)	(228)	42.5%
Basic EPS (c)	(20.6)c	(34.1)c	41.3%
Adjusted diluted EPS ⁴ (c)	17.5c	23.2c	(24.6)%
Net cash (used in)/generated from operating activities	(60)	303	n/a
Free cash flow (new definition) ⁵	(398)	(46)	n/a
Net debt including leases	1,843	1,556	18.4%
Net debt excluding leases ⁶	1,393	1,014	37.4%
Net debt / adjusted EBITDA (reported basis) ⁷	3.3x	2.1x	n/a
Order book ⁸	7,748	6,524	18.8%

See notes on page 4

Robin Watson, Chief Executive, said:

"2021 was a challenging year for the Group, with the ongoing pressures of the pandemic, mixed market conditions across our businesses and continued challenges in Projects impacting our performance. Despite this, we ended the year with positive momentum and a growing order book (up 19% on last year) which gives us confidence that activity levels will be higher in 2022.

"The sale process of our Built Environment business is progressing well and we continue to expect to announce a sale agreement in the second quarter of this year. A sale will deliver significant value for our shareholders and help move the Group onto its next chapter.

"We are now focused on the future for Wood beyond this sale – to ensure we can fully capitalise on our deep engineering knowledge and expertise to capture the growth opportunities ahead across both energy security and sustainability, as we help clients move towards net zero.

"I have shared with the Board that I consider the sale of our Built Environment business as marking the start of the next strategic phase for Wood and an appropriate time for me to step down as Chief Executive. I look forward to continuing to serve on the Board until my successor is in place and I remain fully committed to our business delivery and enabling a smooth transition."

Financial highlights

- **Revenue** down 14% on a like-for-like basis², with growth in Consulting and Operations more than offset by a significant decline in Projects
- **Stronger sequential H2 performance:** H2 revenue was 4% higher than H1 with Projects stabilising and growth across Consulting (up 4%) and Operations (up 10%)
- **Adjusted EBITDA** down 10% on a like-for-like basis², with improved EBITDA in Consulting offset by lower EBITDA in Projects and Operations (see also note 9 on page 4)
- **Margin improvement** (like-for-like) of 0.4ppcts² including cost efficiencies, revenue mix and improved overall execution
- **Exceptional items** of \$160 million (2020: \$247 million) includes the previously announced \$99 million write down of our Aegis Poland contract (see page 6 for details) and \$78 million of restructuring costs
- **Adjusted diluted EPS** of 17.5c reflects the lower adjusted EBITDA
- **Free cash flow (new definition)⁵** of \$(398) million includes a working capital outflow of \$306 million and exceptional cash costs of \$159 million. Our definition of free cash flow includes all cash flows before dividends and M&A
- **Working capital outflow** includes a \$265 million outflow in our Projects business as significantly lower activity levels in the year led to a significant working capital unwind

Balance sheet

- **Net debt** of \$1.4 billion at 31 December 2021 reflects the negative free cash flow in the year
- **Net debt / adjusted EBITDA (reported basis)** at 3.3 times at 31 December 2021, within our covenant level for the Group's borrowings, which are set at 3.5x and measured twice per year

Operational highlights

- **Order book up 19% year-on-year to \$7.7 billion**
 - Strong growth in both Consulting (up 24%) and Operations (up 27%)
 - Lower growth (up 2%) in Projects, partly reflecting our move away from higher risk lump sum contracts and with an improving trend as the year progressed
 - Strong recovery in the order book in the conventional energy market (up 45%) across both Consulting and Operations including several multi-year renewals
 - At December 2021, revenue in our order book for 2022 was \$4,655 million (December 2020: \$4,399 million)
- **Continue to reduce costs and reduce project risk exposure**
 - Around \$40 million of cost savings realised from our Future Fit Programme in the year
 - Continue to reduce our risk exposure across Projects business (see page 8 for details)
- **Progress on our ESG strategy**
 - Multiple contract wins across energy transition and decarbonisation throughout the year as we continue to help our customers deliver on their own ESG commitments
 - 31% reduction in scope 1 and 2 emissions (target 40% reduction by 2030 on a 2019 baseline)
 - Maintained our AA "Leader" rating from MSCI
 - Increased female representation in senior leadership roles, targeting 40% by 2030

Delay to results and Aegis Poland review

- On 21 February 2022, we announced that a delay to the publication of our results was necessary to finalise our reported results and to conclude the year-end audit process with our auditor, KPMG LLP. The delay was required to allow an external investigation and review to be undertaken, principally in

relation to the historical carrying value of the Aegis Poland project contract and the process by which this was determined

- The investigation and review have been concluded and there is no change to the historical carrying value of the Aegis Poland contract or to the previously communicated year-end exceptional charge of \$99 million announced in our release of 21 February 2022

Outlook for 2022

- We expect higher revenue across our business supported by the growth in our order book, with revenue in our order book for 2022 of \$4,655 million (up 6% on comparable figure last year)
- The proposed sale of the Built Environment business will have a significant impact on our reported results and, as such, we are not providing detailed financial guidance at this stage
- Cash performance will be impacted by ongoing exceptional cash drags (including SFO payments, restructuring costs, onerous leases and outflows on our Aegis Poland contract). As such we expect any improvement in our net debt to come from the proceeds from the sale of Built Environment
- As usual in our business, we expect a working capital outflow in the first half of the year. As such our net debt is expected to be higher at June 2022 than at December 2021

Update on Built Environment sale

- Sale process progressing well, sale agreement expected to be announced in late Q2
- Sale is expected to deliver significant value for our shareholders, strengthen our balance sheet and provide the financial flexibility to deliver our strategy

Update on activities in Russia

- In March 2022, we took the decision to exit Russia and have begun the process of withdrawing from operations in the country
- Operations in Russia accounted for around 1% of Group revenue in 2021

CEO succession

- We announced today that Robin Watson, Chief Executive, has advised the Board of his intention to retire as Chief Executive
- The Company has initiated the process to appoint his successor and Robin will remain in his role until his successor is in place

Capital Markets Day

- We plan to hold a Capital Markets Day at a later date and following the sale of the Built Environment business. This will include how Wood can best take advantage of the growth opportunities across energy security and sustainability
- This Capital Markets Day will include an updated view on the medium-term growth and margin prospects for the Group

Presentation

A meeting for investors and analysts will be held at Pan Pacific London, EC3A 7AB at 9:00am (UK time). The presentation will be webcast live at <https://edge.media-server.com/mmc/p/etzdfsix>.

It will subsequently be made available to watch on demand at www.woodplc.com/investors. A transcript will also be made available on our website. The event will also be available as an audio-only conference call (UK: 0800 279 6619; Int'l: +44 (0)207 192 8338; USA: 877 870 9135), conference passcode 4787332.

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NOTES

Adjustments between statutory and underlying information

The Group uses various alternative performance measures (APMs) to enable users to better understand the performance and earnings trends of the Group. The Directors believe the APMs provide a consistent measure of business performance year-to-year and they are used by management to measure operating performance and for forecasting and decision-making. The Group believes they are used by investors in analysing business performance. These APMs are not defined by IFRS and there is a level of judgement involved in identifying the adjustments required to calculate them. As the APMs used are not defined under IFRS, they may not be comparable to similar measures used by other companies. They are not a substitute for measures defined under IFRS.

Note 1: Revenue for FY21 includes an exceptional item of \$(25.4) million related to Aegis Poland. Revenue (pre-exceptional items) is an APM that is used throughout this Report as the Group believes it provides a more useful measure of performance year-to-year.

Note 2: Revenue on a like-for-like basis is calculated as revenue less revenue from disposals executed in 2021, and adjusted EBITDA on a like-for-like basis is calculated as adjusted EBITDA less the adjusted EBITDA from those disposals. These amounts are presented as a measure of underlying business performance excluding businesses disposed. In FY21 executed disposals consisted of our joint venture interest in Sulzer Wood. Comparative figures also exclude revenue and adjusted EBITDA from the disposals of our nuclear and industrial services businesses, YKK and our joint venture interest in TransCanada Turbines (TCT) completed in 2020. These disposals accounted for \$nil revenue in FY21 (FY20: \$76 million) and adjusted EBITDA of \$nil in FY21 (FY20: \$16 million). Like-for-like revenue growth refers to revenue (pre-exceptional items).

Note 3: A reconciliation of adjusted EBITDA to operating profit (pre-exceptional items) is shown in note 1 to the financial statements.

Note 4: A reconciliation of adjusted diluted earnings per share to basic earnings per share is shown in note 8 to the financial statements.

Note 5: Free cash flow is defined as all cash flows before acquisitions, disposals and dividends. It includes all mandatory payments the Group makes such as interest and tax, and all exceptional cash flows. It excludes the impacts of leases. A reconciliation of free cash flow to our statutory cash flow statement is shown on page 22.

Note 6: Net debt excluding leases is total group borrowings, offset by cash and cash equivalents. Borrowings comprise loans drawn on the Group's revolving credit facility (RCF), the UKEF, overdrafts and unsecured senior loan notes issued in the US private placement market (USPP). Cash and cash equivalents include cash at bank and in hand and short-term bank deposits. A reconciliation of net debt excluding leases to net debt including leases is shown in note 29 to the financial statements.

Note 7: The majority of the Group's borrowings have financial covenants (RCF, USPP, UKEF – as shown in note 6). The two covenant measures are: (i) net debt to adjusted EBITDA not exceeding 3.5 times, (ii) adjusted EBITA not less than 3.5 times interest. These covenants are measured on 30 June and 31 December each year. The net debt / EBITDA ratio is calculated on the existing basis prior to the adoption of IFRS 16 in 2019 and is based on net debt excluding leases. These measures are presented as they closely aligned to the measure used in our financing covenants. See calculations on pages 28 and 29.

Note 8: Order book comprises revenue that is supported by a signed contract or written purchase order for work secured under a single contract award or frame agreements. Work under multi-year agreements is recognised in order book according to anticipated activity supported by purchase orders, customer plans or management estimates. Where contracts have optional extension periods, only the confirmed term is included. Order book disclosure is aligned with the IFRS definition of revenue and does not include Wood's proportional share of joint venture order book. Order book is presented as an indicator of the visibility of future revenue.

Note 9: Adjusted EBITDA in 2021 benefited from a change in the classification of Aegis Poland contract losses. Previously these were included within adjusted EBITDA (\$11 million in FY20, \$9 million in HY21) and now have been classified (from H2 2021 onwards, including adjusting HY21) as exceptional items.

The person responsible for arranging the release of this announcement on behalf of Wood is Martin McIntyre, Group General Counsel and Company Secretary.

CHAIR STATEMENT

2021 was a challenging year for Wood, with a continuation of pressures from the Covid-19 pandemic and an uncertain backdrop across many of our end markets. Despite these challenges, Wood enters 2022 with improving momentum and the opportunity to unlock significant shareholder value from the ongoing sale of our Built Environment business.

The full year results were mixed, with revenue growth across Consulting and Operations but a significant decline in our Projects business. This partly reflects the changes that management has made to reduce risk in our Projects business and partly reflects the ongoing challenges in our markets as customers delayed some investment decisions.

We have taken a large charge related to an updated view on the losses on our Aegis Poland contract. This was also the subject of external investigation and review, and a resulting delay in publishing our results. The work has now concluded and we have a clear pathway to the operational completion of this contract later in 2022.

The cash performance in the year reflects the ongoing drags from exceptional cash flows as well as a large working capital outflow, mostly in relation to the pressures in our Projects business. Linked to this, the level of debt at the end of the year was too high.

Given the current level of debt, the Board has decided not to declare dividends in relation to the 2021 financial year. The Board recognises the importance of dividends to shareholders and is committed to reviewing the policy in the future following the proposed sale of our Built Environment business.

The Board took the decision in the year to conduct a strategic review of the Built Environment consulting business to consider how we could best deliver value for our shareholders. This review concluded in January 2022 with the decision to seek a full sale. We believe this will deliver significant value for our shareholders and provides the opportunity to dramatically change our debt profile.

Robin and his Executive Leadership Team have responded swiftly and effectively to the dynamic challenges of the pandemic over the last two years while also making good progress in addressing issues and positioning Wood for a leading role in energy transition and industrial decarbonisation. Wood has a significant role to play and the Executive team looks forward to outlining our strategy to capitalise on these opportunities in a Capital Markets Day at a later date.

We have announced that Robin Watson has advised the Board of his intention to retire as Chief Executive. On behalf of the Board, I thank Robin for his years of service to the company. Under his leadership, Wood has transformed into a global consulting and engineering business that operates across a wide range of energy and industrial markets worldwide. Robin has built a strong leadership team around him and a solid portfolio that provides us great opportunities as we look ahead. A search process is now underway, with both internal and external candidates, and we are confident a smooth transition will follow later this year.

Thomas Botts, non-executive director, will step down from the Board at this year's AGM after reaching the recommended limit of nine years of service. I thank Tom for his wise counsel over the years and the experience he has provided the Board over his tenure.

On behalf of the Board and the Company, I thank you for your continued support.

Roy A Franklin
Chair

CEO STATEMENT

Overview

2021 was a challenging year for the Group with continued disruption from Covid-19 and the pressures across our end markets as customers deferred investment decisions. Despite these challenges, we made progress on our strategy and ESG priorities, and saw good operational performance across most of the business. There were some areas of disappointment however, most notably on our Aegis contract as discussed below.

The Group's strategic review, including the proposed sale of our Built Environment business, will lead to the next chapter for Wood – an exciting future at the centre of energy security and sustainability.

Financial performance in FY21

The full year results reflect both our broad market exposure, with revenue growth across Consulting and Operations but a significant decline in Projects, and our focus on margin improvement, with a higher margin delivered despite the lower revenue.

Group revenue was down 14% on a like-for-like basis with growth in Consulting and Operations offset by a 34% decline in Projects. This decline reflects the changes we have made in this business, with a lower risk appetite, combined with ongoing challenges as customers delayed some investment decisions.

Group adjusted EBITDA was down 10% on a like-for-like basis. Adjusted EBITDA grew in our Consulting business, reflecting our strong offering across multiple sectors, while EBITDA was lower in both Projects and Operations. The decline in Projects adjusted EBITDA reflects lower revenue but improved margin in the year. The decline in Operations reflects a lower margin compared to 2021, that year having benefited from profit upside from some significant contract completions.

Exceptional items

We recognised exceptional items of \$160 million in the year (2020: \$247 million). These exceptional items are summarised below and are discussed in more detail in our Financial Review. They reflect, in part, our steps to strengthen the Group for the future.

This includes a \$99 million write down of our Aegis Poland contract to reflect the latest estimate of the full contract loss. Due to the size of the loss, this charge was recognised as exceptional (2020: loss of \$11 million included in adjusted EBITDA).

The Aegis Poland contract is a fixed price construction contract awarded in February 2016 for the construction of an anti-missile defence facility in Poland for the USA. The project was around 90% complete by value at 31 December 2021. We expect the contract to be operationally complete in H2 2022. Our latest assessment is that the loss at completion will be \$222 million. Due to the size and nature of the loss, this charge was recognised as exceptional (2020: loss of \$11 million included in adjusted EBITDA).

We incurred \$78 million of restructuring costs in 2021 (2020: \$101 million) including:

- c.\$30 million of charges relating to the conclusion of our Future Fit programme and other rationalisation
- c.\$50 million of charges relating to the closure of various businesses, including our business in France, the power and large industrial EPC business and the ATG automation businesses

Exceptional items also include a gain on the sale of Sulzer Wood. See page 18 for more details.

Cash performance in the year

Our cash performance this year was disappointing and reflects the continued drags from exceptional cash flows combined with a significant outflow of working capital, mostly in relation to reduced activity in our Projects business.

As a result, our net debt remains too high and we have a clear plan to substantially reduce it from here from the sale of our Built Environment business.

Further details of our financial performance are included in our Financial Review on pages 16 to 30.

Progress on strategy

Our purpose remains to “unlock solutions to the world’s most critical challenges” and our strategic objective is to be a premium, differentiated business delivering exceptional returns for our clients, our team, our investors and the communities in which we work. We do this by delivering our strategic priorities:

1. Margin improvement
2. Optimise and standardise service delivery model
3. Optimise our portfolio mix of services and markets
4. Technology differentiation
5. Improve risk/reward on contracts in line with our balanced risk appetite

1) Margin improvement

We increased our margin in the year through both cost efficiencies and improved business execution, as well as a benefit from the revenue mix across our business.

Our Future Fit programme is designed to strengthen Wood for the future through a range of activities from cost reduction through to exploring new growth opportunities. It is aimed at improving efficiency, transforming our project and operations delivery, and improving profitability through changes to our supply chain and our digital capability. Future Fit is an 18-month programme which commenced during the first half of 2021 and is due to complete in the first half of 2022. The total cost savings generated in the year were around \$40 million.

Improved overall business execution in our Projects business, helped by the gradual roll-off of some significantly underperforming contracts, contributed to margin expansion in the year. The range of performance remains mixed however, with a small number of loss-making contracts remaining. We will continue to reduce risk across our contract portfolio in 2022.

2) Optimise and standardise service delivery model

We created a new operating model at the end of Q3 2020, moving to three global business units: Consulting, Projects and Operations. This simplified model is aligned to our service offering and emphasises to our clients, our full “green-to-green” asset lifecycle solutions. This new operating model has helped identify new growth opportunities and we are seeing increased collaboration across our business both in customer delivery and in winning new work.

As part of this new operating model, we created the position of a Chief Operating Officer (COO). Our new COO, Ken Gilmartin, is driving a programme of continual improvements in project governance and delivery which we expect will support business performance in the future. Since 1 January 2022, business unit Executive Presidents have reported directly into Ken.

3) Optimise our portfolio mix of services and markets

As we continue to evolve and sharpen our customer focus, we have been optimising our portfolio mix of both the services we offer and the markets we serve. This has resulted in the disposal of various assets over the past few years including the sale of our joint venture interest in Sulzer Wood in 2021.

In January 2022, we announced that we are seeking a sale of our Built Environment business. Following this sale, we will have a sharper focus on our core markets to address the challenges of energy security, energy transition and industrial decarbonisation, where we have unique capabilities to enable our clients to meet their targets and goals.

4) Technology differentiation

We continue to invest in solutions to enhance our digital capabilities and digitalise the way we work, helping to transform our customer delivery by bringing greater efficiency and reducing risk.

We also continue to seek commercial and strategic partnerships where we can combine skills to deliver greater results. A good example of this was the partnership we formed in the year with Honeywell to develop sustainable aviation fuels.

5) Improve risk/reward on contracts in line with our balanced risk appetite

Across the Group, the proportion of revenue from fixed price contracts reduced from 33% to 26% over the year, with the remainder of our portfolio being cost reimbursable.

Of the 26% of revenue from fixed price contracts, 10% related to fixed price consultancy work and 11% related to limited scope lump sum projects, primarily in our Process and Chemicals markets. The amount of lump sum turnkey (LSTK) revenue was around \$300 million in 2021, representing around 5% of Group revenue.

We made progress in continuing to reduce the LSTK risk exposure in our Projects business. We are no longer bidding large EPC contracts outside our focus markets and core capabilities and are capping the size of our revenue exposure to LSTK. As a result of this, we have removed around \$2 billion of factored opportunities from our bidding pipeline in Projects.

We do, however, have some significant loss-making contracts remaining in our portfolio, most notably Aegis Poland and some renewables EPC LSTK contracts in North America, that are now at a mature stage of execution. We expect these to conclude over 2022 and the performance of these contracts, excluding Aegis, improved overall in 2021 compared to 2020, albeit still generating losses.

This focus on contract risk is particularly relevant with the inflationary and supply pressures seen across the world today. We limit our exposure to these risks through various contract terms, including inflation clauses and back-to-back contracts for raw materials supply.

Delay to results and Aegis review

On 21 February 2022, we announced that a delay to the publication of our results was necessary to finalise our reported results and to conclude the year-end audit process with our auditor, KPMG LLP. The delay was required to allow an external investigation and review to be undertaken, principally in relation to the historical carrying value of the Aegis Poland project contract and the process by which this was determined.

The investigation and review have been concluded and there is no change to the historical carrying value of the Aegis Poland contract or to the previously communicated year-end exceptional charge of \$99 million announced in our release of 21 February 2022. The underlying results for FY21 remain in line with the guidance provided on 13 January 2022. The Audit Committee reviewed the results of the external investigation, the auditor's comments on the investigation and audit work carried out during the period of the investigation, and the accounting treatment of the Aegis Poland project. The Committee concluded that no changes to the historical carrying value were required and the \$99 million exceptional charge was appropriately recorded in 2021.

Proposed sale of Built Environment

In November 2021 the Group initiated a strategic review of the part of our Consulting business facing the built environment end market, which accounts for around 70% of Consulting revenue. This Built Environment business

generated revenue of around \$1.2 billion and adjusted EBITDA of around \$150 million in 2021, with significant growth expected in 2022.

The strategic review considered a range of options to best deliver value for our shareholders and to strengthen the Group. The Board concluded that a full sale process for the Built Environment business was the best option. The sale process is well underway and a sales agreement is expected to be announced in the second quarter of this year. Any sales agreement will be subject to shareholder approval at an EGM as well as regulatory approvals.

This sale will allow for a reset of the Group, strengthening our balance sheet and providing options to improve our cash generation. We will also consider shareholders returns and opportunities for investments to help deliver our strategy.

Order book progress in the year

Our order book at 31 December 2021 was \$7.7 billion, an increase of \$1.2 billion (19%) compared to December 2020. This increase represented c.\$7.0 billion of new awards and c.\$750 million of contract scope increases, which more than replaced the \$6.4 billion of revenue.

At 31 December 2021, revenue in our order book for 2022 was \$4,655 million, an increase of 6% compared to the prior year figure of \$4,399 million to be delivered in the year ahead.

We operate across four broad end markets:

- **Conventional energy (38% of Group revenue)** across upstream and midstream oil and gas
- **Process & chemicals (17% of Group revenue)** across petrochemicals (including hydrogen and carbon capture), speciality chemicals and refining
- **Renewables and other (22% of Group revenue)** including renewable power (solar and wind), mining and minerals, industrial processes and power
- **Built environment (23% of Group revenue)** across infrastructure, water and waste, and environmental

Conventional energy

Our order book across conventional energy was around \$4.1 billion at 31 December 2021, including some significant multi-year contracts. Significant contract wins in the year included:

- Over \$500 million of contracts for oil and gas operations work in the North Sea
- Engineering and project management services on the Safaniyah and Manifa fields for Aramco
- Optimising operations in the Norwegian North Sea for Equinor

Our work across conventional energy increasingly has elements of helping our customers decarbonise, for example in optimising operations, increasing production efficiency and supplying renewable energy to operations.

Process & chemicals

Our order book across process & chemicals was around \$0.8 billion at 31 December 2021. Significant contract wins in the year included:

- Framework to deliver large-scale green hydrogen plants for NEL Hydrogen
- Pre-FEED analysis on world's largest carbon capture and storage projects for Summit Carbon Solutions
- Pre-FEED work for ADNOC on a blue ammonia facility to build hydrogen supply across the Middle East
- Appointed integration project management contractor for Humber Zero, one of the UK's leading industrial decarbonisation projects

We continued to develop our presence in hydrogen. We became a steering member of the Hydrogen Council and agreed a Memorandum of Understanding with HYGEN Energy to accelerate the production of green hydrogen for decarbonising transportation in the UK.

We announced a technology partnership with Honeywell for sustainable aviation fuel. The technologies could reduce lifecycle greenhouse gas emissions by 100% using certain feedstocks when compared to traditional petroleum aviation fuel.

Renewables & other

Our order book across renewables & other was around \$0.9 billion at 31 December 2021. Significant contract wins in the year included:

- EPC projects to provide solar power for a customer's onshore oil and gas operations in the USA and to power the industrial activity for Shell in Oman
- EPC contract with Renewables Energy Group to expand a renewable diesel biorefinery in Louisiana, USA
- Pre-FEED work for Simply Blue Energy on a floating offshore wind farm in Ireland
- Appointed owner's engineer for Luxcara on Europe's largest single-site onshore wind farm
- Permitting and FEED contracts for the UK's first hydrogen storage and distribution pipeline infrastructure project, HyNet NorthWest
- Framework agreement with Horisont Energi to provide specialist engineering and management consultancy services across offshore and onshore clean ammonia and hydrogen projects

Built environment

Our order book across built environment was around \$1.9 billion at 31 December 2021 (c.\$1.7 billion across built environment consulting). Significant contract wins in the year included:

- A design and construction scope for the remediation of a site impacted by chromium
- A restoration construction management project for the largest abandoned mine in Nevada, US, with a view to potential future use as a solar energy site
- A programme management contract with the US Postal Service for the management of nationwide programmes including site upgrades
- A programme management contract with the US Environmental Protection Agency for data collection, data management, and quality assurance for a nationwide air quality monitoring

Progress on our ESG strategy

During the year we have focused on maintaining our position as leaders amongst peers in environmental, social and governance matters and sustainability. We made more progress on our ESG goals in the year, including:

- 31% reduction in scope 1 and 2 emissions in the year, progressing towards our target of 40% reduction by 2030 (on a 2019 baseline)
- Awarded "AA Leader" rating from MSCI in 2021 for a seventh consecutive year, within the top 25% for Energy, Equipment and Services
- Selected as the debut issuer for the UK Export Finance backed energy transition term loan. As part of this process, we developed a Climate Change plan which was reviewed and endorsed by a third-party consultant. For our renewed RCF, we also committed to a third-party assessment of our carbon emissions data and our progress against emissions targets
- Initiated an evaluation of the Global Reporting Initiative protocols published in November 2021 as well as SBTi Pathway to Net Zero to identify areas for improvement in our Disclosures
- Participated in the UN Gender Equality benchmarking group and developed functional plans across the group to increase inclusion and diversity. Throughout 2021 we increased female representation in senior leadership roles to 33%, with a target to reach 40% by 2030
- Contributed over \$1 million in time and resources to charitable causes in the year

Looking ahead: the opportunities to help the world reach net zero

Energy security and sustainability offer us huge opportunities. The world needs engineering solutions to provide access to energy and to transition to a low carbon future. Wood has a wide range of capabilities to help clients achieve decarbonisation targets including:

- Improving efficiency of existing assets
- Fuel substitution, e.g. bio-based feedstocks

- Reducing oil and gas flaring and methane emissions
- Electrification of assets using renewable power
- Carbon capture and storage (CCS) and hydrogen

The opportunity lies in smart technology and solutions, and potential commercial partnerships, to help deliver existing industrial processes and conventional energy sources as cleanly, efficiently and securely as possible, while also charting the pathway to newer, cleaner sources. For example Wood is working with long-term client, Nevada Gold Energy LLC, to install a solar power plant, substation and transmission lines to deliver approximately 120 MWac of solar energy to decarbonise activities resulting in a zero-emissions mining project.

Outlook for 2022

The proposed sale of the Built Environment business will have a significant impact on our reported results in 2022 and as such we are not giving detailed financial guidance at this stage. Excluding the impact of any sale, we expect higher revenue in 2022 across our business supported by the growth in our order book, with revenue in our order book for 2022 of \$4,655 million, up 6% on the equivalent figure last year.

Cash generation in 2022 is expected to be impacted by:

- Exceptional cash costs related to our SFO payment, restructuring costs and onerous leases and the losses on the Aegis Poland contract
- Further payments related to our asbestos liability
- Increased capital expenditure across our business

As such, we expect no improvement in net debt over the year before the sale of our Built Environment business. The typical working capital outflow in our business in the first half is expected to lead to net debt being higher at June 2022.

Board changes

We announced today that Robin Watson, Chief Executive, has advised the Board of his intention to retire as Chief Executive. The Company has initiated the process to appoint his successor and Robin will remain in his role until his successor is in place.

Thomas Botts, non-executive director, will not seek re-election at this year's AGM and will step down from the Board after nine years of service.

Update on activities in Russia

In March 2022, we took the decision to exit Russia and have begun the process of withdrawing from operations in the country. We are actively engaged in efforts to do so, while safeguarding the safety and welfare of any colleagues affected. Operations in Russia accounted for around 1% of Group revenue in 2021.

Future events

Our AGM will be held on 22 June 2022. We expect to announce a sale agreement for our Built Environment business in the second quarter of 2022 and further details will be shared in due course.

We plan to hold a Capital Markets Day at a later date, and after the completion of the sale of our Built Environment business.

BUSINESS REVIEWS

CONSULTING

	2021 \$m	2020 \$m	Movement %
Revenue	1,787	1,823	(2.0)%
<i>Growth on a like-for-like basis</i>			1.6%
Adjusted EBITDA	227	224	1.3%
<i>Growth on a like-for-like basis</i>			3.7%
Adjusted EBITDA margin	12.7%	12.3%	0.4ppcts
Order book	2,196	1,771	24.0%

Financial review

Revenue grew by 2% on a like-for-like basis to \$1,787 million, with a strong second half of trading compared to both H1 2021 (growth of 4%) and H2 2020 (growth of 7%). Revenue growth was led by higher activity across the built environment market.

Adjusted EBITDA grew by 4% on a like-for-like basis with revenue growth and an expansion in margin to 12.7%. The higher margin partly reflects efficiency improvements and increased utilisation in the second half.

The order book at 31 December 2021 was up 24% on last year to \$2.2 billion, driven by energy and built environment contract awards. The order book for built environment alone was up 20% to \$1.7 billion.

At 31 December 2021, revenue in our order book for 2022 was \$1,479 million, up 14% on 2021.

Operational review

Our Consulting business provides specialist engineering, infrastructure development and environmental consulting.

Across the built environment market, we saw strong revenue and order book growth. Major projects wins included contracts with Canadian Nuclear Laboratories, BP, Honeywell, New Mexico Oil Conservation Division and Duke Energy.

In climate resiliency, we were awarded a major flood resiliency contract with the US Federal Emergency Management Agency (FEMA) as part of the ARC Joint Venture.

We have a significant consulting offering across energy and industry. During the year we grew our orderbook significantly across our core energy markets with key wins from Chevron, Woodside, TPAO and the UK's National Grid. In Energy transition, significant new contract awards included pre-FEED work across carbon capture and storage and hydrogen solutions. As owner's engineers we completed Oman Shell's first utility scale solar project and were appointed to Luxcara's wind farm in Sweden which is set to become Europe's largest wind farm. We agreed a Memorandum of Understanding with HYGEN Energy to accelerate the production of green hydrogen, were appointed the owner's engineer for the UK's first commercial green lithium factory and we announced a technology partnership with Honeywell for sustainable aviation fuel.

Outlook for 2022

We expect strong growth given the higher activity levels through 2021 and increase in our order book.

PROJECTS

	2021 \$m	2020 \$m	Movement %
Revenue	2,340	3,569	(34.4)%
<i>Growth on a like-for-like basis</i>			(34.4)%
Adjusted EBITDA	168	205	(18.0)%
<i>Growth on a like-for-like basis</i>			(18.0)%
Adjusted EBITDA margin	7.2%	5.7%	1.5ppcts
Order book	1,807	1,769	2.1%

Financial review

Revenue was 34% lower in the year at \$2,340 million, though H2 revenue was flat on H1. The decline in the year reflects the completion of some larger EPC contracts, our move away from larger scale contracts and new work being limited to smaller scopes such as early-stage work.

Adjusted EBITDA was 18% lower, reflecting the revenue decline partly offset by a higher margin. The expansion in margin partly reflects improved overall project execution, with a lower level of losses in underperforming contracts in North America as these projects gradually roll off. Margin expansion was also supported by cost efficiencies, higher utilisation levels, a shift in mix to higher margin projects and profit upside from contract close outs.

The range of performance continues to be mixed, with a small number of contracts continuing to make a substantial loss, most notably some renewables EPC projects in North America. Looking ahead, we expect further benefits from our continued focus on improved execution as these underperforming contracts come to an end.

The order book at 31 December 2021 was up slightly to \$1.8 billion, having improved from Q1 throughout the year. The growth in our order book is partly constrained by our focus on de-risking the contracts in our portfolio. At 31 December 2021, revenue in our order book for 2022 was \$1,312 million, down 13% on 2021.

Operational review

Our Projects business provides project management and delivery, engineering design and construction.

We made a number of changes in the year to reduce the level of contract risk across our business. These changes include selective bidding of new EPC work and more balanced risk sharing with our customers. Alongside this, we have made changes to how we run our business. We introduced new operational and commercial governance models and made changes to management. Furthermore, we exited our business that performed large industrial and power EPC business.

Despite the topline growth challenges, the business delivered for customers across many contracts. We completed a large EPC management project in Europe to convert a traditional diesel production unit to biodiesel and successfully completed a large EPC contract to build a methanol plant for YCI.

Significant wins in the year included a contract with Nevada Gold to install a solar power plant, substation and transmission lines to deliver solar energy to help decarbonise their mining activities, and an EPCm contract with the Renewable Energy Group to help them improve and expand their renewable diesel biorefinery in Louisiana.

Outlook for 2022

We expect modest revenue growth, supported by our higher order book, though the level of growth will be dependent on customer investment decisions and will be weighted towards the second half of the year.

OPERATIONS

	2021 \$m	2020 \$m	Movement %
Revenue	2,098	2,033	3.2%
<i>Growth on a like-for-like basis</i>			3.9%
Adjusted EBITDA*	225	256	(12.1)%
<i>Growth on a like-for-like basis</i>			(8.2)%
Adjusted EBITDA margin	10.7%	12.6%	(1.9)ppts
Order book	3,625	2,848	27.3%

*adjusted EBITDA includes \$57 million from joint ventures. Revenue does not include any contribution from joint ventures

Financial review

Revenue grew by 4% on a like-for-like basis to \$2,098 million, reflecting a stronger second half compared to both H1 2021 (growth of 10%) and H2 2020 (growth of 17%) as market conditions in conventional energy continued to improve.

Adjusted EBITDA was down 8% on a like-for-like basis to \$225 million with revenue growth more than offset by a lower margin. The lower margin reflects a lower level of profit upside from closing out contract obligations in the year, compared to a high level in 2020 across multiple contracts. Adjusted EBITDA in 2021 benefited from c.\$12 million of profit recognised where there were no related costs incurred in the year.

The disposal of our joint venture interests in TransCanada Turbines (TCT) in Q4 2020 and the disposal of Sulzer Wood in Q1 2021 impacted reported EBITDA growth. Adjusted EBITDA includes the share of JV EBITDA of \$57 million (2020: \$65 million). Joint ventures are included in our results at the adjusted EBITDA line but not in revenue and as such benefit our reported margin.

The order book at 31 December 2021 was up 27% on last year to \$3.6 billion, driven by a recovery in demand in conventional energy, including a number of multi-year contract renewals.

At 31 December 2021, revenue in our order book for 2022 was \$1,764 million, up 18% on 2021.

Operational review

Our Operations business manages and optimises our customers' assets including maintenance, modifications, brownfield engineering, asset operations and management through to decommissioning.

Performance across Operations in 2021 improved as the year progressed, supported by increased customer activity, with growth across all regions. We entered new markets in the year, with the addition of services across power and specialty chemicals.

Notable contract renewals in the year included oil and gas contracts across all regions including a c.\$500 million renewal for our work in Brunei.

Significant new contract wins included a \$130 million contract with Spirit Energy focused on late life operations, a contract for operations in the Norwegian North Sea for Equinor, plus various oil & gas wins across countries and some wins in new areas.

Outlook

Revenue is expected to grow, supported by the higher order book. EBITDA in 2022 is expected to see a smaller benefit from contract close outs than in 2021, which will particularly impact the half year.

INVESTMENT SERVICES

	2021 \$m	2020 \$m	Movement %
Revenue (pre-exceptional items) – see note 1 on page 4	201	139	44.6%
<i>Growth on a like-for-like basis</i>			44.6%
Adjusted EBITDA	11	13	(15.4)%
<i>Growth on a like-for-like basis</i>			(15.4)%
Adjusted EBITDA margin	5.5%	9.4%	(3.9)ppts
Order book	120	136	(11.8)%

Our Investment Services business unit manages a number of legacy activities and liabilities. The most notable areas are activities in industrial power and heavy civil engineering. In addition to this, the results of our Aegis Poland contract, which is managed through our Projects business unit, are reported within Investment Services.

Investment Services generated revenue of \$201 million and adjusted EBITDA of \$11 million. The primary driver for the increase in revenue is the inclusion of heavy civil engineering from 2021 onwards.

Adjusted EBITDA in 2021 benefited from a change in the classification of Aegis contract losses. Previously these were included within adjusted EBITDA (\$11 million in FY20, \$9 million in HY21) and now have been classified (from H2 2021 onwards) as exceptional items, as discussed on page 6.

CENTRAL COSTS

	2021 \$m	2020 \$m	Movement %
Adjusted EBITDA	(77)	(68)	(13.2)%

Central costs, not allocated to business units, increased from \$68 million to \$77 million in the year. Performance in 2021 includes a gain on sale of property of \$11 million as part of our rationalisation of the Group's portfolio.

Outlook

Given the one-off benefit from the property sale in the year, we expect central costs to be higher in 2022.

FINANCIAL REVIEW

Trading performance

Trading performance is presented on the basis used by management to run the business with adjusted EBITDA including the contribution from joint ventures. A reconciliation of operating profit to adjusted EBITDA is included in note 1 to the financial statements. A calculation of adjusted diluted EPS is shown on page 21.

	2021 \$m	2020 \$m
Revenue	6,400.0	7,564.3
Revenue (pre-exceptional items)*	6,426.0	7,564.3
Adjusted EBITDA¹	553.9	630.4
Adjusted EBITDA margin %	8.6%	8.3%
Depreciation (PPE)	(39.1)	(45.4)
Depreciation (right of use asset)	(109.8)	(134.6)
Impairment of PPE and right of use assets	(6.0)	-
Amortisation - software and system development	(90.8)	(102.0)
Amortisation - intangible assets from acquisitions	(100.9)	(125.7)
Adjusted EBIT	207.3	222.7
Tax and interest charges on joint ventures included within operating profit but not in adjusted EBITDA	(15.3)	(8.3)
Operating profit before exceptional items	192.0	214.4
Exceptional items	(159.7)	(247.3)
Operating profit/(loss)	32.3	(32.9)
Net finance expense	(92.6)	(86.7)
Interest charge on lease liability	(20.3)	(29.0)
Loss before tax	(80.6)	(148.6)
Taxation	(54.9)	(79.5)
Loss for the period	(135.5)	(228.1)
Basic EPS (cents)	(20.6)	(34.1)
Adjusted diluted EPS (cents)²	17.5	23.2

See notes on pages 28-30

* Revenue for FY21 includes an exceptional item of \$(25.4) million related to Aegis Poland. Revenue (pre-exceptional items) is an APM that is used throughout this Report as the Group believes it provides a more useful measure of performance year-to-year.

In the table above depreciation, amortisation and exceptional items include the contribution from joint ventures.

Adjusted EBITDA decreased by \$76.5 million to \$553.9 million mainly due to reduced revenues in the Projects business due to deferrals of activity by our customers and our move away from taking on large scale lump sum EPC work. The impact of a reduction in revenue was partially offset by an increase in EBITDA margin to 8.6% (2020: 8.3%).

The review of our trading performance is contained within the Chief Executive Review on pages 6 to 11.

Amortisation, impairments and depreciation

Total amortisation for 2021 of \$191.7 million (2020: \$227.7 million) includes \$97.9 million for Amec Foster Wheeler ("AFW") (2020: \$107.9 million) and \$3.0 million (2020: \$17.8 million) of amortisation relating to intangible assets arising from prior year acquisitions. Amortisation in respect of software and development costs was \$90.8 million (2020: \$102.0 million) and this largely relates to engineering software and ERP system

development. Included in the amortisation charge for the year above is \$1.8 million (2020: \$2.2 million) in respect of joint ventures.

The total depreciation charge in 2021 amounted to \$148.9 million (2020: \$180.0 million) and includes depreciation on right of use assets of \$109.8 million (2020: \$134.6 million).

Total impairment for 2021 of \$6.0 million mainly related to impairments recorded against properties in the USA that are not being used by the Group, and whose expected market value is below the carrying amount.

Net finance expense and debt

	2021 \$m	2020 \$m
Interest on bank borrowings	32.8	33.3
Interest on US Private Placement debt	35.9	38.0
Discounting relating to asbestos, deferred consideration and other liabilities	6.4	8.6
Other interest, fees and charges	20.8	19.1
Total finance expense excluding joint ventures and interest charge on lease liability	95.9	99.0
Finance income relating to defined benefit pension schemes	(0.2)	(3.8)
Interest on uncertain tax provisions	-	(4.9)
Other finance income	(3.1)	(3.6)
Net finance expense	92.6	86.7
Interest charge on lease liability	20.3	29.0
Net finance charges in respect of joint ventures	3.6	3.5
Net finance expense including joint ventures and interest charge on lease liability	116.5	119.2

Interest cover (see note 5 on page 29) was 4.5 times on a reported basis (2020: 5.5 times) against our covenant of 3.5 times.

Interest on bank borrowings of \$32.8 million (2020: \$33.3 million) primarily relates to interest charged on borrowings under the \$1.2 billion Revolving Credit Facility ('RCF'), borrowings of \$300 million under the bilateral loans which were repaid during the year and the \$600 million United Kingdom Export Facility ('UKEF') which matures in July 2026. The total available facility under the RCF reduced to \$1.2 billion from \$1.75 billion in 2020 following an extension of the maturity to October 2026.

The Group also has \$803.3 million of unsecured loan notes issued in the US private placement market which mature at varying dates between 2022 and 2031, of which \$35 million matures in 2022 with the remainder weighted to later dates. Interest is payable at an average rate of 4.2% on these loan notes. The reduction in interest expense is due to the payment of loan notes which matured during 2021.

In total the Group had undrawn facilities of \$1,103.1 million at 31 December 2021.

The Group recognised interest costs in relation to lease liabilities of \$20.3 million (2020: \$30.1 million) which relates to the unwinding of discount on the lease liability.

The unwinding of discount on the asbestos provision is \$6.3 million (2020: \$8.0 million) and includes the unwinding of discount on long-term asbestos receivables.

Net debt excluding leases to adjusted EBITDA (excluding the impact of IFRS 16) at 31 December was 3.3 times (2020: 2.1 times) on a reported basis, against our covenants of 3.5 times. This is calculated pre IFRS 16 as our covenants are calculated on a frozen GAAP basis, see note 4 on page 28.

Exceptional items

	2021 \$m	2020 \$m
Gain on divestment of business	(14.4)	(59.1)
Aegis contract loss (revenue)	25.4	-
Aegis contract loss (cost of sales)	73.9	-
Impairment losses on non-core business	-	20.1
Redundancy, restructuring and integration costs	77.9	100.8
Investigation support costs and provisions	-	161.6
Asbestos yield curve and fees	(3.1)	19.8
Guaranteed Minimum Pension equalisation	-	4.1
Exceptional items, net of interest and tax	159.7	247.3
Unwinding of discount on asbestos provision	6.3	8.0
Tax (credit)/charge in relation to exceptional items	(1.2)	0.7
Impact of change in UK rate on prior year exceptional deferred tax	10.3	-
Derecognition of deferred tax assets due to UK pension actuarial loss	-	27.3
Exceptional items, net of tax	175.1	283.3

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.

The gain on divestment of business relates to the disposal of the Group's interest in Sulzer Wood Limited for a consideration of \$19.3 million. The gain of \$59.1 million in 2020 related to the disposal of the nuclear and industrial services business and our interest in the TransCanada Turbines joint venture.

The increase in the Aegis contract loss in 2021 was \$99.3 million, which reflects the latest estimate of the full contract loss. The increased loss recognised in the year was due to changes in the best estimates of the outcome of the contract, based on the director's current strategy for completing this complex project. The estimate reflects an increase in the expected future legal costs, along with increases in the expected costs to complete and potential liquidated damages. The changes to these estimates at 31 December 2021 are predominantly a result of adverse events and circumstances in the current period. These included additional delays on the contract as further commissioning took place, updated assessments of variation orders and a change to the expected process to recover variation orders. By virtue of its size and the nature of Aegis being a legacy contract in a sector where the group no longer operates, this was recorded as an exceptional charge through revenue and cost of sales. No revenue has been recognised on the Aegis Poland contract in 2021. The negative revenue of \$25.4 million presented represents the impact of the reduction in percentage completion and reduction in the total forecast revenue on the contract. During 2020 a charge of \$11 million was taken to EBITDA to reflect the estimated full loss as at 31 December 2020. The updated contract loss reflects the Group's latest assessment of cost to complete, claims, liquidated damages and legal costs.

During the year to 31 December 2021, \$77.9 million was incurred in relation to redundancy and restructuring activities. During 2021 the Group has continued to progress various initiatives which support the improved efficiency and enhancement of underlying group profitability in the medium to longer term. These initiatives have included 'Future Fit', which is a Group wide strategic initiative aimed at improving efficiency, transforming our project and operations delivery, and improving profitability through changes to our supply chain and our digital capability. Future Fit is an 18-month programme which commenced during the first half of 2021 and is due to complete in the first half of 2022.

We have also taken steps to simplify our legal entity structure and closed legal entities to make our business more efficient. The direct costs of running this programme along with the costs of redundancies and other investments are included in the exceptional charge.

Furthermore, the Group has sharpened its focus on markets where we know we can make an impact and deliver higher margins, and those businesses where the returns are commensurate to the risks involved. This has resulted in strategic decisions to exit certain locations, and end markets that do not fit this profile, the most material of which were our Paris engineering office, the Power and Industrial Large EPC sector and the ATG automation businesses in the UK. Where relevant, all staff were notified prior to the year-end and no new work is being undertaken by these businesses. In line with our accounting policy on exceptional items the costs mainly relate to redundancy of staff, which were calculated in line with local regulations, the wind down of onerous contracts and write down of receivables balances considered to be unrecoverable as a result.

The regulatory investigations were all closed out during the first half of 2021 and the agreed settlements were materially in line with the provision made at 31 December 2020.

All asbestos costs have been treated as exceptional on the basis that movements in the provision are non-trading and can be large and driven by market conditions which are out with the Group's control. Excluding these amounts from the trading results improves the understandability of the underlying trading performance of the Group. The credit of \$3.1 million in 2021 relates to a \$5.6 million yield curve credit (2020: \$17.9 million charge) and \$2.5 million (2020: \$1.9 million) of costs in relation to managing the claims. The 30-year US Treasury rate has increased to 1.9% from 1.65% at the end of December 2020 and led to the income statement credit in 2021. \$6.3 million of interest costs which relate to the unwinding of discount on the asbestos provision are shown as exceptional (2020: \$8.0 million).

An exceptional tax charge of \$9.1 million (2020: \$28.0 million) has been recorded in the period and consists of a \$1.2 million tax credit on pre-tax exceptional items (2020: \$0.7 million charge) and a \$10.3 million tax charge relating to the change of the UK tax rate impacting on deferred tax balances created in prior years through exceptionals (2020: \$nil). The 2020 charge also included \$27.3 million which reflected an impairment of deferred tax assets in the income statement arising from a reduction in deferred tax assets through other comprehensive income due to the UK pension actuarial loss.

Taxation

The effective tax rate on profit before tax, exceptional items and amortisation and including Wood's share of joint venture profit on a proportionally consolidated basis is set out below, together with a reconciliation to the tax charge in the income statement.

	2021 \$m	2020 \$m
Loss from continuing operations before tax	(80.6)	(148.6)
Tax charge in relation to joint ventures (note 12)	11.7	4.8
Joint venture exceptional items (note 12)	-	8.0
Amortisation (note 9)	189.9	225.5
Exceptional items	166.0	247.3
Profit from continuing operations before tax, exceptional items and amortisation	287.0	337.0
Effective tax rate on continuing operations (excluding tax on exceptional items and amortisation)	26.4%	23.7%
Tax charge (excluding tax on exceptional items and amortisation)	75.7	79.8
Tax charge in relation to joint ventures	(11.7)	(4.8)
Tax charge in relation to exceptional items	9.1	0.7
Derecognition of deferred tax assets due to UK pension actuarial loss	-	27.3
Tax credit in relation to amortisation	(18.2)	(23.5)
Tax charge per income statement	54.9	79.5

The effective tax rate reflects the rate of tax applicable in the jurisdictions in which the Group operates and is adjusted for permanent differences between accounting and taxable profit and the recognition of deferred tax assets. Key adjustments impacting on the rate in 2021 are the derecognition of deferred tax assets, current year deferred tax assets not recognised primarily in relation to the US, offset by the release of deferred tax on undistributed reserves and a net credit relating to provisions in relation to uncertain tax positions.

Due to the impact of the planned disposal of the Built Environment business it is difficult to give guidance on the tax rate for 2022. However, we anticipate that post disposal the tax rate for the Group will increase. This anticipated increase reflects the utilisation of tax losses and other tax attributes to mitigate the tax payable on disposal of the Built Environment business, thus reducing their use elsewhere, as well as other trends such as the OECDs minimum tax rate increasing overall taxation rates.

In addition to the effective tax rate, the total tax charge in the income statement reflects the impact of exceptional items and amortisation which by their nature tend to be expenses that are more likely to be not deductible than those incurred in ongoing trading profits. The income statement tax charge excludes tax in relation to joint ventures.

Earnings per share

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 adjusted diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of dilutive potential ordinary shares, only when there is a profit per share. Adjusted diluted earnings per share is disclosed to show the results excluding the impact of exceptional items and amortisation related to acquisitions, net of tax.

	2021			2020		
	(Losses)/earnings attributable to owners of the parent \$m	Number of shares m	(Losses)/earnings per share cents	(Losses)/earnings attributable to owners of the parent \$m	Number of shares m	(Losses)/earnings per share cents
Basic	(139.5)	675.6	(20.6)	(229.5)	672.5	(34.1)
Effect of dilutive ordinary shares	-	-	-	-	-	-
Diluted	(139.5)	675.6	(20.6)	(229.5)	672.5	(34.1)
Exceptional items, net of tax	175.1	-	25.9	283.3	-	42.1
Amortisation related to acquisitions, net of tax	82.7	-	12.2	102.2	-	15.2
Adjusted diluted	118.3	675.6	17.5	156.0	672.5	23.2

Basic loss per share for the year was 20.6 cents per share (2020: 34.1 cents). The loss for the year attributable to owners of the parent of \$139.5 million is lower than the loss reported in 2020 mainly due to the higher exceptional charge in 2020.

Dividend

In response to the uncertainties of Covid-19, the Board withdrew its recommendation for dividend payments in 2020. Given the high level of net debt held by the Group, the Board has decided not to recommend dividends in relation to 2021.

The Board recognises the importance of dividends to shareholders and is committed to reviewing the policy in the future following the proposed sale of our Built Environment business.

Cash flow and net debt

	Excluding leases 2021 \$m	Impact of Leases 2021 \$m	Total 2021 \$m	Excluding leases 2020 \$m	Impact of Leases 2020 \$m	Total 2020 \$m
Adjusted EBITDA	418.5	135.4	553.9	479.2	151.2	630.4
Less JV EBITDA	(54.0)	(6.7)	(60.7)	(60.1)	(7.7)	(67.8)
JV Dividends	26.3	-	26.3	29.6	-	29.6
Decrease in provisions	(75.6)	-	(75.6)	(45.4)	-	(45.4)
Other	10.7	3.3	14.0	6.7	-	6.7
Cash flow generated from operations pre working capital	325.9	132.0	457.9	410.0	143.5	553.5
(Increase)/decrease in receivables	(70.1)	-	(70.1)	504.2	-	504.2
Decrease in payables	(163.2)	-	(163.2)	(342.3)	-	(342.3)
Decrease in advance payments	(72.7)	-	(72.7)	(276.8)	-	(276.8)
Decrease in inventory	0.1	-	0.1	0.9	-	0.9
Working capital movements	(305.9)	-	(305.9)	(114.0)	-	(114.0)
Cash exceptions	(159.1)	21.0	(138.1)	(114.6)	21.3	(93.3)
Cash generated from operations	(139.1)	153.0	13.9	181.4	164.8	346.2
Capex and intangibles	(92.8)	-	(92.8)	(81.6)	-	(81.6)
Interest paid	(84.4)	-	(84.4)	(82.9)	-	(82.9)
Tax paid	(73.5)	-	(73.5)	(43.2)	-	(43.2)
Other	(8.2)	14.6	6.4	(19.2)	23.6	4.4
Non-cash movement in leases	-	(76.0)	(76.0)	-	(146.5)	(146.5)
Free cash flow	(398.0)	91.6	(306.4)	(45.5)	41.9	(3.6)
Divestments	19.3	-	19.3	455.2	-	455.2
(Increase)/decrease in net debt	(378.7)	91.6	(287.1)	409.7	41.9	451.6
Opening net debt	(1,014.3)	(541.4)	(1,555.7)	(1,424.0)	(583.3)	(2,007.3)
Closing net debt	(1,393.0)	(449.8)	(1,842.8)	(1,014.3)	(541.4)	(1,555.7)

Closing net debt at 31 December 2021 including leases was \$1,842.8 million (2020: \$1,555.7 million). Included within closing net debt is the IFRS 16 lease liability which is the net present value of the lease payments that are not paid at the commencement date of the lease and subsequently increased by the interest cost and reduced by the lease payment made. The lease liability as at 31 December 2021 was \$449.8 million (2020: \$541.4 million). All covenants on the debt facilities are measured on a frozen GAAP basis and therefore exclude the impact of IFRS 16.

Closing net debt excluding leases as at 31 December 2021 was \$1,393.0 million (2020: \$1,014.3 million). The increase in net debt excluding leases of \$378.7 million is mainly due to lower cash generated from operations due to lower activity levels in 2021 compared with 2020 and a large working capital outflow.

The monthly average net debt excluding leases in 2021 was \$1,680.0 million (2020: \$1,597.8 million). The cash balance and undrawn portion of the Group's committed banking facilities can fluctuate throughout the year. Around the covenant remeasurement dates of 30 June and 31 December the Group's net debt excluding leases is typically lower than the monthly averages due to a combination of factors including a strong focus on collection of receipts from customers and the timing of payments to suppliers.

Cash generated from operations pre-working capital decreased by \$95.6 million to \$457.9 million primarily as a result of the reduction in EBITDA and the movement in provisions. The movement in provisions in 2021 includes utilisations of the provision and the net non-cash credit (2020: charge) to EBITDA and is caused by releases to EBITDA exceeding the EBITDA charge of new provisions recognised. The release in 2021 is driven by the Group concluding on a number of historic litigation and insurance and property provisions which are no longer necessary following resolution of disputes or the underlying risk.

There was a working capital outflow of \$305.9 million (2020: \$114.0 million). There was an improvement in activity levels in the final quarter of 2021 compared with 2020, and in conjunction with higher days sales outstanding ("DSO") led to a higher combined trade receivables and gross amounts due from customers compared with 2020, which resulted in an outflow during 2021.

The outflow in the year due to payables of \$163.2 million is lower than 2020. The large outflow in 2020 was driven by a reduction in activity levels in 2020 compared with 2019. Activity levels recovered during the final quarter of 2021 however the increased activity was not sufficient to cover the cash outflow in the first half of 2021 from lower activity.

The cash outflow due to advances payments in 2021 was \$72.7 million and compares to \$276.8 million in 2020. The reduced outflow in 2021 is due to the unwind of advances in 2020 which were received in previous periods as contracts have been completed in the Projects business. As a result of the Group de-risking its portfolio of contracts by moving away from large scale EPC contracts, the unwind in advances has not been offset by new awards in 2021.

The Group uses a receivables financing facility of \$200.0 million. The amount utilised at 31 December 2021 was \$200.0 million (2020: \$190.0 million). The facility is non-recourse to the Group and so is not included in our net debt.

Cash exceptionals have increased by \$44.8 million to \$138.1 million in 2021 and mainly relates to payments amounting to around \$75 million in respect of the investigation which was provided for in 2020 and is stated net of insurance receipts of around \$2 million. The remaining cash exceptional relates to the cash cost of restructuring of around \$50 million and mainly includes future fit costs of around \$29 million, the closure of the Paris office of around \$15 million and our ATG business of around \$6 million. In addition, payments of around \$8 million were made in respect of onerous property contracts.

Payments for capex and intangible assets were \$92.8 million (2020: \$81.6 million) and included software licences and expenditure on ERP systems across the Group. The increase is mainly due to the resumption in the implementation of the ERP system and other discretionary capital expenditure which was paused during 2020 to preserve cash. We expect payments for capex and intangible assets to be higher in 2022.

Tax payments during 2021 were \$73.5 million (2020: \$43.2 million). The increase partly reflects the timing of payments made in Canada.

Net cash from divestments of \$19.3 million relates to the disposal of our interest in the Sulzer Wood joint venture.

Cash conversion, calculated as cash generated from operations as a percentage of adjusted EBITDA (less JV EBITDA) reduced to 2.8% (2020: 61.5%) primarily due to large working capital outflow during 2021 compared with 2020.

Sources and uses of cash

The decrease in cash generated from operations in 2021 to \$13.9 million from \$346.2 million reflects the lower EBITDA in the year and large working capital outflow.

There are a number of risks associated with net cash flow from operations, including:

- Market risks, such as variability in commodity prices which impacts on activities by our customers;
- Project risks, which include delays and disputes which can influence our ability to collect cash from our customers; and
- Other risks, including the actions of governments and other third parties which can affect our ability to service our increasingly global customer base.

The Group remain committed to a strong balance sheet. Our uses of cash include:

- Servicing and repayment of our debt facilities;
- Capital expenditure;
- Potential returns to our shareholders; and
- Potential acquisitions.

Summary balance sheet

	2021 \$m	2020 \$m
Goodwill and intangible assets	6,075.3	6,216.2
Right of use assets	356.1	408.9
Other non-current assets	790.6	831.1
Trade and other receivables	1,791.3	1,698.6
Trade and other payables	(1,998.6)	(2,019.7)
Net debt excluding leases	(1,393.0)	(1,014.3)
Lease liabilities	(449.8)	(541.4)
Provisions	(635.2)	(942.6)
Other net liabilities	(451.4)	(464.0)
Net assets	4,085.3	4,172.8
 Net current liabilities	 (367.9)	 (457.3)

At 31 December 2021, the Group had net current liabilities of \$367.9 million (2020: \$457.3 million). The reduction in net current liabilities is primarily due to the extension of the maturity of the Group's debt facilities following the new \$1.2 billion Revolving Credit Facility and \$600 million UKEF facility issued during 2021.

Goodwill and intangible assets include \$4,228.7 million (2020: \$4,354.7 million) of goodwill and intangibles relating to the acquisition of Amec Foster Wheeler. The balance has decreased during the year primarily because of the amortisation of intangible assets.

Right of use assets and lease liabilities amount to \$356.1 million (2020: \$408.9 million) and \$449.8 million (2020: \$541.4 million) respectively.

The increase in trade and other receivables is primarily due to increased activity levels in the final quarter of the year compared with the same period in 2020 and an increase in DSO. There have been no instances of material default by our customers as a result of the current market conditions.

Trade and other payables have decreased by \$21.1 million since December 2020 and this is mainly due to a reduction in amounts due to customers and deferred income which was primarily related to the unwind of advances received on contracts in the Projects business. This was partially offset by an increase in other payables due to the reclassification of the current portion of the investigations provision of \$40.6 million.

The provisions balance reduced by \$307.4 million to \$635.2 million. The decrease in provisions is mainly driven by reclassifications of \$235.2 million, utilisations and releases of \$130.9 million and FX of \$2.1 million partially offset by charges of \$60.8 million.

The reclassifications primarily relate to the investigations provision which was recognised in full as at December 2020 and has been subsequently reclassified to trade and other payables following agreement with the authorities, with the non-current portion being reflected in other net liabilities.

Provisions utilised amounted to \$65.2 million and mainly related to asbestos of \$42.5 million and various legal and project related matters. Releases to the income statement amounted to \$65.7 million and was mainly related to a number of historical project related and insurance and property provisions which are no longer necessary following resolution of disputes or the underlying risk.

Contract assets and liabilities

	2021 \$m	2020 \$m
Trade receivables	729.6	646.9
Non-current contract assets	66.5	111.3
Amounts due from customers	628.1	638.6
Amounts due to customers	(87.5)	(203.2)
Deferred income	(115.0)	(69.7)
	1,221.7	1,123.9

The net increase in trade receivables and amounts due from customers is due to increased activity levels in the final quarter compared with the same period in 2020 and higher DSO. There have been no instances of material default by our customers as a result of the current market conditions. The net reduction in amounts due to customers and deferred income was \$70.4 million and primarily related to the unwind of advances received on contracts in the Projects business.

Non-current contract assets of \$66.5 million includes \$46.6 million of gross amounts due from customers and \$19.9 million of trade receivables in relation to the Aegis contract as at 31 December 2021. The corresponding balances as at 31 December 2020 amounted to \$111.3 million, with \$94.1 million included in gross amounts due from customers and \$17.2 million of trade receivables. The decrease in the non-current contract assets is mainly as a result of the Aegis contract loss recorded in exceptional items. The Group's current estimate is that these will not be settled until 2023 at the earliest. Refer to note 20 for further details of the additional provisions recognised in respect of this contract.

Asbestos-related obligations

Largely 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 overwhelming majority of claims that have been made and are expected to be made are in the USA. At 31 December 2021, the Group has net asbestos related liabilities of \$349.1 million (2020: \$380.9 million).

The Group expects to have net cash outflows of around \$35 million as a result of asbestos liability indemnity and defence payments in excess of insurance proceeds during 2022. 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.

Full details of asbestos liabilities are provided in note 20 to the Group financial statements.

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 2021, the UK defined benefit pension plan had a surplus of \$259.6 million (2020: \$188.8 million) and other schemes had deficits totalling \$74.7 million (2020: \$124.4 million).

The Group has total pension scheme assets of \$4,811.5 million (2020: \$4,844.3 million) and pension scheme obligations of \$4,626.6 million (2020: \$4,779.9 million) and is therefore 104% (2020: 101%) funded on an IAS 19 basis. The reduction in the scheme liabilities is driven by a higher discount rate used in the actuarial assumptions.

In assessing the potential liabilities, judgement is required to determine the assumptions for inflation, discount rate and member longevity. The assumptions at 31 December 2021 showed an increase in the discount rate

which results in lower scheme liabilities and higher RPI inflation rates, thereby increasing the surplus compared to 2020. Full details of pension assets and liabilities are provided in note 32 to the Group financial statements.

Contingent liabilities

Details of the Group's contingent liabilities are set out in note 33 to the financial statements.

Divestments

During 2021 the Group disposed of interest in Sulzer Wood for a cash consideration of \$19.3 million.

Note

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2021 or 2020 but is derived from those accounts. Statutory accounts for 2020 have been delivered to the registrar of companies, and those for 2021 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

There are no changes to the accounting policies since the last published financial statements.

Notes

1. A reconciliation of operating profit/(loss) to adjusted EBITDA is presented in table below and is a key unit of measurement used by the Group in the management of its business.

	2021 \$m	2020 \$m
Operating profit/(loss) per income statement	32.3	(32.9)
Share of joint venture finance expense and tax (note 12)	15.3	8.3
Exceptional items (note 5)	159.7	247.3
Amortisation (including joint ventures)	191.7	227.7
Depreciation (including joint ventures)	39.1	45.4
Depreciation of right of use assets	109.8	134.6
Impairment of PP&E and right of use assets	6.0	-
Adjusted EBITDA	553.9	630.4

2. Adjusted diluted earnings per share ("AEPS") is calculated by dividing losses attributable to owners (\$139.5 million) before exceptional items (\$175.1 million) and amortisation relating to acquisitions (\$82.7 million), 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 (675.6 million). In 2021, AEPS was not adjusted to assume conversion of all potentially dilutive ordinary shares because the unadjusted result is a loss.
3. Number of people includes both employees and contractors at 31 December 2021.
4. Net Debt to adjusted EBITDA cover on a covenant and reported basis is presented in the table below:

	2021 \$m	2020 \$m
Net debt excluding lease liabilities (reported basis) (note 29)	1,393.0	1,014.3
Covenant adjustments	13.5	25.0
Net debt (covenant basis)	1,406.5	1,039.3
Adjusted EBITDA	553.9	630.4
Adjustment to exclude the impact of IFRS 16	(135.4)	(151.2)
Covenant adjustments	29.5	11.5
Adjusted EBITDA (covenant basis)	448.0	490.7
Net debt to adjusted EBITDA (covenant basis)	3.1	2.1
Adjusted EBITDA	553.9	630.4
Adjustment to exclude the impact of IFRS 16	(135.4)	(151.2)
Adjusted EBITDA (reported basis)	418.5	479.2
Net debt to adjusted EBITDA (reported basis)	3.3	2.1

Note: the covenant basis shown above refers to the measure as calculated for our RCF. The measure used for our USPP and UKEF is not materially different from the reported measure shown above.

5. Interest cover on a covenant and reported basis is presented in the table below:

	2021 \$m	2020 \$m
Net finance expense	92.6	86.7
Covenant adjustments	(6.7)	(4.8)
Net finance expense (covenant basis)	85.9	81.9
Adjusted EBITA	405.0	450.4
Adjustment to exclude impact of IFRS 16	(18.5)	(16.6)
Covenant adjustments	22.1	11.5
Adjusted EBITA (covenant basis)	408.6	445.3
Interest cover (covenant basis)	4.8	5.4
Net finance expense	92.6	86.7
Adjusted EBITDA (reported basis)	418.5	479.2
Interest cover (reported basis)	4.5	5.5

6. Reported to like-for-like reconciliation

	Reported \$m	Impact of disposals \$m	Like-for-like \$m	Reported \$m	Impact of disposals \$m	Like-for-like \$m
Revenue						
Consulting	1,787.5	-	1,787.5	1,823.2	(63.1)	1,760.1
Projects	2,339.8	-	2,339.8	3,569.3	-	3,569.3
Operations	2,098.1	-	2,098.1	2,033.2	(13.2)	2,020.0
Investment Services	200.6	-	200.6	138.6	-	138.6
Group total	6,426.0	-	6,426.0	7,564.3	(76.3)	7,488.0
Adjusted EBITDA						
Consulting	226.8	-	226.8	224.3	(5.4)	218.9
Projects	167.7	-	167.7	205.4	-	205.4
Operations	225.1	-	225.1	256.1	(11.0)	245.1
Investment Services	10.9	-	10.9	12.8	-	12.8
Central costs*	(76.6)	-	(76.6)	(68.2)	-	(68.2)
Group total	553.9	-	553.9	630.4	(16.4)	614.0
Adjusted EBITDA margin %						
Consulting	12.7%	-	12.7%	12.3%	0.1%	12.4%
Projects	7.2%	-	7.2%	5.7%	-	5.7%
Operations	10.7%	-	10.7%	12.6%	(0.5)%	12.1%
Investment Services	5.5%	-	5.5%	9.4%	-	9.4%
Group total	8.6%	-	8.6%	8.3%	(0.1)%	8.2%

* Central includes the costs of certain Group management personnel, along with an element of Group infrastructure costs.

In FY21 executed disposals consisted of our joint venture interest in Sulzer Wood. Comparative figures also exclude revenue and adjusted EBITDA from the disposals of our nuclear and industrial services businesses, YKK and our joint venture interest in TransCanada Turbines (TCT) completed in 2020. These disposals accounted for \$nil revenue in FY21 (FY20: \$76 million) and adjusted EBITDA of \$nil in FY21 (FY20: \$16 million).

JOHN WOOD GROUP PLC

GROUP FINANCIAL STATEMENTS

FOR THE YEAR TO 31 DECEMBER 2021

Company Registration Number SC036219

Consolidated income statement

for the year to 31 December 2021

	Note	2021			2020		
		Pre-exceptional items \$m	Exceptional items \$m	Total \$m	Pre-exceptional items \$m	Exceptional items \$m	Total \$m
Revenue from continuing operations	1,2,5	6,426.0	(25.4)	6,400.6	7,564.3	-	7,564.3
Cost of sales	5	(5,641.9)	(73.9)	(5,715.8)	(6,836.6)	-	(6,836.6)
Gross profit		784.1	(99.3)	684.8	727.7	-	727.7
Administrative expenses	5	(623.6)	(60.4)	(684.0)	(554.9)	(239.3)	(794.2)
Share of post-tax profit/(loss) from joint ventures	5,12	31.5	-	31.5	41.6	(8.0)	33.6
Operating profit/(loss)	1	192.0	(159.7)	32.3	214.4	(247.3)	(32.9)
Finance income	3	3.3	-	3.3	13.4	-	13.4
Finance expense	3,5	(109.9)	(6.3)	(116.2)	(121.1)	(8.0)	(129.1)
Profit/(loss) before taxation from continuing operations	4,5	85.4	(166.0)	(80.6)	106.7	(255.3)	(148.6)
Taxation	5,6	(45.8)	(9.1)	(54.9)	(51.5)	(28.0)	(79.5)
Profit/(loss) for the year from continuing operations		39.6	(175.1)	(135.5)	55.2	(283.3)	(228.1)
Profit/(loss) attributable to							
Owners of the parent		35.6	(175.1)	(139.5)	53.8	(283.3)	(229.5)
Non-controlling interests	28	4.0	-	4.0	1.4	-	1.4
		39.6	(175.1)	(135.5)	55.2	(283.3)	(228.1)
Earnings per share (expressed in cents per share)							
Basic	8			(20.6)			(34.1)
Diluted	8			(20.6)			(34.1)

The notes on pages 37 to 116 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income/expense

for the year to 31 December 2021

	Note	2021 \$m	2020 \$m
Loss for the year		(135.5)	(228.1)
Other comprehensive income/(expense)			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement gains/(losses) on retirement benefit obligations	32	83.3	(178.7)
Movement in deferred tax relating to retirement benefit obligations	6	(9.5)	36.8
Total items that will not be reclassified to profit or loss		73.8	(141.9)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Cash flow hedges	27	7.9	(8.0)
Tax on derivative financial instruments	6	(3.4)	1.6
Exchange movements on retranslation of foreign operations	27	(56.3)	92.9
Total items that may be reclassified subsequently to profit or loss		(51.8)	86.5
Other comprehensive income/(expense) for the year, net of tax		22.0	(55.4)
Total comprehensive expense for the year		(113.5)	(283.5)
Total comprehensive expense for the year is attributable to:			
Owners of the parent		(117.5)	(284.9)
Non-controlling interests		4.0	1.4
		(113.5)	(283.5)

Total comprehensive expense for the year is attributable to continuing operations.

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

The notes on pages 37 to 116 are an integral part of these consolidated financial statements.

Consolidated balance sheet

as at 31 December 2021

	Note	2021 \$m	2020 \$m
Assets			
Non-current assets			
Goodwill and other intangible assets	9	6,075.3	6,216.2
Property plant and equipment	10	102.2	126.4
Right of use assets	11	356.1	408.9
Investment in joint ventures	12	169.7	168.7
Other investments	12	75.9	79.8
Long term receivables	14	107.5	187.0
Retirement benefit scheme surplus	32	259.6	188.8
Deferred tax assets	21	75.7	80.4
		7,222.0	7,456.2
Current assets			
Inventories	13	15.9	11.9
Trade and other receivables	14	1,791.3	1,698.6
Financial assets	14	7.7	20.7
Income tax receivable		55.2	50.6
Cash and cash equivalents	15	503.0	585.0
		2,373.1	2,366.8
Total assets		9,595.1	9,823.0
Liabilities			
Current liabilities			
Borrowings	17	281.9	315.3
Trade and other payables	16	1,998.6	2,019.7
Income tax liabilities		183.2	183.2
Lease liabilities	11	118.3	133.4
Provisions	20	159.0	172.5
		2,741.0	2,824.1
Net current liabilities		(367.9)	(457.3)
Non-current liabilities			
Borrowings	17	1,614.1	1,296.5
Deferred tax liabilities	21	72.5	89.0
Retirement benefit scheme deficit	32	74.7	124.4
Lease liabilities	11	331.5	408.0
Other non-current liabilities	18	199.8	138.1
Provisions	20	476.2	770.1
		2,768.8	2,826.1
Total liabilities		5,509.8	5,650.2
Net assets		4,085.3	4,172.8
Equity attributable to owners of the parent			
Share capital	23	41.3	41.1
Share premium	24	63.9	63.9
Retained earnings	25	1,415.0	1,455.2
Merger reserve	26	2,540.8	2,540.8
Other reserves	27	21.0	69.0
Total equity attributable to owners of the parent		4,082.0	4,170.0
Non-controlling interests	28	3.3	2.8
Total equity		4,085.3	4,172.8

The financial statements on pages 32 to 116 were approved by the board of directors on 19 April 2022 and signed on its behalf by:

Robin Watson, Director

David Kemp, Director

The notes on pages 37 to 116 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

for the year to 31 December 2021

	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 2020		40.9	63.9	1,806.4	2,540.8	(33.2)	4,418.8	5.5	4,424.3
(Loss)/Profit for the year		-	-	(229.5)	-	-	(229.5)	1.4	(228.1)
Other comprehensive income/(expense):									
Re-measurement losses on retirement benefit schemes	32	-	-	(178.7)	-	-	(178.7)	-	(178.7)
Movement in deferred tax relating to retirement benefit schemes	6	-	-	36.8	-	-	36.8	-	36.8
Cash flow hedges	27	-	-	-	-	(8.0)	(8.0)	-	(8.0)
Tax on derivative financial instruments	6	-	-	1.6	-	-	1.6	-	1.6
Net exchange movements on retranslation of foreign operations	27	-	-	-	-	92.9	92.9	-	92.9
Total comprehensive (expense)/income for the year		-	-	(369.8)	-	84.9	(284.9)	1.4	(283.5)
Transactions with owners:									
Dividends paid	7,28	-	-	-	-	-	-	(4.9)	(4.9)
Credit relating to share based charges	22	-	-	24.3	-	-	24.3	-	24.3
Deferred tax impact of rate change in equity	6	-	-	(1.3)	-	-	(1.3)	-	(1.3)
Other tax movements in equity	6	-	-	(0.7)	-	-	(0.7)	-	(0.7)
Shares allocated to employee share trusts	25	0.2	-	(0.2)	-	-	-	-	-
Exchange movements in respect of shares held by employee share trusts	25	-	-	(3.5)	-	-	(3.5)	-	(3.5)
Net exchange movements on disposal of foreign currency operations	27	-	-	-	-	17.3	17.3	-	17.3
Transactions with non-controlling interests	28	-	-	-	-	-	-	0.8	0.8
At 31 December 2020		41.1	63.9	1,455.2	2,540.8	69.0	4,170.0	2.8	4,172.8
(Loss)/Profit for the year		-	-	(139.5)	-	-	(139.5)	4.0	(135.5)
Other comprehensive income/(expense):									
Re-measurement gains on retirement benefit schemes	32	-	-	83.3	-	-	83.3	-	83.3
Movement in deferred tax relating to retirement benefit schemes	6	-	-	(9.5)	-	-	(9.5)	-	(9.5)
Cash flow hedges	27	-	-	-	-	7.9	7.9	-	7.9
Tax on derivative financial instruments	6	-	-	(3.4)	-	-	(3.4)	-	(3.4)
Net exchange movements on retranslation of foreign operations	27	-	-	-	-	(56.3)	(56.3)	-	(56.3)
Total comprehensive (expense)/income for the year		-	-	(69.1)	-	(48.4)	(117.5)	4.0	(113.5)
Transactions with owners:									
Dividends paid	7,28	-	-	-	-	-	-	(2.7)	(2.7)
Credit relating to share based charges	22	-	-	22.1	-	-	22.1	-	22.1
Deferred tax impact of rate change in equity	6	-	-	4.5	-	-	4.5	-	4.5
Other tax movements in equity	6	-	-	(0.1)	-	-	(0.1)	-	(0.1)
Shares allocated to employee share trusts	25	0.2	-	(0.2)	-	-	-	-	-
Exchange movements in respect of shares held by employee share trusts	25	-	-	1.1	-	-	1.1	-	1.1
Purchase of company shares by employee share trust for the Share Incentive Plan (SIP)	25	-	-	1.5	-	-	1.5	-	1.5
Net exchange movements on disposal of foreign currency operations	30	-	-	-	-	0.4	0.4	-	0.4
Transactions with non-controlling interests	28	-	-	-	-	-	-	(0.8)	(0.8)
At 31 December 2021		41.3	63.9	1,415.0	2,540.8	21.0	4,082.0	3.3	4,085.3

The notes on pages 37 to 116 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

for the year to 31 December 2021

	Note	2021 \$m	2020 \$m
Cash generated from operations	29	13.9	346.2
Tax paid		(73.5)	(43.2)
Net cash (used in)/generated from operating activities		(59.6)	303.0
Cash flows from investing activities			
Acquisition of subsidiaries (cash acquired less consideration paid)	30	-	(21.0)
Disposal of businesses (net of cash disposed)	30	19.3	455.2
Purchase of property plant and equipment	10	(22.4)	(15.0)
Proceeds from sale of property plant and equipment		22.1	6.8
Purchase of intangible assets	9	(92.5)	(73.4)
Interest received		3.1	3.6
Cash from short term investments and restricted cash	15	12.5	(12.5)
Repayment of loans from joint ventures		1.0	4.5
Net cash (used in)/generated from investing activities		(56.9)	348.2
Cash flows from financing activities			
Repayment of short-term borrowings	29	(33.5)	(1,438.4)
Proceeds from long term borrowings	29	664.9	200.0
Repayment of long-term borrowings	29	(335.6)	(477.5)
Payment of lease liabilities	29	(167.6)	(188.4)
Proceeds from SIP shares	25	1.5	-
Interest paid		(87.5)	(86.5)
Dividends paid to non-controlling interests	28	(2.7)	(4.9)
Net cash generated from/(used in) financing activities		39.5	(1,995.7)
Net decrease in cash and cash equivalents	29	(77.0)	(1,344.5)
Effect of exchange rate changes on cash and cash equivalents	29	(5.0)	27.6
Opening cash and cash equivalents		585.0	1,901.9
Closing cash and cash equivalents	15	503.0	585.0

The proceeds of long-term borrowings of \$664.9m includes \$600.0m of proceeds from the new UK government export facility and additional borrowings of \$64.9m under the Revolving Credit Facility. The repayment of long term borrowings of \$335.6m includes the repayment of the \$300.0m of bilateral facilities and the impact of the classification of senior loan notes, now falling due within one year, being reclassified from long-term to short-term borrowings.

Payment of lease liabilities includes the cash payments for the principal portion of lease payments of \$147.3m (2020: \$158.3m) and for the interest portion of \$20.3m (2020: \$30.1m). The classification of interest paid within financing activities is in line with the Group accounting policy.

The notes on pages 37 to 116 are an integral part of these consolidated financial statements.

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, industrial 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 international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with UK-adopted international accounting standards. 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.

Going concern

The directors have undertaken a rigorous assessment of going concern and liquidity over a period of at least 12 months from the date of approval of these financial statements (the going concern period), as well as preparing financial forecasts up to the end of 2023 to reflect reasonably possible downsides. The directors have considered as part of this assessment the impact of the events, including the current war in Ukraine, that happened post balance sheet date and up to the date of issue of these financial statements.

The directors did not declare an interim or final 2021 dividend in order to protect cashflows and preserve long term value. No dividends are included in the going concern assessment. Any decision to resume payment of a dividend will consider the Group's future profitability and cash requirements.

In assessing the basis of preparation of the financial statements for the year ended 31 December 2021, the directors have considered the principles of the Financial Reporting Council's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, 2014'; namely assessing the applicability of the going concern basis, the review period and disclosures.

In order to satisfy themselves that they have adequate resources for the future, the directors have reviewed the Group's existing debt levels, the forecast compliance with debt covenants including any impact on committed funding and liquidity positions and the Group's ability to generate cash from trading activities. As of 31 December 2021, the Group's principal debt facilities comprise a \$1,200.0m revolving credit facility maturing in October 2026; a \$600.0m term loan maturing in July 2026 and \$803.3m of US private placement debt repayable in various tranches between July 2022 and July 2031, with over 95% due in 2024 or later. At 31 December 2021, the Group had headroom of \$935.1m under its main facilities and a further \$148.9m of other undrawn borrowing facilities. The Group's key financial covenants are set at a ratio of 3.5x for both net debt/maximum rolling 12-month adjusted EBITDA and minimum interest cover. These covenants are measured on a semi-annual basis and excludes the impact of IFRS 16. There are no indications from the scenarios modelled that any of these covenants will be breached in the period assessed.

At 31 December 2021, the Group had net current liabilities of \$367.9m (2020: \$457.3m) and the reduction mainly relates to the extension of the maturity of the Groups principal borrowing facilities during 2021. The cash flow forecasts show that the Group will have sufficient funds to meet its liabilities as they fall due.

The directors have considered a range of scenarios on the Group's future financial performance and cash flows. These scenarios reflect our outlook for the broad range of end markets that the Group operates in, whilst also considering the growth in the order book during 2021 and an improved outlook for activity across Projects, Operations and Consulting. Approximately 62% of the Group's revenues are driven by Renewables and Other Energy; Process and Chemicals and the Built Environment. The Group anticipates growth opportunities due to the post covid recovery in industrial activity. Additionally, there are growth opportunities in the built environment due to fiscal stimulus measures adopted by governments across the world in response to the pandemic and longer-term demand supported by changing attitudes to infrastructure spending to provide climate and economic resilience. The conventional energy business, which makes up around 38% of revenue is supported by the global recovery in energy demand and improved commodity prices. This backdrop of strong order book growth and improved activity levels in 2021 gives the directors improved confidence around the 2022 forecast and the growth assumptions for 2023.

The base case going concern scenario assumes the retention of the built environment business. Additionally, the directors have modelled the disposal of the built environment business following the outcome of the strategic review being announced in January 2022. The proceeds from the disposal would lead to a strengthening of the balance sheet through a pay down of debt and other liabilities currently included on the balance sheet. Both scenarios indicated that covenants will be passed at the covenant remeasurement dates.

The directors have considered severe, but plausible downside scenarios. The most severe of these reflect further material reductions in revenue and EBITDA from the base scenario, which is the Board approved forecast, the basis of which is described above. This could result from a worsening economic climate or a significantly reduced oil price. In each of the scenarios modelled, the financial covenants were met, with significant facility headroom remaining available.

Notes to the financial statements

For the year ended 31 December 2021

Accounting Policies (continued)

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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.

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. Group management believe that the estimates and assumptions listed below have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities.

(a) Revenue recognition on fixed price and long-term contracts (estimate)

The Group has a large number of fixed price long-term contracts which are accounted for in accordance with IFRS 15 and require estimates to be made for contract revenue. These contracts do not typically generate individually material revenue however they are material in aggregate. Contract revenues are affected by uncertainties that depend on the outcome of future events. Lump sum revenue amounted to \$1,695.8m in 2021 (2020: \$2,501.8m).

Uncertainties include the estimation of:

Forecast costs to complete the contract

At the end of the reporting period the Group is required to estimate costs to complete on lump sum or fixed price contracts based on the work to be performed after the reporting date, which may span more than one reporting period. This involves an objective evaluation of project progress against the delivery schedule, evaluation of the work to be performed and the associated costs to fully deliver the contract to the customer and contingencies. These factors are affected by a variety of uncertainties that depend on the outcome of future events, and so often need to be revised as events unfold, and therefore it is not practically possible to present these sensitivities which will be different across a large number of individually immaterial contracts. The estimates from these contracts, in aggregate, could nevertheless have a possible material impact on revenue, cost of sales, gross amounts due to customers and gross amounts due from customers.

Recognition of revenue from variation orders ("VOs")

As contracts progress management may deem that the company is entitled to VOs increasing the contracts price under the existing contracts (variable considerations). In some instances, changes to the scope or requirements of a project equate to changing the contract in a way that entitles the Company to additional consideration (contract modifications).

Where VOs are linked to variable considerations management estimate the value of revenue to be recognised such that it is considered highly probable that a significant reversal in the amount of cumulative revenue recognised to date will not occur when the uncertainty associated with the VO is subsequently resolved. This assessment is reconsidered at each reporting date. The assessment is based on discussions with the customer and a range of factors, including contractual entitlement, prior experience of the customer and of similar contracts with other customers.

Where VOs are linked to contract modifications, management recognise associated revenue when such modifications are approved and when the company has an enforceable right to payment. In cases where the price has not been agreed, management estimate the value of revenue to be recognised such that it is considered highly probable that a significant reversal in the amount of cumulative revenue recognised to date will not occur when the final price for the contract modification has been agreed.

On the Aegis contract, management deem that the Company is entitled to variable considerations under the existing contractual arrangements. Only the proportion of this deemed entitlement that is assessed as highly probable is recognised as part of the revenue calculation. The assessment of the proportion of the deemed entitlement to VOs that is considered to be highly probable is a judgement made by management in consultation with internal and external experts. The amount of the accumulated recognised VOs in relation to the Aegis contract is material. Refer to note 20 for further details of the additional provisions recognised in respect of this contract.

Liquidated damages ("LDs")

LDs are penalties (negative variable considerations) that are determined when certain contractual requirements are not met. Management make an assessment of the value of LDs to be provided at the reporting date such that it is considered highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the LD is subsequently resolved. This initial assessment is reconsidered at each reporting date. The assessment is based on a best estimate of the monetary amount of LDs payable which involves a number of management assumptions and judgements including discussions with the customer, contractual entitlement, prior experience of the customer, prior experience of similar contracts with other customers and other forms of documentary evidence.

Accounting Policies (continued)

Estimates are updated regularly, and significant changes are highlighted through established internal review procedures. The contract reviews focus on the timing and recognition of revenue including income from incentive payments, scope variations and claims.

See note 2 for further details.

(b) *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. Management expectations are formed in line with performance to date and experience, as well as available external market data.

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's Review. Pre-tax discount rates of between 10.2% and 10.8% have been used to discount the CGU cash flows and a terminal value is applied using long term growth rates of between 2.5% and 2.7%. A sensitivity analysis has been performed allowing for possible changes to the key assumptions used in the impairment model.

See note 9 for further details.

(c) *Provisions and contingent liabilities (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, or a reliable estimate cannot be made, 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 contract provisions and provisions for pending legal issues.

As a result of the acquisition of Amec Foster Wheeler ("AFW") in 2017, 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 1970s and earlier. The provision for asbestos liabilities is the Group's best estimate of the obligation required to settle claims up until 2050. Group policy is to record annual changes to the underlying gross estimates where they move by more than 5%.

The critical assumptions applied in determining the asbestos provision include: indemnity settlement amount, forecasted number of new claims, estimated defence costs and the discount rate. The Group uses a 30-year US Treasury bond rate to discount its asbestos liabilities. The 30-year US Treasury rate, has increased to 1.9% from 1.65% at the end of December 2020. This has resulted in a credit of \$5.6m being recognised through the income statement and has been treated as exceptional due to being outwith the control of the Group.

Further details of the asbestos liabilities are provided in note 20 including a sensitivity analysis showing the impact of changes to the key assumptions.

(d) *Retirement benefit schemes (estimate)*

The value of the Group's retirement benefit schemes surplus/deficit is determined on an actuarial basis using several assumptions. Changes in these assumptions will impact the carrying value of the surplus/deficit. A sensitivity analysis showing the impact of changes to these assumptions is provided in note 32. The principal assumptions that impact the carrying value are the discount rate, the inflation rate and life expectancy. The Group determines the appropriate assumptions 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 discount rate, 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. The inflation rate is derived from the yield curve used in deriving the discount rate and adjusted by an agreed risk premium. Assumptions regarding future mortality are based on published statistics and the latest available mortality tables. The Group, in conjunction with the schemes' actuaries, continues to monitor the impact of the Covid-19 pandemic on mortality data. The tax rate applied to the surplus of the UK scheme is 25%, on the basis that the scheme is in a technical funding deficit with commitments for future contributions and there is no expectation that the manner of any future recovery would be in the form of a refund, which would be taxed at 35%.

The majority of pension scheme assets have quoted prices in active markets. Scheme assets are revalued at least once per annum to reflect their fair value. Fair value is based on market price information. If this is not available, the most recent transaction price, revenue or earnings-based valuations using unobservable inputs may be used for level 3 investments in the fair value hierarchy.

Further details of the assumptions and measurements outlined can be seen in note 32.

Notes to the financial statements

For the year ended 31 December 2021

Accounting Policies (continued)

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 controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All Group companies apply the Group's accounting policies and prepare financial statements to 31 December. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Joint ventures and joint operations

A joint venture is a type of joint arrangement where the parties to the arrangement share rights to its net assets. A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed 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.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for joint operations by recognising the appropriate proportional share of revenue, expenses, assets and liabilities.

Presentational currency

The Group's earnings stream is primarily US dollars and the Group therefore uses the US dollar as its presentational currency.

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

	2021	2020
Average rate £1 = \$	1.3757	1.2844
Closing rate £1 = \$	1.3545	1.3669

Foreign currencies

In each individual entity, transactions in foreign 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.

The assets and liabilities of foreign operations, including 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 with any exchange differences taken to the currency translation reserve.

Foreign currency differences are recognised in Other Comprehensive Income ("OCI") and accumulated in the translation reserve, except to the extent that the translation difference is allocated to Non-Controlling Interests ("NCI").

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to the foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss. 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.

Notes to the financial statements

For the year ended 31 December 2021

Accounting Policies (continued)

Revenue recognition

Revenue comprises the fair value of the consideration specified in a contract with a customer and is stated net of sales taxes (such as VAT) and discounts. The Group recognises revenue when it transfers control over a good or service to a customer.

With regard to cost reimbursable projects and lump sum projects, further detail is provided below about the nature and timing of the satisfaction of performance obligations in contracts with customers, including payment terms and the related revenue recognition policies.

Cost reimbursable projects

Revenue is recognised over time as the services are provided based on contractual rates per man hour in respect of multi-year service contracts. The amount of variable revenue related to the achievement of key performance indicators (KPIs) is estimated at the start of the contract, but any revenue recognised is constrained to the extent that it is highly probable there will not be a significant reversal in future periods.

Lump sum or fixed price contracts

Revenue on fixed price or lump sum contracts for services, construction contracts and fixed price long-term service agreements is recognised over time according to the stage of completion reached in the contract by measuring the proportion of costs incurred for work performed to total estimated costs. Margin is only recognised when the outcome of the contract can be measured reliably.

Management assess the value of revenue to be recognised in respect of variation orders based on the considerations described in the critical accounting judgements and estimates section above in the paragraph regarding recognition of revenue from variation orders ("VOs").

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 also usually variable considerations and are included in contract revenue only to the extent that it is highly probable that a significant reversal of revenue will not occur. Appropriate legal advice is taken in advance of any material revenue being recognised in respect of claims.

The related contract costs are recognised in the income statement when incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.

The Group's payment terms state that all invoices are generally payable within 30 days.

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. Transactions which may give rise to material exceptional items include gains and losses on divestment of businesses; write downs or impairments of assets including goodwill; restructuring and redundancy costs or provisions; litigation or regulatory settlements; asbestos related income or charges; tax provisions or payments; provisions for onerous contracts and acquisition and divestment costs. The tax impact on these transactions is shown separately in the exceptional items note to the financial statements (note 5).

Restructuring and redundancy costs or provisions will include those costs associated with major Board approved programmes which will deliver longer term benefits to the Group. If this involves closure of a material office, discrete operating unit or service line the exceptional cost will include redundancy and severance of impacted employees, onerous contract provisions, the write off any unrecoverable net assets and any reversals in future periods.

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, IFRS 16 lease liabilities and asbestos liabilities is included in finance expense. Interest expense and interest income on scheme assets relating to the Group's retirement benefit schemes are also included in finance income/expense. See note 3 for further details.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

Dividends payable

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 7 for further details.

Notes to the financial statements

For the year ended 31 December 2021

Accounting Policies (continued)

Business combinations

The Group accounts for business combinations using the acquisition method of accounting when control is transferred to the Group. The consideration transferred is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Intangible assets arising on business combinations are tested for impairment when indicators of impairment exist. Acquisition costs are expensed and included in administrative expenses in the income statement.

Goodwill

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.

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 buildings	25-50 years
Leasehold improvements	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.

Refer to the Leases policy for the Group's policy with respect to the right of use assets.

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 impairment reviews in respect of goodwill, at least annually. 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.

Impairment losses are recognised in profit or loss. They are allocated to first reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

For the purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ("CGUs"). Goodwill arising from a business combination is allocated to the appropriate CGU or groups of CGUs that are expected to benefit from the synergies of the combination. 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 9 for further details of goodwill impairment testing and note 12 for details of impairment of investment in joint ventures.

Accounting Policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand and other short-term bank deposits with original maturities of three months or less. Bank overdrafts are included within borrowings in current liabilities. The Group presents balances that are part of a pooling arrangement with no right of offset 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. Trade receivables are typically classified as Held to Collect.

The Group recognises loss allowances for Expected Credit Losses ('ECLs') on trade receivables and gross amounts due from customers, measured at an amount equal to lifetime ECLs. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes a customer being in significant financial difficulty or a breach of contract such as a default. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

The Group has a non-recourse financing arrangement with one of its banks in which funds are received in relation to trade receivable balances before the due date for payment. Trade receivables are derecognised on receipt of the payment from the bank. See note 14 for further details.

Asbestos related receivables

Asbestos related receivables represents management's best estimate of insurance recoveries relating to liabilities for pending and estimated future asbestos claims. They are only recognised when it is virtually certain that the claim will be paid. Asbestos related assets under executed settlement agreements with insurers due in the next 12 months are recorded within Trade and other receivables and beyond 12 months are recorded within Long term receivables. The Group's asbestos related assets have been discounted using an appropriate rate of interest.

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 using the effective interest method.

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 the change in liability is considered material, it is disclosed as an exceptional item 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 consideration is initially recognised at fair value and subsequently measured at amortised cost. Contingent consideration is recognised at fair value.

Taxation

Tax provisions are based on management's interpretation of country specific tax law and the likelihood of settlement. This involves a significant amount of judgement as tax legislation can be complex and open to different interpretation. Management uses in-house tax experts, professional firms and previous experience when assessing tax risks. When actual liabilities differ from the provisions, adjustments are made which can have a material impact on the Group's tax charge for the year.

Deferred tax asset recognition is based on two factors. Firstly, deferred tax liabilities in the same jurisdiction as assets that are legally capable of being offset and the timing of the reversal of the asset and liability would enable the deduction from the asset to be utilised against the taxable income from the liability. Secondly, forecast profits support the recognition of deferred tax assets not otherwise supported by deferred tax liabilities. Management uses in-house tax experts to determine the forecast period to support recognition, this is considered by jurisdiction or entity dependent on the tax laws of the jurisdiction. If actual results differ from the forecasts the impact of not being able to utilise the expected amount of deferred tax assets can have a material impact on the Group's tax charge for the year.

Accounting Policies (continued)

See note 6 and 21 for details.

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.

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

A current tax provision is recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. In line with IFRIC 23, depending on the circumstances, the provision is either the single most likely outcome, or a probability weighted average of all potential outcomes. The provision incorporates tax and penalties where appropriate. Separate provisions for interest are also recorded. Interest in respect of the tax provisions is not included in the tax charge, but disclosed within profit before tax.

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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and it is intended that they will be settled on a net basis.

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 measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable outputs and minimise the use of unobservable outputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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 verified by comparison to 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.

Notes to the financial statements

For the year ended 31 December 2021

Accounting Policies (continued)

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control or use an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an asset, the Group uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019. The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate ("IBR") and is subsequently increased by the interest cost on the lease liability and reduced by repayments. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that includes renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which may significantly affect the amount of lease liabilities and right of use assets recognised.

The Group applies the practical expedient for short-term leases in which a lessee is permitted to make an accounting policy election not to recognise lease assets and lease liabilities for leases with a term of 12 months or less and do not include an option to purchase the underlying asset. Lease costs of short-term leases are recognised on a straight-line basis over the term of the lease term and disclosed within the consolidated financial statements. The Group believes short-term lease commitments are not materially different than the short-term lease cost for the period.

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 scheme's liabilities arising from the passage of time are netted and included in finance income/expense. Re-measurement gains and losses are recognised in the statement of comprehensive income in full in the period in which they occur. The defined benefit schemes surplus or deficit is recognised in full and presented on the face of the Group balance sheet.

Group management consider it appropriate to recognise the IAS 19 surplus in the Wood Pension Plan as the rules governing the scheme provide an unconditional right to a refund assuming the gradual settlement of the scheme's liabilities over time until there are no members left, as per IFRIC 14.11 (b). On a winding up scenario, any surplus would be returned to the Group.

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 in other investments 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

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.

The Group has taken internal and external advice in considering known and reasonably likely legal claims made by or against the Group. It carefully assesses the likelihood of success of a claim or action. Appropriate provisions are made for legal claims or actions against the Group on the basis of likely outcome, but no provisions are made for those which, in the view of the directors, are less than probable or for which no amount can be reliably measured.

See note 20 for further details.

Notes to the financial statements

For the year ended 31 December 2021

Accounting Policies (continued)

Where the outcome is less than probable, but more than remote or a reliable estimate cannot be made, no provision is recorded but a contingent liability is disclosed in the financial statements, if material.

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'). 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 ("ESP") 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 two 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. The Group introduced the Share Incentive Plan ("SIP") in 2021. Under the plan, which is recognised by HM Revenue and Customs, employees contribute regular monthly amounts of up to £150 per month to purchase shares. The participating employees are awarded one free share for every two purchased, provided that they hold the purchased shares for 3 years and remain in employment.

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.

Merger reserve

Where an acquisition qualifies for merger relief under Section 612 of the Companies Act 2006, the premium arising on the issue of shares to fund the acquisition is credited to a merger reserve. See note 26 for further information.

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. From 1 January 2021, our financial reporting segments reflect our revised operating model which consists of Projects, Operations, Consulting and Investment Services ("IVS"). Projects is focused on providing front-end engineering services, procurement and project management. Our Operations segment focuses on improving operational efficiency by providing maintenance, modification and decommissioning services. Consulting is a multi-sector specialist technical consultancy division providing innovative thinking needed to maximise value at every stage of the asset life cycle. 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 'Adjusted EBITDA' (Earnings before interest, tax, depreciation 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. Disposal groups are measured at the lower of carrying value and fair value less costs to sell and their assets and liabilities are presented separately from other assets and liabilities on the balance sheet.

Research and development government credits

The Group claims research and development government credits predominantly in the UK, US, Canada and Australia. 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.

Government grants

The Group recognises a government grant when it has reasonable assurance that it will comply with the relevant conditions and that the grant will be received. This may be a judgemental matter, particularly when governments are introducing new programmes that may require new legislation, or for which there is little established practice for assessing whether the conditions to receive a grant are met. If the conditions are met, then the Group recognises government grants as a credit in profit or loss in line with its recognition of the expenses that the grants are intended to compensate.

Notes to the financial statements

For the year ended 31 December 2021

Accounting Policies (continued)

During 2021, the Group generated cash savings through temporary furlough schemes, mainly from the Canadian Emergency Wage Subsidy (CEWS) totalling \$20.3m. The Group also benefitted from the American Rescue Plan Act of 2021 (ARPA), signed into US law in March 2021, which provided relief through changes in the assumptions used to determine the ongoing Required Minimum Contributions in respect of its US defined benefit pension schemes as detailed in note 32. The amounts claimed under the UK furlough scheme were subsequently repaid in full.

The Disclosure of impact of new and future accounting standards

There have been no new relevant standards that have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2021. Amendments to existing standards do not have a material impact on the financial statements.

1 Segmental reporting

The Group monitors activity and performance through four operating segments; Projects, Operations, Consulting and Investment Services ('IVS'). This new operating model has been effective from 1 January 2021. Comparatives in the table below have been restated to reflect the new operating model.

Under IFRS 11 'Joint arrangements', the Group is required to account for joint ventures using equity accounting. Adjusted EBITDA as shown in the table below includes our share of joint venture profits and excludes exceptional items, which is consistent with the way management review the performance of the business units. Revenue is reported on an equity accounting basis and therefore revenue figures exclude joint venture revenue.

The segment information provided to the Group's Chief Executive for the operating segments for the year ended 31 December 2021 includes the following:

Reportable operating segments	Revenue ⁽³⁾		Adjusted EBITDA ⁽¹⁾		Operating profit before exceptional	
	2021 \$m	2020 \$m	2021 \$m	2020 \$m	2021 \$m	2020 \$m
Projects	2,339.8	3,569.3	167.7	205.4	26.4	34.9
Operations	2,098.1	2,033.2	225.1	256.1	113.0	117.0
Consulting	1,787.5	1,823.2	226.8	224.3	139.1	132.8
Investment Services	200.6	138.6	10.9	12.8	6.6	7.7
Central costs ⁽²⁾	-	-	(76.6)	(68.2)	(93.1)	(78.0)
Total	6,426.0	7,564.3	553.9	630.4	192.0	214.4
Exceptional items					(159.7)	(247.3)
Operating profit/(loss)					32.3	(32.9)
Finance income					3.3	13.4
Finance expense					(116.2)	(129.1)
Loss before taxation from continuing operations					(80.6)	(148.6)
Taxation					(54.9)	(79.5)
Loss for the year from continuing operations					(135.5)	(228.1)

Notes

1. A reconciliation of operating profit/(loss) to Adjusted EBITDA is provided in the table below. Adjusted EBITDA is provided as it is a unit of measurement used by the Group in the management of its business. Adjusted EBITDA is stated before exceptional items (see note 5).
2. Central includes the costs of certain Group management personnel, along with an element of Group infrastructure costs.
3. Revenue arising from sales between segments is not material, and does not include the impact of the exceptional item disclosed on the face of the income statement of \$25.4m which is in respect of the Investment Services operating segment.

1 Segmental reporting (continued)

Reconciliation of Alternative Performance Measures

	2021 \$m	2020 \$m
Operating profit/(loss) per income statement	32.3	(32.9)
Exceptional items (note 5)	159.7	247.3
Operating profit before exceptionals	192.0	214.4
Operating profit/(loss) per income statement	32.3	(32.9)
Share of joint venture finance expense and tax (note 12)	15.3	8.3
Exceptional items (note 5)	159.7	247.3
Amortisation (including joint ventures)	191.7	227.7
Depreciation (including joint ventures)	39.1	45.4
Depreciation of right of use assets	109.8	134.6
Impairment of PP&E and right of use assets	6.0	-
Adjusted EBITDA	553.9	630.4

Analysis of joint venture profits by segment

	Adjusted EBITDA(1)		Operating profit	
	2021 \$m	2020 \$m	2021 \$m	2020 \$m
Projects	3.5	2.8	3.2	2.4
Operations	57.1	65.0	43.5	39.5
Consulting	0.1	-	0.1	-
Total	60.7	67.8	46.8	41.9

The main joint ventures contributing to Adjusted EBITDA and Operating Profit within the Group's Operations segment are EthosEnergy and RWG. The results of these joint ventures are disclosed further in note 12.

1 Segmental reporting (continued)

Other segment items

At 31 December 2021	Projects \$m	Operations \$m	Consulting \$m	Investment Services \$m		Unallocated \$m	Total \$m
				Services \$m	Unallocated \$m		
Capital expenditure							
PP&E	7.1	8.3	5.2	-	1.8	22.4	
Intangible assets	28.6	33.0	31.0	-	1.6	94.2	
Non-cash expense							
Depreciation	9.9	12.8	5.1	1.0	6.1	34.9	
Depreciation of right of use assets	36.9	17.4	36.0	3.3	8.3	101.9	
Amortisation	93.9	27.7	46.0	-	22.3	189.9	
Exceptional items (non-cash element)	1.3	35.4	7.3	101.6	(19.4)	126.2	

At 31 December 2020	Projects \$m	Operations \$m	Consulting \$m	Investment Services \$m		Unallocated \$m	Total \$m
				Services \$m	Unallocated \$m		
Capital expenditure							
PP&E	8.7	10.2	2.7	-	0.6	22.2	
Intangible assets	21.8	29.9	23.9	-	1.5	77.1	
Non-cash expense							
Depreciation	13.0	16.9	6.6	-	2.4	38.9	
Depreciation of right of use assets	47.8	28.0	38.1	5.1	6.4	125.4	
Amortisation	109.2	68.6	46.7	-	1.0	225.5	
Exceptional items (non-cash element)	2.8	17.4	1.4	-	183.5	205.1	

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 \$4.2m (2020: \$6.5m), depreciation in respect of joint venture right of use assets totals \$7.9m (2020: \$9.2m) and joint venture amortisation amounts to \$1.8m (2020: \$2.2m).

Geographical segments	Non-current assets		Revenue	
	2021 \$m	2020 \$m	2021 \$m	2020 \$m
United Kingdom	960.4	920.5	769.3	714.8
United States of America	3,214.9	3,305.1	2,422.4	3,585.5
Canada	728.5	741.9	598.2	534.0
Australia	196.6	218.0	344.6	345.1
Norway	112.1	118.8	193.4	118.9
Germany	16.5	17.1	173.3	198.6
Brunei	11.5	11.5	210.3	163.3
Singapore	104.3	107.8	142.5	153.4
Kuwait	234.4	240.6	133.1	211.4
Saudi Arabia	105.2	112.2	94.8	142.7
Rest of the world	1,094.8	1,206.5	1,344.1	1,396.6
	6,779.2	7,000.0	6,426.0	7,564.3

Non-current assets includes goodwill and other intangible assets, property plant and equipment, right of use assets, investment in joint ventures and other investments.

Notes to the financial statements

For the year ended 31 December 2021

2 Revenue

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

In the following table, revenue is disaggregated by primary geographical market and major service line. The tables provided below analyses total revenue and does not reflect the \$25.4m exceptional item as disclosed on the Income Statement. The exceptional item is in respect of Investment Services.

Primary geographical market	Projects 2021 \$m	Projects 2020 \$m	Operations 2021 \$m	Operations 2020 \$m	Consulting 2021 \$m	Consulting 2020 \$m	IVS 2021 \$m	IVS 2020 \$m	Total 2021 \$m	Total 2020 \$m
USA	856.3	2,020.7	459.9	526.6	961.7	1,002.0	144.5	36.2	2,422.4	3,585.5
Europe	374.7	377.4	723.5	580.0	284.2	288.3	23.8	84.0	1,406.2	1,329.7
Rest of the world	1,108.8	1,171.2	914.7	926.6	541.6	532.9	32.3	18.4	2,597.4	2,649.1
Revenue	2,339.8	3,569.3	2,098.1	2,033.2	1,787.5	1,823.2	200.6	138.6	6,426.0	7,564.3

Major service lines

Renewables & Other Energy	877.6	1,358.0	159.0	180.2	209.7	323.8	200.6	88.2	1,446.9	1,950.2
Process & Chemicals	755.6	1,320.9	226.9	254.2	93.3	87.6	-	-	1,075.8	1,662.7
Conventional Energy	564.5	699.7	1,643.4	1,535.8	232.6	265.5	-	-	2,440.5	2,501.0
Built Environment	142.1	190.7	68.8	63.0	1,251.9	1,146.3	-	50.4	1,462.8	1,450.4
Revenue	2,339.8	3,569.3	2,098.1	2,033.2	1,787.5	1,823.2	200.6	138.6	6,426.0	7,564.3

The Group's revenue is largely derived from the provision of services over time.

Revenue in 2021 included \$4,730.2m (74%) (2020: \$5,062.5m, 67%) from reimbursable contracts and \$1,695.8m (26%) (2020: \$2,501.8m, 33%) from lump sum contracts. The calculation of revenue from lump sum contracts is based on estimates and the amount recognised could increase or decrease.

Included within Operations is \$7.5m of revenue in 2021 which had no associated cost.

Contract assets and liabilities

The following table provides a summary of contract assets and liabilities arising from the Group's contracts with customers.

	2021 \$m	2020 \$m
Trade receivables	729.6	646.9
Non-current contract assets	66.5	111.3
Gross amounts due from customers	628.1	638.6
Gross amounts due to customers	(87.5)	(203.2)
Deferred income	(115.0)	(69.7)
	1,221.7	1,123.9

The contract asset balances include amounts the Group has invoiced to customers (trade receivables) as well as amounts where the Group has the right to receive consideration for work completed which has not been billed at the reporting date (gross amounts due from customers). Gross amounts due from customers are transferred to trade receivables when the rights become unconditional which usually occurs when the customer is invoiced. Gross amounts due to customers primarily relates to advance consideration received from customers, for which revenue is recognised over time.

The net increase in trade receivables and amounts due from customers is due to increased activity levels in the final quarter compared with the same period in 2020 and higher DSO. There have been no instances of material default by our customers as a result of the current market conditions. The net reduction in amounts due to customers and deferred income was \$70.4m and primarily related to the unwind of advances received on contracts in the Projects business.

Notes to the financial statements

For the year ended 31 December 2021

2 Revenue (continued)

Non-current contract assets of \$66.5m includes \$46.6m of gross amounts due from customers and \$19.9m of trade receivables in relation to the Aegis contract as at 31 December 2021. The corresponding balances as at 31 December 2020 amounted to \$111.3m, with \$94.1m included in gross amounts due from customers and \$17.2m of trade receivables. The decrease in the non-current contract assets is mainly as a result of the Aegis contract loss as disclosed in exceptional items (note 5). The Group's current estimate is that the receivables on the Aegis contract will not be settled until 2023 at the earliest. Refer to note 20 for further details of the additional provisions recognised in respect of this contract.

Trade receivables and gross amounts due from customers are included within the 'Trade and other receivables' heading in the Group balance sheet. Gross amounts due to customers and deferred income are included within the 'Trade and other payables' heading in the Group balance sheet.

Revenue recognised in 2021 which was included in gross amounts due to customers and deferred income at the beginning of the year of \$248.0m represents amounts included within contract liabilities at 1 January 2021. Revenue recognised from performance obligations satisfied in previous periods of \$61.1m represents revenue recognised in 2021 for performance obligations which were considered operationally complete at 31 December 2020.

Transaction price allocated to the remaining performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2021 was as follows:

\$m	Year 1	Year 2	Total
Revenue	3,516.2	2,336.3	5,852.5

The above table includes all contracts including those which have an original expected duration of one year or less.

3 Finance expense/(income)

	2021 \$m	2020 \$m
Interest payable on senior loan notes	35.9	38.0
Interest payable on borrowings	32.8	33.3
Amortisation of bank facility fees	7.4	3.9
Unwinding of discount on deferred and contingent consideration liabilities (note 19)	-	0.2
Unwinding of discount on other liabilities	0.1	0.4
Lease interest (note 11)	20.3	30.1
Other interest expense	13.4	15.2
 Finance expense – continuing operations	 109.9	 121.1
Unwinding of discount on asbestos provision (note 5)	6.3	8.0
 Finance expense - total	 116.2	 129.1
Interest on uncertain tax provisions	-	(4.9)
Interest receivable	(3.1)	(3.6)
Interest income – retirement benefit obligations (note 32)	(0.2)	(3.8)
Lease interest on lease investment	-	(1.1)
 Finance income	 (3.3)	 (13.4)
 Finance expense – total – net	 112.9	 115.7

Net interest expense of \$3.6m (2020: \$3.5m) has been deducted in arriving at the share of post-tax profit from joint ventures.

The unwinding of discount on the asbestos provision is \$6.3m (2020: \$8.0m) and includes the unwinding of discount on long-term asbestos receivables (note 20). This is presented within exceptional items in line with the Group's accounting policies.

Notes to the financial statements

For the year ended 31 December 2021

4 Profit before taxation

	2021 \$m	2020 \$m
The following items have been charged/(credited) in arriving at profit before taxation:		
Employee benefits expense (note 31)	3,169.6	3,399.9
Amortisation of intangible assets (note 9)	189.9	225.5
Depreciation of property plant and equipment (note 10)	34.9	38.9
Depreciation of right of use assets (note 11)	101.9	125.4
(Gain)/loss on disposal of property plant and equipment	(10.0)	8.0
Foreign exchange losses	2.0	4.0

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, KPMG and associate firms at costs as detailed below:

	2021 \$m	2020 \$m
Fees payable to the Group's auditors and its associate firms for		
Audit of parent company and consolidated financial statements	5.5	4.8
Audit of financial statements of subsidiaries of the Company	2.8	1.7
Audit related assurance services	0.4	0.5
Tax and other services	0.1	0.1
	8.8	7.1

The ratio of audit related services to other non-audit services is 1: 0.06.

Included in the \$2.8m of fees for 'audit of financial statements and subsidiaries of the Company' is \$0.5m in respect of additional statutory audits undertaken for the 2020 financial year.

5 Exceptional items

	2021 \$m	2020 \$m
Exceptional items included in continuing operations		
Aegis contract loss (revenue)	25.4	-
Aegis contract loss (cost of sales)	73.9	-
Gain on sale of business (see note 30)	(14.4)	(59.1)
Impairment losses on non-core business	-	20.1
Redundancy, restructuring and integration costs	77.9	100.8
Investigation support costs and provisions	-	161.6
Asbestos yield curve and fees	(3.1)	19.8
GMP equalisation	-	4.1
Continuing operations exceptional items, before interest and tax		
Unwinding of discount on asbestos provision	6.3	8.0
Tax (credit)/charge in relation to exceptional items	(1.2)	0.7
Impact of change in UK rate on prior year exceptional deferred tax	10.3	-
Derecognition of deferred tax assets due to UK pension actuarial loss	-	27.3
Continuing operations exceptional items, net of interest and tax	175.1	283.3

5 Exceptional items (continued)

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.

The gain on sale of business of \$14.4m relates to the disposal of the Group's interest in Sulzer Wood Limited for a consideration of \$19.3m. The gain in 2020 related to the disposal of the Group's share in the TransCanada Turbines JV and the nuclear and industrial services businesses.

The increase in the Aegis contract loss in 2021 was \$99.3m, which reflects the latest estimate of the full contract loss. The increased loss recognised in the year was due to changes in the best estimates of the outcome of the contract, based on the director's current strategy for completing this complex project. The estimate reflects an increase in the expected future legal costs, along with increases in the expected costs to complete and potential liquidated damages. The changes to these estimates at 31 December 2021 are predominantly a result of adverse events and circumstances in the current period. These included additional delays on the contract as further commissioning took place, updated assessments of variation orders and a change to the expected process to recover variation orders. By virtue of its size and the nature of Aegis being a legacy contract in a sector where the group no longer operates, this was recorded as an exceptional charge through revenue and cost of sales. No revenue has been recognised on the Aegis Poland contract in 2021. The negative revenue of \$25.4m presented represents the impact of the reduction in percentage completion and reduction in the total forecast revenue on the contract. During 2020 a charge of \$11m was taken to EBITDA to reflect the estimated full loss as at 31 December 2020. The updated contract loss reflects the Group's latest assessment of cost to complete, claims, liquidated damages and legal costs.

During the year to 31 December 2021, \$77.9m was incurred in relation to redundancy and restructuring activities. During 2021 the Group has continued to progress various initiatives which support improved efficiency and the enhancement of underlying group profitability in the medium to longer term. These initiatives have included 'Future Fit', which is a Group wide strategic initiative aimed at improving efficiency, transforming our project and operations delivery, and creating greater earnings potential through changes to our supply chain and our digital capability. Future Fit is an 18-month programme, which kicked off during the first half of 2021 and is due to complete in the first half of 2022. We have also taken steps to simplify our legal entity structure and closed legal entities to make our business more efficient. The direct costs of running these programmes along with the costs of redundancies and other investments are included in the exceptional charge. Complimentary to 'Future Fit', the Group has sharpened its focus on markets where we know we can make an impact and deliver higher margins, and those businesses where the returns are commensurate to the risks involved. This has resulted in strategic decisions to exit certain locations, and end markets that do not fit this profile, the most material of which were our Paris engineering office, the Power and Industrial Large EPC sector, the ATG automation businesses in the UK and the IPM business in Spain. Where relevant, all staff were notified prior to the year-end and no new work is being undertaken by these businesses. In line with our accounting policy on exceptional items the costs mainly relate to redundancy of staff, which were calculated in line with local regulations, the wind down of onerous contracts and write down of receivables balances considered to be unrecoverable as a result.

The regulatory investigations were all closed out during the first half of 2021 and was materially in line with the provision made at 31 December 2020.

All asbestos costs have been treated as exceptional on the basis that movements in the provision are non-trading and can be large and driven by market conditions which are out with the Group's control. Excluding these amounts from the trading results improves the understandability of the underlying trading performance of the Group. The credit of \$3.1m in 2021 relates to a \$5.6m yield curve credit (2020: \$17.9m charge) and \$2.5m (2020: \$1.9m) of costs in relation to managing the claims. The 30-year US Treasury rate has increased to 1.9% from 1.65% at the end of December 2020 and led to the income statement credit in 2021. \$6.3m of interest costs which relate to the unwinding of discount on the asbestos provision are shown as exceptional (2020: \$8.0m).

An exceptional tax charge of \$9.1m (2020: \$28.0m) has been recorded in the period and consists of a \$1.2m tax credit on pre-tax exceptional items (2020: \$0.7m charge) and a \$10.3m tax charge relating to the change of the UK tax rate impacting on deferred tax balances created in prior years through exceptional items (2020: \$nil). The 2020 charge also included \$27.3m which reflected an impairment of deferred tax assets in the income statement arising from a reduction in deferred tax assets through other comprehensive income due to the UK pension actuarial loss.

6 Taxation

	2021 \$m	2020 \$m
Current tax		
Current year	104.7	55.8
Adjustment in respect of prior years	(29.5)	(27.5)
	75.2	28.3
Deferred tax		
Origination and reversal of temporary differences	(23.7)	52.6
Adjustment in respect of prior years	3.4	(1.4)
	(20.3)	51.2
Total tax charge	54.9	79.5
Comprising		
Tax on continuing operations before exceptional items	45.8	51.5
Tax charge in relation to exceptional items (note 5)	9.1	0.7
Derecognition of deferred tax assets due to UK pension actuarial loss (note 5)	-	27.3
Total tax charge	54.9	79.5
Tax credited to other comprehensive income/expense	2021 \$m	2020 \$m
Deferred tax movement on retirement benefit liabilities	9.5	(36.8)
Tax on derivative financial instruments	3.4	(1.6)
Total charged/(credited) to other comprehensive income/expense	12.9	(38.4)
Tax (credited)/charged to equity	2021 \$m	2020 \$m
Deferred tax impact of rate change	(4.5)	1.3
Other	0.1	0.7
Total (credited)/charged to equity	(4.4)	2.0

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6 Taxation (continued)

Tax payments differ from the current tax charge primarily due to the time lag between tax charge and payments in most jurisdictions and movements in uncertain tax provisions differing from the timing of any related payments.

	2021 \$m	2020 \$m
Reconciliation of applicable tax charge at statutory rates to tax charge		
Loss before taxation from continuing operations	(80.6)	(148.6)
Less: Share of post-tax profit from joint ventures (note 12)	(31.5)	(33.6)
Loss before taxation from continuing operations (excluding profits from joint ventures)	(112.1)	(182.2)
Applicable tax charge at statutory rates	(16.6)	(28.7)
Effects of:		
Non-deductible expenses	11.4	16.5
Non-taxable income	(4.2)	(6.3)
Non-deductible expenses - exceptional	1.1	28.1
Non-taxable income - exceptional	(3.0)	(5.4)
Deferred tax recognition:		
Recognition of deferred tax assets not previously recognised	(19.4)	-
Utilisation of tax assets not previously recognised	(12.7)	(4.5)
Current year deferred tax assets not recognised	66.9	47.1
Write off of previously recognised deferred tax assets	22.4	25.8
Derecognition of deferred tax assets due to UK pension loss - exceptional	-	27.3
Irrecoverable withholding tax	10.4	16.4
CFC charges	2.0	1.8
Uncertain tax provisions	23.6	5.1
Uncertain tax provisions – prior year adjustments	(24.9)	(16.1)
Uncertain tax provisions – prior year adjustments - exceptional	-	1.8
Prior year adjustments	0.9	(14.3)
Prior year adjustments - exceptional	(2.2)	1.4
Impact of change in rates on deferred tax	(0.8)	(2.0)
US CARES Act	-	(14.5)
Total tax charge	54.9	79.5

The weighted average of statutory tax rates was 14.8% in 2021 (2020: 15.8%).

The adjustments in respect of prior years largely relates to the release of uncertain tax positions as the final outcome on certain issues was agreed with tax authorities during the year or the statute of limitations for audit by the tax authorities expiring without challenge.

The write off of previously recognised deferred tax assets reflects lower forecast profits when compared to the expectation at 31 December 2020. In terms of jurisdictions, the most significant impact is in the US which represents \$16.9m of the adjustment. Similarly, the current year deferred tax assets not recognised primarily relates to \$51.1m in the US.

Deferred tax of \$18.3m in relation to undistributed reserves in Chile and Russia has been released in the period as it is not anticipated distributions will be paid in the foreseeable future triggering a tax liability. This amount is included within irrecoverable withholding tax.

During the year, the UK defined benefit pension fund asset on the Wood Pension Plan increased due to actuarial gains of \$50.1m, resulting in the associated deferred tax liability increasing, with a debit shown in Other Comprehensive Income. The deferred tax liability supports the recognition of deferred tax assets, and as a result \$12.5m has been recognised and a corresponding credit recognised in the profit and loss account.

Net income tax liabilities in the Group balance sheet include \$135.6m (2020: \$140.8m) 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 recoverability of withholding taxes (\$49.2m, 2020: \$52.0m), group financing (\$27.1m, of which \$6.6m relates to deferred tax, 2020: \$30.1m) and transfer pricing and tax residence (\$9.2m, 2020: \$11.8m). Where the final outcome on these issues differs to the amounts provided, the Group's tax charge will be impacted.

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6 Taxation (continued)

Of the uncertain tax positions, \$100.0m are currently under audit by tax authorities and the provision reflects the maximum potential liability reflecting the outcome of the audits being either no liability or the full risk being challenged. The outcome of the audits will determine if there is a credit to taxation in 2022. The remaining \$35.6m comprises uncertain tax positions not yet under audit, none of which are individually material. Of the \$35.6m, \$0.4m will become statute barred for tax authority audit during 2022 if the tax authorities do not commence an audit.

Factors affecting the tax charge in future years

There are a number of factors that may affect the Group's future tax charge including the resolution of open issues with the tax authorities, corporate acquisitions and disposals, the use of brought forward losses and changes in tax legislation and rates. The following outlines key factors that may impact on future tax charges.

On 8 October 2021, 136 countries signed up to the OECDs Inclusive Framework. This includes an agreement for a minimum level of tax of 15% which it is planned will be in place for 2023. Based on the 2021 results, this would have resulted in an increase in the tax charge of \$4.0m reflecting additional tax on profits in the UAE and the captive insurance company in Guernsey.

During 2021, the actuarial gain in relation to the UK pension fund has resulted in a recognition of deferred tax assets which can now be supported by the deferred tax liability related to the pensions asset. Whilst the movement in the deferred tax liability is taken to Other Comprehensive Income, the additional recognition of assets is taken to the Income Statement. The future tax charge will therefore be impacted by movements in the pension asset valuation with actuarial gains increasing deferred tax asset recognition and actuarial losses decreasing recognition. The deferred tax liability in relation to the UK pension fund at 31 December 2021 is \$64.9m.

Governments have started to take action to fund the expenditure incurred in relation to Covid-19, which includes tax changes. Tax authorities are also starting to be more aggressive in their audits, and as a result of both of these factors we may see an increase in future tax charges.

The UK Government announced in its budget on 3 March 2021, a rise in the rate of Corporation Tax from 19% to 25% from 1 April 2023. The increase is reflected in deferred tax in the accounts, however there is no impact as deferred tax assets are only recognised to the extent there are deferred tax liabilities in the UK. We anticipate the tax charge and cash tax payable is likely to increase from the 2023 year end onwards as a result of the rate rise. The UK Government also announced an investment in HM Revenue & Customs with an expectation of increasing tax collected from tax audits by £1.3bn per annum by 2022.

Potential sale of Built Environment business

The potential sale of the Built Environment business (note 36) is likely to result in the utilisation of all US losses and deferred interest deductions. Not all of these assets are recognised on the balance sheet and as a result the tax charge from the disposal of the US element of the business is likely to be significantly below the statutory rate. Following the utilisation of those assets, the tax charge will no longer show a benefit for the recognition of additional US attributes as they are utilised and forecast, which will increase the tax charge in the years after the disposal.

Following any disposal of the Built Environment business, a reduction in the level of debt is likely to reduce the interest charge. The Group cannot currently obtain a deduction for all interest, with deductions deferred in the UK and US. It is likely all deferred interest in the US will be deducted from any future gain. In the UK, we anticipate the Group will be able to access the deferred interest deductions which will enable the Group to recognise deferred tax assets and thereby decrease the tax charge. Deferred UK interest deductions could reduce the tax charge by \$49.7m, although this benefit may not all be recognised in one year.

As part of any disposal of the Built Environment business, certain intangible assets will be sold including those relating to the business on the acquisition of Amec Foster Wheeler. These intangible assets have related deferred tax liabilities which give rise to a tax credit as the intangible assets are amortised. The book value of the business disposed will incorporate the relevant deferred tax liabilities and be reflected in the profit on disposal before tax. In future years, the deferred tax credit in relation to the amortisation of intangibles will reduce reflecting the disposals.

Tax Policy

The Group is committed to complying with all relevant tax laws, rules, regulations and reporting and disclosure requirements wherever it operates. All tax planning undertaken is consistent with the Group's overall strategy and approach to risk. The Group aims to use incentives and reliefs to minimise the tax cost of conducting business but will not use them for purposes which are knowingly contradictory to the intent of the legislation. A full copy of the Group's tax strategy can be found on the Group's website at www.woodplc.com

7 Dividends

No decision has been taken to resume the dividend and this will be kept under review by the directors. Any decision to resume payment of a dividend will consider the Group's future profitability and cash requirements.

8 Earnings per share

	2021			2020		
	Earnings/(losses) attributable to owners of the parent \$m	Number of shares m	Earnings/(losses) per share cents	Earnings/(losses) attributable to owners of the parent \$m	Number of shares m	Earnings/(losses) per share cents
Basic pre-exceptional	35.6	675.6	5.3	53.8	672.5	8.0
Exceptional items, net of tax	(175.1)	-	(25.9)	(283.3)	-	(42.1)
Basic	(139.5)	675.6	(20.6)	(229.5)	672.5	(34.1)
Effect of dilutive ordinary shares	-	-	-	-	-	-
Diluted	(139.5)	675.6	(20.6)	(229.5)	672.5	(34.1)
Adjusted diluted earnings per share						
Basic	(139.5)	675.6	(20.6)	(229.5)	672.5	(34.1)
Effect of dilutive ordinary shares	-	-	-	-	-	-
	(139.5)	675.6	(20.6)	(229.5)	672.5	(34.1)
Exceptional items, net of tax	175.1	-	25.9	283.3	-	42.1
Amortisation related to acquisitions, net of tax	82.7	-	12.2	102.2	-	15.2
Adjusted diluted	118.3	675.6	17.5	156.0	672.5	23.2
Adjusted basic	118.3	675.6	17.5	156.0	672.5	23.2

As the Group has reported a basic loss (2020: loss) per ordinary share, any potential ordinary shares that are dilutive are excluded in the calculation of diluted earnings per share. These options could potentially dilute earnings per share in future periods. In accordance with IAS 33, the same weighted average number of shares has been used to calculate the adjusted EPS measures and as the unadjusted result is a loss, the dilutive effects have not been taken into account in this calculation. Had the result been a profit, an additional 28.2m dilutive potential shares would have been used in the calculation of diluted EPS metrics, which would have reduced the adjusted diluted EPS by 0.7 cents.

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

9 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 2021	5,266.4	323.6	822.2	184.9	664.4	7,261.5
Exchange movements	(40.2)	(3.6)	(6.5)	(1.0)	(3.4)	(54.7)
Additions	-	94.2	-	-	-	94.2
Disposals	-	(125.4)	-	-	-	(125.4)
At 31 December 2021	5,226.2	288.8	815.7	183.9	661.0	7,175.6
Amortisation and impairment						
At 1 January 2021	0.8	245.3	542.5	148.3	108.4	1,045.3
Exchange movements	-	(3.2)	(4.8)	(0.8)	(0.7)	(9.5)
Amortisation charge	-	89.0	43.5	24.2	33.2	189.9
Disposals	-	(125.4)	-	-	-	(125.4)
At 31 December 2021	0.8	205.7	581.2	171.7	140.9	1,100.3
Net book value at 31 December 2021	5,225.4	83.1	234.5	12.2	520.1	6,075.3
Cost						
At 1 January 2020	5,209.7	303.5	814.5	183.1	658.4	7,169.2
Exchange movements	76.8	13.7	8.1	1.8	6.7	107.1
Additions	-	77.1	-	-	-	77.1
Disposals	-	(69.9)	-	-	-	(69.9)
Businesses divested	(20.1)	(0.8)	(0.4)	-	(0.7)	(22.0)
At 31 December 2020	5,266.4	323.6	822.2	184.9	664.4	7,261.5
Amortisation and impairment						
At 1 January 2020	0.8	203.2	481.6	109.8	74.8	870.2
Exchange movements	-	12.9	4.1	1.4	1.5	19.9
Amortisation charge	-	99.8	56.4	37.1	32.2	225.5
Impairment	9.1	-	-	-	-	9.1
Disposals	-	(69.9)	-	-	-	(69.9)
Businesses divested	(9.1)	(0.7)	0.4	-	(0.1)	(9.5)
At 31 December 2020	0.8	245.3	542.5	148.3	108.4	1,045.3
Net book value at 31 December 2020	5,265.6	78.3	279.7	36.6	556.0	6,216.2

The carrying value of software held under deferred payment arrangements at 31 December 2021 was \$0.1m (2020: \$0.1m). There were no additions to software held under deferred payment arrangements during the year (2020: \$nil).

9 Goodwill and other intangible assets (continued)

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') as at 31 December 2021 (the "test date"). The Group has five CGUs and Goodwill is monitored by management at CGU level. The allocation of Goodwill by CGU as at the test date is shown in the table below.

Value-in-use calculations have been prepared for each CGU using the cash flow projections included in the financial forecasts prepared by management and approved by the Board for 2022 through to 2026. In preparing the forecasts management have considered market outlook, growth in market share, resource utilisation, contract backlog, contract margins and assumed contract awards. The Group's impairment model assumes annual growth in market share for the majority of sectors of between 3% and 6% of its current market share over the forecast period. If this growth does not materialise, there is a risk of an impairment in the Projects and Operations CGUs. The cumulative annual growth rates (CAGR) in revenue over the forecast period was 6.7% for Consulting, 6.2% for Projects and 8.0% for Operations. The projected growth in the CGUs is underpinned by the Group's strategy to fully capitalise on the engineering capabilities of each of the CGUs to help our clients move to net zero through the energy transition and industrial decarbonisation. During 2021 each of the CGUs have had significant contract wins in energy transition and industrial decarbonisation and is therefore well placed to benefit from significant levels of investment required by our clients to achieve net zero. The Group have also considered that there are risks associated with energy transition, including the energy transition and industrial decarbonisation markets not generating sufficient revenues to meet targets, which may also impact the Group's ability to attract or retain the appropriately skilled workforce which could prevent the Group from competing for work in this space. In addition, undertaking high carbon projects that are inconsistent with the Group's positioning of pivoting to support clients in pursuit of net-zero and decarbonisation, potentially exposing the Group to disinvestment in the fossil fuel industry.

The terminal growth rates assumed from 2026 do not exceed the long-term average growth rates for the regions and sectors in which the CGUs operate. The Group is well placed to benefit from the significant long term growth opportunities from Energy Transition, which has been considered in determining long term growth rates. Management reviewed independent forecasts which set out the long-term investment required in order to achieve net zero. This long-term annual growth was then applied to each of the CGUs based on current activity levels. Accordingly, the long-term growth rates assumed in the model are 2.6% for Operations (2020: 2.6%); 2.7% for Projects (2020: 2.4%); and 2.5% (2020: 2.4%) for Consulting.

The cash flows have been discounted using discount rates appropriate for each CGU, and these rates are reviewed for each impairment review performed. The discount rate is a critical assumption in the impairment test and the significant volatility in financial markets has led to reductions in the equity risk premium being used in the calculation due to higher interest rates and volatile equity returns. The Group have considered the additional specific risks related to each business such as country risk and forecasting risk.

The pre-tax rates used for the 2021 review are tabulated as follows and were derived from the Group WACC calculation with specific adjustments for CGU specific risks including country risk premiums:

Cash Generating Unit	Pre-tax discount rate 2021 %	Pre-tax discount rate 2020 %	Post-tax discount rate 2021 %	Post-tax discount rate 2020 %
Projects	10.6	11.3	9.3	10.0
Operations	10.2	10.4	8.9	9.1
Consulting	10.2	11.1	8.8	9.6
Kelchner	10.8	11.3	9.6	9.9
Swaggart	10.8	11.3	9.6	9.9

In order to reduce headroom to \$nil for each of the CGUs, the post-tax discount rate would need to increase to:

Cash Generating Unit	%
Projects	11.0
Operations	11.5
Consulting	14.6
Kelchner	29.4
Swaggart	11.7

9 Goodwill and other intangible assets (continued)

The carrying value of the goodwill for each CGU as at the test date is shown in the table below.

Cash Generating Unit	Goodwill carrying value	Goodwill carrying value
	2021 Test date \$m	2020 Test date \$m
Projects	2,353.8	2,381.7
Operations	1,645.4	1,649.3
Consulting	1,193.0	1,201.4
Kelchner	16.9	16.9
Swaggart	16.3	16.3

The carrying values of the corporate assets that were not allocated to the above cash generating units above were \$91m (2020: \$80m) and were tested for impairment at the group level, taking into account the estimates and assumptions discussed above in respect of the Group's cash generating units.

The headroom for Projects and Operations is \$630m and \$731m respectively based on the assumptions described above. The key assumptions used in the impairment model for these CGUs are discount rate, long term growth rate and revenue growth. There are reasonable changes in assumptions that would result in an impairment for Projects and Operations. If the post-tax discount rate was 1.5% higher for Projects and Operations, the headroom would be \$68m and \$251m respectively. If the post-tax discount rate was 1.5% higher for Projects and Operations, the long-term growth rate would need to be 0.3% and 1.7% lower for Projects and Operations respectively to reduce headroom to \$nil. If the post-tax discount rate was 1.5% higher for Projects and Operations, then the revenue CAGR would need to be 1.0% and 4.2% lower for Projects and Operations respectively to reduce headroom to \$nil.

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.

Customer relationships relate mainly to the acquisition of Amec Foster Wheeler in 2017 and are being amortised over periods of 5 to 13 years. Order backlog relates entirely to the acquisition of AFW and is being amortised over periods of 2 to 5 years. Brands recognised relate entirely to the acquisition of AFW and are being amortised over a 20 year period.

Software and development costs includes internally generated assets with a net book value of \$25.4m at 31 December 2021 (2020: \$21.6m). \$9.4m (2020: \$8.5m) of internally generated intangibles is included in additions in the year.

The software disposals relate to the write off of fully depreciated assets that are no longer in use.

10 Property plant and equipment

	Land and Buildings \$m	Plant and equipment \$m	Total \$m
Cost			
At 1 January 2021	63.1	174.5	237.6
Exchange movements	(1.2)	(3.2)	(4.4)
Additions	2.7	19.7	22.4
Disposals	(5.4)	(47.8)	(53.2)
Reclassifications	27.5	(27.5)	-
At 31 December 2021	86.7	115.7	202.4
Accumulated depreciation and impairment			
At 1 January 2021	31.2	80.0	111.2
Exchange movements	(0.8)	(4.4)	(5.2)
Charge for the year	9.0	25.9	34.9
Disposals	(5.0)	(39.7)	(44.7)
Reclassifications	12.5	(12.5)	-
Impairment	3.6	0.4	4.0
At 31 December 2021	50.5	49.7	100.2
Net book value at 31 December 2021	36.2	66.0	102.2
Cost			
At 1 January 2020	91.2	187.5	278.7
Exchange movements	(2.9)	(3.9)	(6.8)
Additions	2.1	20.1	22.2
Disposals	(22.3)	(34.2)	(56.5)
Reclassifications	(5.0)	5.0	-
At 31 December 2020	63.1	174.5	237.6
Accumulated depreciation and impairment			
At 1 January 2020	36.7	77.7	114.4
Exchange movements	(3.2)	(4.1)	(7.3)
Charge for the year	9.9	29.0	38.9
Disposals	(13.6)	(28.1)	(41.7)
Reclassifications	(1.6)	1.6	-
Impairment	3.0	3.9	6.9
At 31 December 2020	31.2	80.0	111.2
Net book value at 31 December 2020	31.9	94.5	126.4

The net book value of Land and Buildings includes \$21.8m (2020: \$12.5m) of Long Leasehold and Freehold property and \$14.4m (2020: \$19.4m) of Short Leasehold property. There were no material amounts in assets under construction at 31 December 2021.

Net book value of \$15.0m relating to Long Freehold property which was previously included within 'Plant and equipment' was reclassified to 'Land and Buildings' during the year. This net book value comprises \$27.5m of cost offset by \$12.5m of accumulated depreciation and impairment.

11 Leases

	Land and Buildings \$m	Plant and equipment \$m	Total \$m
Right of use assets			
Net book value			
At 1 January 2021	380.5	28.4	408.9
Exchange movements	(3.4)	(2.6)	(6.0)
Additions	35.9	30.8	66.7
Disposals	(9.3)	(0.3)	(9.6)
Impairment	(2.0)	-	(2.0)
Depreciation of right of use assets	(85.1)	(16.8)	(101.9)
At 31 December 2021	316.6	39.5	356.1
 Lease liabilities			
At 1 January 2021			541.4
Exchange movements			(4.2)
Additions			70.5
Disposals			(10.6)
Interest expense related to lease liabilities			20.3
Repayment of lease liabilities			(167.6)
At 31 December 2021			449.8
 Right of use assets			
Net book value			
At 1 January 2020	391.4	20.7	412.1
Reclassification	(4.1)	-	(4.1)
Exchange movements	8.7	0.5	9.2
Additions	100.7	29.8	130.5
Disposals	(12.0)	(0.2)	(12.2)
Impairment	(1.2)	-	(1.2)
Depreciation of right of use assets	(103.0)	(22.4)	(125.4)
At 31 December 2020	380.5	28.4	408.9
 Lease liabilities			
At 1 January 2020			583.3
Exchange movements			9.3
Additions			124.5
Disposals			(17.4)
Interest expense related to lease liabilities			30.1
Repayment of lease liabilities			(188.4)
At 31 December 2020			541.4

The Group has finance leases liabilities totalling \$13.5m (2020: \$21.1m) in addition to the IFRS 16 lease liabilities in respect of leases previously classified as operating leases under IAS 17.

11 Leases (continued)

A maturity analysis of the Group's total lease liability is shown below:

	2021 \$m	2020 \$m
Current lease liability	118.3	133.4
Non-current lease liability	331.5	408.0
Total lease liability	449.8	541.4

The following table shows the breakdown of lease expense between amounts charged to operating profit and amounts charged to finance costs.

	\$m	\$m
Depreciation charge for right of use assets		
Property	85.1	103.0
Plant and equipment	16.8	22.4
Charged to operating profit	101.9	125.4
Interest expense related to lease liabilities	20.3	30.1
Interest income on lease investment	-	(1.1)
Charge to profit/(loss) before taxation for leases	122.2	154.4

The Group leases real estate, including land, buildings and warehouses, machinery/equipment, vehicles and IT equipment. The right of use assets generate cash flows as part of the cash generating units disclosed in note 9. The majority of the lease liability relates to real estate with leases generally entered into for fixed periods of up to five years, unless of strategic importance to the Group. Some leases have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.

The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate ("IBR").

The lease liability is subsequently increased by the interest cost on the lease liability and reduced by the lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that includes renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which may significantly affect the amount of lease liabilities and right of use assets recognised.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's IBR is used. The IBR is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

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12 Investment in joint ventures and other investments

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 considers these to be joint arrangements on the basis that two or more parties have joint control, which is defined as the contractually agreed sharing of control and exists only when decisions about the relevant activities of the joint arrangement require the unanimous consent of the parties sharing control. 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 domiciled and headquartered 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%)	
	2021 \$m	2020 \$m	2021 \$m	2020 \$m
Non-current assets	121.7	126.8	65.7	70.5
Current assets	517.9	465.7	155.3	126.6
Current liabilities	(335.9)	(293.8)	(94.2)	(75.0)
Non-current liabilities	(66.9)	(76.2)	(6.8)	(6.1)
Net assets	236.8	222.5	120.0	116.0
Wood Group share	120.8	113.5	60.0	58.0
Accumulated impairments and other adjustments	(70.8)	(67.2)	-	-
Wood Group investment	50.0	46.3	60.0	58.0
Revenue	832.7	783.2	237.9	216.3
Cost of sales	(701.4)	(656.5)	(170.9)	(160.2)
Administrative expenses	(103.3)	(96.8)	(32.7)	(31.4)
Exceptional items	-	(12.2)	-	-
Operating profit	28.0	17.7	34.3	24.7
Finance expense	(6.1)	(5.9)	(0.8)	(0.8)
Profit before tax	21.9	11.8	33.5	23.9
Tax	(8.5)	3.7	(7.1)	(3.6)
Post-tax profit from joint ventures	13.4	15.5	26.4	20.3
Wood Group share	6.8	7.9	13.2	10.2

Cash and cash equivalents amounted to \$77.5m (2020: \$71.7m) and \$8.2m (2020: \$4.3m) for EthosEnergy and RWG respectively.

Depreciation amounted to \$16.6m (2020: \$16.9m) and \$4.3m (2020: \$4.2m) for EthosEnergy and RWG respectively.

Amortisation amounted to \$1.0m (2020: \$1.0m) and \$2.5m (2020: \$2.8m) for EthosEnergy and RWG respectively.

EthosEnergy's net borrowings at 31 December 2021 amounted to \$37.5m (2020: \$43.3m).

RWG had net debt at 31 December 2021 of \$1.8m (2020: net cash \$5.6m).

The aggregate carrying amount of the Group's other equity accounted joint ventures, which individually are not material, amounted to \$59.7m at 31 December 2021 (2020: \$62.9m).

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

12 Investment in joint ventures and other investments (continued)

	2021 \$m	2020 \$m
Revenue	753.1	798.2
Cost of sales	(624.9)	(663.5)
Administrative expenses	(81.4)	(84.8)
Exceptional items	-	(8.0)
Operating profit	46.8	41.9
Net finance expense	(3.6)	(3.5)
Profit before tax	43.2	38.4
Tax	(11.7)	(4.8)
Share of post-tax profit from joint ventures	31.5	33.6

The movement in investment in joint ventures is shown below

	2021 \$m	2020 \$m
At 1 January	168.7	168.3
Exchange movements on retranslation of net assets	0.3	0.5
Share of profit after tax	31.5	33.6
Dividends received	(26.3)	(29.6)
Impairment of joint ventures	-	(0.7)
Disposals (note 30)	(4.5)	(3.4)
At 31 December	169.7	168.7

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.

The \$4.5m disposal relates to movements on a joint venture investment in the year and other non-core joint venture disposals completed during 2021.

A full list of subsidiary and joint venture entities is included in note 37.

Other investments

Other investments of \$75.9m (2020: \$79.8m) relate to the US SERP defined contribution scheme referred to in note 32. The SERP invests in a mixture of equities, bonds and money market funds as part of a pension arrangement for US based employees. The liabilities of the SERP are included in non-current liabilities (see note 18).

13 Inventories

	2021 \$m	2020 \$m
Materials	3.7	3.9
Work in progress	0.3	0.1
Finished goods and goods for resale	11.9	7.9
	15.9	11.9

14 Trade and other receivables

	2021 \$m	2020 \$m
Trade receivables	805.5	741.7
Less: provision for impairment of trade receivables	(75.9)	(94.8)
Trade receivables – net	729.6	646.9
Gross amounts due from customers	628.1	638.6
Prepayments	105.8	106.8
Amounts due from joint ventures	13.1	18.0
Asbestos related insurance recoveries	13.5	18.8
Research and development credits	119.1	102.7
Other receivables	182.1	166.8
Trade and other receivables – current	1,791.3	1,698.6
Long term receivables – asbestos related insurance recoveries	34.0	61.9
Long term receivables – other	73.5	125.1
Total receivables	1,898.8	1,885.6

As at 31 December 2021, the Group had received \$200.0m (2020: \$190.0m) of cash relating to a non-recourse financing arrangement with one of its banks. An equivalent amount of trade receivables was derecognised on receipt of the cash. At 31 December 2021, \$79.4m (2020: \$19.7m) had been received from customers in the normal course of business in relation to the same amounts received from the factor. This \$79.4m (2020: \$19.7m) is due to be paid over to the factor and is included in trade payables. The benefit of this arrangement of \$200m is included within cash generated from operations.

Included within other long-term receivables of \$73.5m (2020: \$125.1m) are contract assets of \$66.5m (2020: \$111.3m) in relation to the Aegis contract. Refer to note 20 for further details of the additional provisions recognised in respect of this contract.

Financial assets

	2021 \$m	2020 \$m
Restricted cash	-	12.5
Derivative financial instruments (note 19)	7.7	8.2
	7.7	20.7

The restricted cash balance in 2020 represents cash held in jurisdictions where there is insufficient liquidity in the local market to allow for immediate repatriation. Management considers it appropriate to include the restricted cash balance in the Group's net debt figure (see note 29) on the basis that it meets the definition of cash, albeit is not readily available to the Group. In 2021, restricted cash balances are shown within cash and cash equivalents (note 15).

Notes to the financial statements

For the year ended 31 December 2021

14 Trade and other receivables (continued)

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

31 December 2021	Trade receivables - Gross \$m	Provision for impairment \$m	Trade receivables - Net \$m	Receivable days
Projects	318.1	(43.7)	274.4	73
Operations	162.2	(8.2)	154.0	47
Consulting	266.8	(8.8)	258.0	76
Investment Services	58.4	(15.2)	43.2	49
Total Group	805.5	(75.9)	729.6	69

31 December 2020	Trade receivables - Gross \$m	Provision for impairment \$m	Trade receivables - Net \$m	Receivable days
Projects	337.4	(58.8)	278.6	61
Operations	77.2	(7.3)	69.9	35
Consulting	272.1	(10.3)	261.8	86
Investment Services	55.0	(18.4)	36.6	55
Total Group	741.7	(94.8)	646.9	66

Receivable days are calculated by allocating the closing trade receivables and gross amounts due from customers balances to current revenue. A receivable days calculation of 69 indicates that closing trade receivables represent on average the most recent 69 days of revenue.

Receivable days for Investment Services has been adjusted to exclude the impact of the Aegis project for both 2021 and 2020. The Total Group Receivable days reflects all Group activity including Aegis.

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

	2021 \$m	2020 \$m
Up to 3 months	0.8	3.9
Over 3 months	75.1	90.9
	75.9	94.8

14 Trade and other receivables (continued)

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

2021	Projects \$m	Operations \$m	Consulting \$m	Investment Services \$m	Total \$m
At 1 January	58.8	7.3	10.3	18.4	94.8
Exchange movements	(2.8)	(0.1)	(0.1)	(0.7)	(3.7)
Reclassified during year	-	-	(0.1)	1.0	0.9
Transfers during year	(0.1)	0.1	(0.1)	-	(0.1)
Provided during year	3.0	2.2	0.1	0.3	5.6
Utilised during year	(2.4)	(0.9)	(1.0)	(3.6)	(7.9)
Released during year	(12.8)	(0.4)	(0.3)	(0.2)	(13.7)
At 31 December	43.7	8.2	8.8	15.2	75.9
<hr/>					
2020					
At 1 January	49.6	9.1	13.6	18.8	91.1
Exchange movements	3.1	0.1	0.3	0.6	4.1
Transfers during year	2.3	(2.9)	(0.1)	0.7	-
Provided during year	8.0	8.9	-	-	16.9
Utilised during year	(0.4)	(2.3)	(0.1)	-	(2.8)
Released during year	(3.8)	(6.5)	(3.5)	(1.7)	(15.5)
Disposed during year	-	0.9	0.1	-	1.0
At 31 December	58.8	7.3	10.3	18.4	94.8

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

Included within gross trade receivables of \$805.5m above (2020: \$741.7m) and gross amounts due from customers of \$628.1m (2020: \$638.6m) are contract assets of \$203.4m (2020: \$240.4m) which were past due. These relate to customers for whom there is no recent history or expectation of default. The ageing analysis of these contract assets is as follows:

	2021 \$m	2020 \$m
Up to 3 months overdue	89.6	93.4
Over 3 months overdue	113.8	147.0
	203.4	240.4

The above analysis excludes retentions relating to contracts in progress of \$90.5m (2020: \$106.4m).

Notes to the financial statements

For the year ended 31 December 2021

15 Cash and cash equivalents

	2021 \$m	2020 \$m
Cash at bank and in hand	480.0	565.9
Short-term bank deposits	10.5	19.1
Restricted cash	12.5	-
	503.0	585.0

Cash at bank and in hand at 31 December 2021 includes \$240.4m (2020: \$234.9m) that is part of the Group's cash pooling arrangements and both cash and borrowings are grossed up by this amount in the financial statements.

The effective interest rate on short-term deposits at 31 December 2021 was 2.8% (2020: 2.3%) and these deposits have an average maturity of 20 days (2020: 11 days).

The restricted cash balance represents cash held in jurisdictions where there is insufficient liquidity in the local market to allow for immediate repatriation. Management considers it appropriate to include the restricted cash balance in the Group's net debt figure (see note 29) on the basis that it meets the definition of cash, albeit is not readily available to the Group. The 2020 comparative was included in financial assets (note 14).

16 Trade and other payables

	2021 \$m	2020 \$m
Trade payables	856.6	804.8
Gross amounts due to customers	87.5	203.2
Deferred income	115.0	69.7
Other tax and social security payable	58.3	54.1
Accruals	483.1	480.7
Derivative financial instruments	3.7	2.9
Amounts due to joint ventures	0.4	1.1
Asbestos related payables	54.5	57.9
Other payables	339.5	345.3
	1,998.6	2,019.7

Trade payables includes \$79.4m (2020: \$19.7m) relating to cash received from customers which is due to be paid over to the factor.

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

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

Other payables includes project related and other liabilities which include the amounts due under the investigation which was concluded in 2021 of \$40.6m.

Notes to the financial statements

For the year ended 31 December 2021

17 Borrowings

	2021 \$m	2020 \$m
Bank loans and overdrafts due within one year or on demand		
Unsecured	246.9	238.3
Senior loan notes		
Unsecured	35.0	77.0
Total current borrowings	281.9	315.3
Non-current bank loans		
Unsecured	845.8	493.0
Senior loan notes		
Unsecured	768.3	803.5
Total non-current borrowings	1,614.1	1,296.5

Borrowings of \$240.4m (2020: \$234.9m) 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.

During the year, the Group completed planned debt refinancing which includes a \$600.0m UK Government backed term-loan maturing in July 2026 and a new \$1,200.0m Revolving Credit Facility ('RCF') maturing in October 2026. These new facilities extend the maturity profile of the Group's debt facilities by replacing the previous RCF facility of \$1,514m which was due to fully mature in May 2023 and \$300m of bilateral loan facilities which were originally due to mature in May 2022 but repaid in 2021 following the receipt of the \$600m UK Government backed term loan.

The Group had total facilities of \$2,758.7m as at 31 December 2021, which comprises of a \$600.0m term loan maturing in July 2026, \$1,200.0m of Revolving Credit Facility maturing in October 2026, \$803.3m of senior loan notes in the US private placement market with varying maturities, of which \$35.0m is payable in 2022, and \$155.4m of other banking facilities.

Of the non-current borrowings of \$1,614.1m, \$20.3m is denominated in sterling, \$164.9m in Euros and the balance in US dollars.

The Group's principal borrowing facilities at 31 December 2021 are set out in the table below.

Facility	Total available \$m	Drawn at 31 December 2021		Undrawn at 31 December 2021 \$m	Repayable
Term loan	600.0	600.0	-	-	July 2026
Revolving credit facility	1,200.0	264.9	935.1	-	October 2026
Senior loan notes	803.3	803.3	-	-	Various dates
Other facilities	155.4	6.5	148.9	-	Various dates
Unamortised fees	-	(19.1)	19.1	-	N/A
	2,758.7	1,655.6	1,103.1		

The above table excludes borrowings of \$240.4m that are part of the Group's cash pooling arrangements and are offset by equivalent cash balances.

The Group has \$803.3m (2020: \$880.5m) of unsecured senior loan notes issued in the US private placement market. The notes mature at varying dates between 2022 and 2031 as shown in the table below. Interest is payable at an average rate of 4.21% (2020: 4.13%).

17 Borrowings (continued)

Repayable	2021 \$m	2020 \$m
August 2021	-	30.0
November 2021	-	47.0
July 2022	35.0	35.0
July 2024	25.0	25.0
August 2024	120.0	120.0
November 2024	50.0	50.0
July 2026	127.3	127.5
August 2026	128.0	128.0
February 2027	40.0	40.0
February 2029	100.0	100.0
July 2029	129.5	129.5
July 2031	48.5	48.5
	803.3	880.5

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

	2021 %	2020 %
US dollar	1.79	0.78
Sterling	1.40	1.25
Euro	1.11	1.15
Australian dollar	0.55	0.55

The carrying amounts of the Group's borrowings, including those held within pooling arrangements, are denominated in the following currencies:

	2021 \$m	2020 \$m
US Dollar	1,537.3	1,477.7
Sterling	69.0	122.2
Euro	282.1	3.9
Australian dollar	0.7	0.7
Other	6.9	7.3
	1,896.0	1,611.8

The Group is required to issue tender bonds, performance bonds, retention bonds, advance payment bonds and standby letters of credit to certain customers. Management have assessed that the possibility of these being triggered is remote. At 31 December 2021, the Group's bank facilities relating to the issue of bonds, guarantees and letters of credit amounted to \$1,292.9m (2020: \$1,542.8m). At 31 December 2021, these facilities were 65% utilised (2020: 63%).

17 Borrowings (continued)

Borrowing facilities

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

	2021 \$m	2020 \$m
Expiring within one year	148.9	181.8
Expiring between one and two years	-	209.0
Expiring between two and five years	954.2	1,348.0
	1,103.1	1,738.8

All undrawn borrowing facilities are floating rate facilities. The facilities expiring within one year are annual facilities subject to review at various dates during 2022. The Group was in compliance with its bank covenants throughout the year.

A reconciliation of movements of borrowings and lease liabilities to cash flows arising from financing activities is presented in the table below.

	Short term borrowings \$m	Long term borrowings \$m	Lease liabilities \$m	Total \$m
Balance 1 January 2021	315.3	1,296.5	541.4	2,153.2
Changes from financing cash flows				
Proceeds from long-term borrowings	-	329.3	-	329.3
Repayment of short-term borrowings	(33.5)	-	-	(33.5)
Payment of lease liabilities (note 11)	-	-	(167.6)	(167.6)
Total changes from financing activities	(33.5)	329.3	(167.6)	128.2
Effects of changes in foreign exchange rates (note 29)	0.1	0.4	(4.2)	(3.7)
Other changes				
New leases (note 11)	-	-	59.9	59.9
Interest expense (note 3)	-	87.5	20.3	107.8
Interest paid	-	(87.5)	-	(87.5)
Other movements	-	(12.1)	-	(12.1)
Total liability other changes	-	(12.1)	80.2	68.1
Balance at 31 December 2021	281.9	1,614.1	449.8	2,345.8

17 Borrowings (continued)

	Short term borrowings \$m	Long term borrowings \$m	Lease liabilities \$m	Total \$m
Balance 1 January 2020	1,752.7	1,573.2	583.3	3,909.2
Changes from financing cash flows				
Repayment of long-term borrowings	-	(277.5)	-	(277.5)
Repayment of short-term borrowings	(1,438.4)	-	-	(1,438.4)
Payment of lease liabilities (note 11)	-	-	(188.4)	(188.4)
Total changes from financing activities	(1,438.4)	(277.5)	(188.4)	(1,904.3)
Effects of changes in foreign exchange rates (note 29)	1.0	1.1	9.3	11.4
Other changes				
New leases (note 11)	-	-	107.1	107.1
Interest expense (note 3)	-	86.5	30.1	116.6
Interest paid	-	(86.5)	-	(86.5)
Other movements	-	(0.3)	-	(0.3)
Total liability other changes	-	(0.3)	137.2	136.9
Balance at 31 December 2020	315.3	1,296.5	541.4	2,153.2

18 Other non-current liabilities

	2021 \$m	2020 \$m
Derivative financial instruments	8.1	16.9
Other payables	191.7	121.2
	199.8	138.1

Other payables include \$79.8m in respect of the regulatory investigations, which were closed out during the first half of 2021 and represents payments due between 2023 and 2024, \$75.9m (2020: \$79.8m) relating to the US SERP pension arrangement referred to in note 32 and unfavourable leases of \$8.6m (2020: \$17.3m). Unfavourable lease liabilities represent non-lease components, such as facilities costs which are not included within the IFRS 16 lease liability.

Notes to the financial statements

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19 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.

- (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.

	2021 Notional contract amount \$m	2020 Notional contract amount \$m	2021 Carrying amount and fair value \$m	2020 Carrying amount and fair value \$m
Current assets	99.4	66.6	1.3	1.8
Current liabilities	(52.5)	(50.1)	(1.0)	(0.6)

A net foreign exchange loss of \$0.9m (2020: \$1.6m) was recognised in the hedging reserve as a result of fair value movements on forward contracts 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.

	2021 Notional contract amount \$m	2020 Notional contract amount \$m	2021 Carrying amount and fair value \$m	2020 Carrying amount and fair value \$m
Current assets	583.2	458.9	6.4	6.4
Current liabilities	(411.9)	(189.4)	(2.7)	(2.3)

The Group's largest foreign exchange risk relates to movements in the sterling/US dollar exchange rate. Movements in the sterling/US dollar rate can impact the translation of sterling profit earned in the UK and the translation of sterling denominated net assets. A weakening of the pound has a negative impact on translation of UK companies' profits and net assets. Sterling denominated trading profits in the UK are offset by the Group's corporate overhead and a 10% change in the sterling/dollar rate would result in a change to Adjusted EBITDA of less than 1%. A 10% change in the sterling/dollar rate would impact net assets by less than 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.

19 Financial instruments (continued)

(ii) Interest rate risk

The Group finances its operations through a mixture of retained profits and debt. The Group borrows in the desired currencies at a mixture of fixed and floating rates of interest and then uses interest rate swaps to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations. At 31 December 2021, 52% (2020: 65%) 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 and deposit cash with a financial institution with a credit rating of BBB+ or better.

Hedging of interest rate risk – cash flow hedges

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

	2021 Hedged amount \$m	2020 Hedged amount \$m	2021 Carrying amount and fair value \$m	2020 Carrying amount and fair value \$m
Interest rate swaps	250.0	250.0	(8.1)	(16.9)

A net gain of \$8.8m (2020 loss: \$6.4m) was recognised in the hedging reserve as a result of fair value movements on interest rate swaps designated as cash flow hedges.

In 2021, the Group replaced its previous Revolving Credit Facility ('RCF') with a new \$1,200.0m RCF maturing in October 2026. The variable interest rate terms of the previous RCF were based on LIBOR whilst the new interest rate terms under the new RCF are based on the Risk-Free Interest rates for USD and GBP drawdowns.

The interest rate swaps are put in place to hedge against movements in the variable rate on the RCF. The variable rate terms on the RCF have transitioned from a three-month USD LIBOR to a three-month cumulative compound SOFR rate as a result of the refinancing. Therefore, the variable interest rate terms of the interest rate swaps were modified to match the new variable interest rate terms from 31 December 2021.

The new RCF debt matures in October 2026 and the interest rate swap matures in June 2023. It is therefore assumed that the hedge will be effective for the full period to June 2023.

If average interest rates had been 1% higher or lower during 2021 (2020: 1%), post-tax profit for the year would have been \$6.3m lower or higher respectively (2020: \$6.3m). 1% has been used in this calculation as it represents a reasonable possible change in interest rates.

(iii) Price risk

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

(b) Credit risk

The Group's credit risk primarily relates to its trade receivables. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 6 months past due and considers a financial asset to be in default when the financial asset is more than 12 months past due. 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 uses the simplified provision matrix when calculating expected credit losses on financial assets. The provision matrix is based on historical default rates and is adjusted for forward looking estimates. The historical default rate is determined by comparing actual contract write offs against revenue recognised over each of the prior five years. The average write off over the historical period can be applied to current year revenue. The forward-looking assessment also considers post-year end cash collection, country risk scoring, customer disputes and specific financial uncertainties.

19 Financial instruments (continued)

Management review trade receivables based on receivable days calculations to assess performance. A table showing trade receivables and receivable days is provided in note 14. 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 2021 was \$503.0m (2020: \$585.0m). 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 at least BBB+. 100% of cash held on deposit at 31 December 2021 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 \$1,103.1m undrawn portion of the Group's committed banking facilities. The 2021 average net debt (excluding leases) was \$1,680.0m (2020: \$1,597.8m). The cash balance and undrawn portion of the Group's committed banking facilities can fluctuate throughout the year. Around the covenant remeasurement dates of 30 June and 31 December the Group's net debt is typically lower than these averages due to a combination of factors including a strong focus on collection of receipts from customers and the timing of payments to suppliers. Although revenue is typically weighted towards the second half of the year it is usually higher in June than in December, which means the level of working capital required is typically higher at the end of June and net debt is typically lower by the end of December.

At 31 December 2021, 93% (2020: 94%) 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's total bank facilities comprise of a \$600.0m term loan maturing in July 2026 and a \$1,200.0m revolving credit facility which matures in October 2026.

The Group has \$803.3m of unsecured senior loan notes issued in the US private placement market. The notes mature in various tranches between July 2022 and 2031.

(d) *Capital risk*

The Group seeks to maintain an optimal capital structure by monitoring its ratio of net debt to EBITDA, its interest cover and its gearing ratio.

The ratio of net debt to Adjusted EBITDA at 31 December 2021 was 3.3 times (2020: 2.1 times). This ratio is calculated by dividing net debt before leases by Adjusted EBITDA, excluding the impact of IFRS 16.

Interest cover is calculated by dividing Adjusted EBITDA, excluding the impact of IFRS 16, by net finance expense and was 4.5 times for the year ended 31 December 2021 (2020: 5.5 times).

Gearing is calculated by dividing net debt, before leases, by equity attributable to owners of the parent. Gearing at 31 December 2021 was 34.1% (2020: 24.3%).

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 in the fair value hierarchy. The process for valuation is consistently applied to all acquisitions.

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

19 Financial instruments (continued)

	2021 \$m	2020 \$m
Contingent consideration arising from business combinations		
At 1 January	-	20.0
Exchange movements	-	0.8
Interest relating to discounting of contingent consideration	-	0.2
Payments during the year	-	(21.0)
At 31 December	-	-

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 which are not usually closed out before contractual maturity.

At 31 December 2021	Less than 1 year \$m	Between 1 and 2 years \$m	Between 2 and 5 years \$m	Over 5 years \$m
Borrowings	333.8	51.4	1,443.6	356.1
Trade and other payables	1,935.7	-	-	-
Lease liabilities	109.2	154.3	131.5	128.8
Other non-current liabilities	-	26.9	172.6	-

At 31 December 2020	357.2	399.3	458.7	633.6
Borrowings	357.2	399.3	458.7	633.6
Trade and other payables	1,965.6	-	-	-
Lease liabilities	146.3	124.1	200.3	150.5
Other non-current liabilities	-	41.3	96.7	-

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.

The fair value of non-current bank borrowings as at 31 December 2021 was \$773.4m (book value \$845.8m) (2020: \$478.8m, book value \$493.0m). The fair value of the US Private Placement debt at 31 December 2021 was \$809.2m (book value \$803.3m) (2020: \$883.9m, book value \$880.5m).

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 2021 and 31 December 2020, there were no transfers into or out of level 2 fair value measurements.

20 Provisions

2021	Asbestos related litigation \$m	Insurance and property \$m	Litigation related provisions \$m	Project related provisions \$m	Total \$m
At 1 January 2021	403.7	105.0	333.0	100.9	942.6
Reclassifications	(18.9)	(0.1)	(214.6)	(1.6)	(235.2)
Utilised	(42.5)	(0.4)	(14.2)	(8.1)	(65.2)
Charge to income statement	6.3	9.1	0.7	44.7	60.8
Release of provisions	(6.3)	(25.7)	(11.7)	(22.0)	(65.7)
Exchange movements	(0.2)	(0.3)	0.1	(1.7)	(2.1)
At 31 December 2021	342.1	87.6	93.3	112.2	635.2
Presented as					
Current	-	9.0	89.0	61.0	159.0
Non-current	342.1	78.6	4.3	51.2	476.2
2020					
At 1 January 2020	418.9	110.2	111.8	151.3	792.2
Reclassifications	(1.5)	6.1	2.2	26.2	33.0
Utilised	(41.8)	(2.9)	(3.4)	(27.1)	(75.2)
Charge to income statement	27.8	6.8	226.8	18.0	279.4
Release of provisions	(1.3)	(16.1)	(4.8)	(68.1)	(90.3)
Exchange movements	1.6	0.9	0.4	0.6	3.5
At 31 December 2020	403.7	105.0	333.0	100.9	942.6
Presented as					
Current	-	11.1	116.9	44.5	172.5
Non-current	403.7	93.9	216.1	56.4	770.1

Asbestos related litigation

The Group assumed the majority of its asbestos-related liabilities when it acquired Amec Foster Wheeler in October 2017. Whilst some of the asbestos claims have been and are expected to be made in the United Kingdom, the overwhelming majority have been and are expected to be made in the United States.

Some of Amec Foster Wheeler's US subsidiaries are defendants in numerous asbestos-related lawsuits and out-of-court informal claims pending. Plaintiffs claim damages for personal injury alleged to have arisen from exposure to, or use of, asbestos in connection with work allegedly performed during the 1970s and earlier. The estimates and averages presented have been calculated on the basis of the historical US asbestos claims since the initiation of claims filed against these entities.

The number and cost of current and future asbestos claims in the US could be substantially higher than estimated and the timing of payment of claims could be sooner than estimated, which could adversely affect the Group's financial position, its results and its cash flows.

Notes to the financial statements

For the year ended 31 December 2021

20 Provisions (continued)

The Group expects these subsidiaries to be named as defendants in similar suits and that new claims will be filed in the future. For purposes of these financial statements, management have estimated the indemnity and defence costs to be incurred in resolving pending and forecasted claims through to 2050. Although we believe that these estimates are reasonable, the actual number of future claims brought against these subsidiaries and the cost of resolving these claims could be higher.

Some of the factors that may result in the costs of asbestos claims being higher than the current estimates include:

- an increase in the rate at which new claims are filed and an increase in the number of new claimants
- increases in legal fees or other defence costs associated with asbestos claims
- increases in indemnity payments, decreases in the proportion of claims dismissed with zero payment and payments being required to be made sooner than expected

The Group has worked with its advisors with respect to projecting asbestos liabilities and to estimate the amount of asbestos-related indemnity and defence costs at each year-end through to 2050. Each year the Group records its estimated asbestos liability at a level consistent with the advisors' reasonable best estimate. The Group's advisors perform a quarterly and annual review of asbestos indemnity payments, defence costs and claims activity and compare them to the forecast prepared at the previous year-end. Based on its review, they may recommend that the assumptions used to estimate future asbestos liabilities are updated, as appropriate.

The total liability recorded in the Group's balance sheet at 31 December 2021 is based on estimated indemnity and defence costs expected to be incurred to 2050. Management believe that any new claims filed after 2050 will be minimal.

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

	2021			2020		
	US \$m	UK \$m	Total \$m	US \$m	UK \$m	Total \$m
Asbestos related provision						
Gross provision	406.0	38.2	444.2	445.0	65.7	510.7
Effect of discounting	(47.6)	-	(47.6)	(47.9)	(1.2)	(49.1)
Net provision	358.4	38.2	396.6	397.1	64.5	461.6
Insurance recoveries						
Gross recoveries	(13.1)	(34.6)	(47.7)	(25.0)	(57.4)	(82.4)
Effect of discounting	0.2	-	0.2	0.6	1.1	1.7
Net recoveries	(12.9)	(34.6)	(47.5)	(24.4)	(56.3)	(80.7)
Net asbestos related liabilities	345.5	3.6	349.1	372.7	8.2	380.9
<i>Presented in accounts as follows</i>						
Provisions – non-current			342.1			403.7
Trade and other payables			54.5			57.9
Trade and other receivables			(13.5)			(18.8)
Long term receivables			(34.0)			(61.9)
				349.1		380.9

A net interest charge of \$6.3m (2020: \$8.0m) representing the time value of money and a credit of \$6.3m (2020: charge \$17.9m), of which \$5.6m relates to the yield curve credit due to the increase in the 30-year US Treasury Bond rate in 2021 are included within exceptional items since the movements in the provision are non-trading, can be large and are driven by market conditions which are out with the Group's control.

20 Provisions (continued)

A summary of the Group's US asbestos claim activity is shown in the table below:

	2021	2020
Number of open claims	Number	Number
At 1 January	60,400	62,070
New claims	2,440	2,320
Claims resolved	(5,350)	(3,990)
At 31 December	57,490	60,400
Claims not valued in liability	(42,570)	(45,740)
Open claims valued in liability at 31 December	14,920	14,660

Claims not valued in the liability include claims on certain inactive court dockets, claims over six years old that are considered abandoned and certain other items.

Based on 2021 activity, the Group's current forecast liabilities have been adjusted for payments made in 2021 of \$41.2m and to reflect the impact of discounting. In 2021, the liability for asbestos indemnity and defence costs to 2050 was calculated at a gross nominal amount of \$444.2m (present value \$396.6m), which brought the liability to a level consistent with our advisor's reasonable best estimate. The total asbestos-related liabilities are comprised of estimates for liabilities relating to open (outstanding) claims being valued and the liability for future unasserted claims to 2050.

The estimate takes account of the following information and/or assumptions:

- number of open claims
- forecasted number of future claims
- estimated average cost per claim by disease type – mesothelioma, lung cancer and non-malignancies

The total estimated liability, which has been discounted for the time value of money, includes both the estimate of forecasted indemnity amounts and forecasted defence costs. Total defence costs and indemnity liability payments are estimated to be incurred through to 2050. The Group believes that it is likely that there will be some claims filed after 2050, however these are projected to be minimal.

In the period from 2011 to 2021, the average combined indemnity and defence cost per resolved claim has been approximately \$5k. The average cost per resolved claim is increasing and management believe it will continue to increase in the future. A sensitivity analysis on average indemnity settlement and defence costs is included in the table below.

Asbestos related receivables represents management's best estimate of insurance recoveries relating to liabilities for pending and estimated future asbestos claims through to 2050. The receivables are only recognised when it is virtually certain that the claim will be paid. The Group's asbestos-related assets have been discounted at an appropriate rate of interest.

The following table sets out the sensitivities associated with a change in certain estimates used in relation to the US asbestos-related liabilities:

Assumption	Impact on asbestos liabilities (range)
	\$m
25% change in average indemnity settlement amount	50-60
25% change in forecasted number of new claims	50-60
25% change in estimated defence costs	40-50

In addition to the above, the impact on the income statement in the year is sensitive to changes in the discount rate used to calculate the time value of money.

The Group has used the 30-year US Treasury Bond rate to discount its asbestos liabilities. The table below sets out the current year charge associated with a 30-year rate alongside the charge that would have arisen had a 10 or a 20-year rate been used.

20 Provisions (continued)

Duration	Rate as at 31 December 2021	Exceptional items \$m
10 year	1.52%	3.0
20 year	1.94%	(6.5)
30 year (basis used)	1.90%	(5.6)

A change of 0.1% in the 30-year US Treasury Bond rate would give rise to a change to the income statement charge/credit of approximately \$2.2m.

The Group's subsidiaries have been effective in managing the asbestos litigation, in part, because the Group has access to historical project documents and other business records going back more than 50 years, allowing it to defend itself by determining if the claimants were present at the location of the alleged asbestos exposure and, if so, the timing and extent of their presence. In addition, the Group has identified and validated insurance policies issued since 1952 and has consistently and vigorously defended claims that are without merit and settled meritorious claims for reasonable amounts.

The table below summarises the asbestos-related net cash impact for indemnity and defence costs and collection of insurance proceeds:

	2021	2020
	\$m	\$m
Asbestos litigation, defence and case resolution payments	42.5	41.8
Insurance proceeds	(13.5)	(14.0)
Net asbestos related payments	29.0	27.8

The Group expects to have a net cash outflow of approximately \$35m as a result of asbestos liability indemnity and defence payments in excess of insurance proceeds during 2022. This estimate assumes no new settlements with insurance companies and no elections by the Group to fund additional payments. As the Group continues to collect cash from previous insurance settlements, the asbestos-related insurance receivable recorded on our consolidated balance sheet will decrease.

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.

Insurance and property provisions

The Group has liabilities in relation to its captive insurance companies of \$55.3m (2020: \$71.0m) and for property dilapidations of \$32.3m (2020: \$34.0m).

The Group currently has one captive insurance company, Garlan Insurance Limited, which is active and is based in Guernsey. The company provides insurance solely to other Group companies and does not provide any insurance to third parties. The provisions recorded represent amounts payable to external parties in respect of claims, the value of which is based on actuarial reports which assess the likelihood and value of these claims. These are reassessed annually, with movements in claim reserves being recorded in the income statement.

Property dilapidations relate to the cost of restoring leased property back into its original, pre-let condition. The estimate of costs is the greatest area of uncertainty and the timing of future cash outflows is linked to the term dates of numerous individual leases.

Litigation related provisions

The Group is party to litigation involving clients and sub-contractors arising from its contracting activities. 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. A provision is recognised only in respect of those claims or actions where management consider it is probable that a cash outflow will be required.

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. Litigation related provisions include estimated balances related to exposures acquired with Amec Foster Wheeler, which were originally measured at fair value on acquisition as required by IFRS 3 even though the relating possible cash outflow was not deemed to be probable. These liabilities continue to be recognised until the liability is settled, cancelled or expired at the higher of the fair value initially recorded or the amount recognised in accordance with IAS 37.

Notes to the financial statements

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20 Provisions (continued)

Investigations

In March 2021, WGPSN (Holdings) Ltd, a subsidiary of the Company reached a civil settlement with Scotland's Civil Recovery Unit in relation to the historical engagement of UnaOil by a legacy joint venture and potential unlawful conduct. The civil settlement relates to conduct in Kazakhstan in the period between 2008 and 2010. The settlement concludes the issue which started after the Group self-reported, having conducted a thorough internal investigation, before cooperating fully with the Crown Office and Procurator Fiscal Service ("COPFS") and the Civil Recovery Unit throughout their investigation. Under the terms of the settlement, Wood has agreed to pay approximately \$9m to the COPFS, of which around \$3m was paid during 2021 and the balance will be paid in instalments in 2022 and 2023.

In June and July 2021, the Group entered into agreements with authorities in the UK, the US, and Brazil to resolve their respective bribery and corruption investigations into the past use of third parties in the legacy Amec Foster Wheeler business. Under the terms of these agreements, the Group will pay compensation, disgorgement and prejudgment interest, fines and penalties of approximately \$177m, of which around \$62m was paid in July 2021 and the remaining balance will be paid in instalments in 2022, 2023 and 2024. At the same time, the Group also provided for associated legal fees of approximately \$12m, which were fully utilized during 2021.

In the UK, the Company's subsidiary, Amec Foster Wheeler Energy Limited ("AFWEL") entered into a three-year deferred prosecution agreement with the Serious Fraud Office ("SFO") relating to the historical use of third-party agents for bribery and corruption in Nigeria, Saudi Arabia, Malaysia, India and Brazil over the period 1996 to 2014.

In the US, AFWEL entered into a three-year deferred prosecution agreement with the Department of Justice ("DOJ") and another subsidiary of the Company, Amec Foster Wheeler Limited ("AFWL") entered into a Cease and Desist Order with the Securities and Exchange Commission ("SEC"). In Brazil, AFWEL and Amec Foster Wheeler Americana Limitada entered into 18-month leniency agreements with the Ministério Pùblico Federal ("MPF"), the Comptroller General's Office ("CGU") and the Solicitor General ("AGU"). The agreements in the US and Brazil all related to the historical use of third-party agents for bribery and corruption in connection with the award of a project in Brazil.

In light of the above, the Group has reclassified the provision recognised in December 2020 to Trade and other payables of which the current portion is \$40.6m and the non-current portion of \$79.8m is included in other non-current liabilities (note 18).

Chemical plant litigation

In 2013, one of Amec Foster Wheeler plc's subsidiaries was contracted to engineer, procure and construct a chemical plant for a client in Texas. The cost of the project exceeded the client's budget which led to the client partially terminating the contract in December 2015, before terminating the remainder of the contract and commencing a lawsuit in Texas against the subsidiary and also Amec Foster Wheeler plc in September 2016. The client seeks recovery of actual damages, plus punitive damages, interest and attorney's fees for breach of contract and warranty, gross negligence and fraud. The alleged actual damages total \$761.8m, which include an alleged \$317m in lost revenue from delayed commercial operation.

The Group believes that the claims lack legal and factual merit but provided for an amount representing the fair value of the exposure upon acquisition of Amec Foster Wheeler. 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 that 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). The Group has denied the claims and is vigorously defending the lawsuit. The trial of the lawsuit is scheduled to commence in late April 2022 and is expected to continue into the third quarter of this year. It is premature to predict the ultimate outcome of the matter.

Other litigations

Other items relating to litigation are included within the overall provision, none of which are individually material.

Project related provisions

The Group has numerous provisions relating to the projects it undertakes for its customers. The value of these provisions relies on specific judgements in areas such as the estimate of future costs or the outcome of disputes and litigation. Whether or not each of these provisions will be required, the exact amount that will require to be paid and the timing of any payment will depend on the actual outcomes.

20 Provisions (continued)

Aegis Poland

This legacy AFW project involves the construction of various buildings to house the Aegis Ashore anti-missile defence facility for the United States Army Corps of Engineers. The project was around 90% complete by value at 31 December 2021 and 93.3% complete by physical progress and is expected to be operationally complete by late 2022. Management's latest estimate is that the loss at completion will be \$222m representing the expected costs to complete less estimated revenue to be earned. A charge of \$99m was made to the income statement during 2021 in relation to this project and the full amount of this loss has been recognised to date. The increased loss recognised in the year was due to changes in the best estimates of the outcome of the contract, based on the director's current strategy for completing this complex project. The estimate reflects an increase in the future legal costs, along with increases in the expected costs to complete and potential liquidated damages.

The Group's assessment of the ultimate loss includes change orders which have not been approved by the customer. They are estimated based on the amount that is deemed to be highly probable to be recovered. That estimation is made considering the risks and likelihood of recovery of change orders. The Group's assessment of liquidated damages involves an expectation of relief from possible obligations linked to delays on the contract. These liquidated damages and relief assumptions are estimates prepared in conjunction with the change orders estimates noted above. The range of possible outcomes in respect to the change orders that are highly likely to be recoverable and the liquidated damages for which a relief will be obtained is material. The current estimate is that these will not be settled until 2023 at the earliest. The ultimate loss also includes the Group's assessment of the total legal costs necessary to achieve recovery of the amounts believed to be recoverable and defend our position on liquidated damages. At this point in time this is an estimate based on a weighted average of several possible outcomes and the actual costs could be materially higher or lower depending on actual route to settlement. If the amounts agreed are different to the assumptions made, then the ultimate loss could be materially different. At 31 December 2021, provisions of \$31.2m are recognised which represent the element of the full contract loss which has been recognised through the income statement to date but for which revenue has not yet been recognised or costs incurred. Refer to note 14 for further details of the additional contract assets recognised in respect of this contract.

In reaching its assessment of this loss, management have made certain estimates and assumptions relating to the date of completion, productivity of workers on site and the costs to complete. If the actual outcome differs from these estimates and assumptions, the ultimate loss will be different.

Other project related provisions

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 2021, the Group held provisions totaling \$15.3m (2020: \$18.5m) 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 100 years.

During the period the Group reassessed the provisions created on prior period acquisitions and to the extent that they do not meet the criteria for exceptional items set out in our accounting policies, the resulting debits or credits are recorded in EBITDA.

As described in note 33, 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. These principally relate to businesses that were sold by Amec Foster Wheeler prior to its acquisition by the Group. The Group had recognised legacy provisions which comprised many individually immaterial provisions relating to a large number of contracts and exposures. The Group manages its exposure to these liabilities within Investment Services. During the year, legacy provisions were utilised or released as claims were closed out or due to the expiry of indemnity time periods where no claims had been received, meaning that the likelihood of an outflow was no longer probable.

The balance of project related provisions relates to a number of provisions which are not individually material or significant.

Notes to the financial statements

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21 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 Group has provided deferred tax in relation to UK companies at 25% (2020: 19%). The movement on the deferred tax account is shown below:

(Asset)/liability

	As at 1 January 2021 \$m	Income statement \$m	OCI \$m	Other \$m	As at 31 December 2021 \$m
Accelerated capital allowances	(24.5)	(2.0)	0.3	(0.6)	(26.8)
Intangibles	259.3	(14.6)	(1.3)	(3.1)	240.3
Pension	34.5	24.9	4.2	-	63.6
Share based charges	(2.3)	0.1	-	(0.1)	(2.3)
Other temporary differences	10.7	(16.1)	2.7	(0.6)	(3.3)
Provisions	(96.8)	42.8	2.5	0.8	(50.7)
Unremitted earnings	40.3	(18.8)	0.2	-	21.7
Deferred interest deduction	(63.3)	8.6	0.5	-	(54.2)
Losses	(149.3)	(45.2)	1.4	1.6	(191.5)
Total	8.6	(20.3)	10.5	(2.0)	(3.2)

	As at 1 January 2020 \$m	Income statement \$m	OCI \$m	Other \$m	As at 31 December 2020 \$m
Accelerated capital allowances	4.5	(23.0)	(0.6)	(5.4)	(24.5)
Intangibles	273.4	(9.4)	2.2	(6.9)	259.3
Pension	61.1	7.0	(33.6)	-	34.5
Share based charges	(6.2)	3.7	0.1	0.1	(2.3)
Other temporary differences	2.9	3.2	(0.5)	5.1	10.7
Provisions	(132.8)	38.5	(2.4)	(0.1)	(96.8)
Unremitted earnings	41.8	(1.8)	0.3	-	40.3
Tax credits	0.8	(1.6)	-	0.8	-
Deferred interest deduction	(42.7)	(19.5)	(1.1)	-	(63.3)
Losses	(201.5)	54.1	(1.4)	(0.5)	(149.3)
Total	1.3	51.2	(37.0)	(6.9)	8.6

Notes to the financial statements

For the year ended 31 December 2021

21 Deferred tax (continued)

Deferred tax is presented in the financial statements as follows:

	2021 \$m	2020 \$m
Deferred tax assets	(75.7)	(80.4)
Deferred tax liabilities	72.5	89.0
Net deferred tax (asset)/liability	(3.2)	8.6

No deferred tax liability has been recognised in respect of \$19,607.7m (2020: \$19,807.9m) of unremitted reserves of subsidiaries because the Group is in a position to control the timing of the reversal of the temporary difference and it is not probable that such differences will reverse in the foreseeable future. The amount of unrecognised deferred tax liabilities in respect of these unremitted reserves is estimated to be \$55.6m (2020: \$35.2m).

The deferred tax balances are analysed below.

31 December 2021

	Accelerated capital allowances \$m	Intangibles \$m	Pension \$m	Share based charges \$m	Other temporary differences \$m	Provisions \$m	Unremitted earnings \$m	Deferred interest deduction \$m	Losses \$m	Netting \$m	Total \$m
Deferred tax assets	(34.8)	(133.2)	(1.5)	(2.3)	(46.8)	(50.7)	-	(54.2)	(191.5)	439.3	(75.7)
Deferred tax liabilities	8.0	373.5	65.1	-	43.5	-	21.7	-	-	(439.3)	72.5
Net	(26.8)	240.3	63.6	(2.3)	(3.3)	(50.7)	21.7	(54.2)	(191.5)	-	(3.2)

Included in the \$191.5m of deferred tax assets in respect of losses is an amount of \$42.2m relating to the UK tax group which has sufficient deferred tax liabilities to offset, and \$129.4m relating to the US tax group of which \$32.7m is recognised based on forecast profits of the US business, the balance is supported by deferred tax liabilities.

31 December 2020

	Accelerated capital allowances \$m	Intangibles \$m	Pension \$m	Share based charges \$m	Other temporary differences \$m	Provisions \$m	Unremitted earnings \$m	Deferred interest deduction \$m	Losses \$m	Netting \$m	Total \$m
Deferred tax assets	(29.6)	(137.2)	(1.4)	(2.3)	(60.9)	(96.8)	-	(63.3)	(149.3)	460.4	(80.4)
Deferred tax liabilities	5.1	396.5	35.9	-	71.6	-	40.3	-	-	(460.4)	89.0
Net	(24.5)	259.3	34.5	(2.3)	10.7	(96.8)	40.3	(63.3)	(149.3)	-	8.6

Notes to the financial statements

For the year ended 31 December 2021

21 Deferred tax (continued)

The expiry dates of unrecognised gross deferred tax assets carried forward are as follows:

31 December 2021	Tax losses \$m	Deductible temporary differences \$m	Total \$m
Expiring within 5 years	676.0	128.1	804.1
Expiring within 6-10 years	-	34.5	34.5
Expiring within 11-20 years	270.8	-	270.8
Unlimited	5,720.4	931.5	6,651.9
	6,667.2	1,094.1	7,761.3

31 December 2020	Tax losses \$m	Deductible temporary differences \$m	Total \$m
Expiring within 5 years	725.3	143.8	869.1
Expiring within 6-10 years	-	34.6	34.6
Expiring within 11-20 years	308.8	-	308.8
Unlimited	5,630.4	849.0	6,479.4
	6,664.5	1,027.4	7,691.9

22 Share based charges

The Group currently has a number of share schemes that give rise to equity settled share based charges. These are the Executive Share Option Scheme ('ESOS'), the Long Term Plan ('LTP'), the Employee Share Plan ('ESP') and the Share Incentive Plan ('SIP'). The charge to operating profit for these schemes for the year amounted to \$22.1m (2020: \$24.3m) and is included in administrative expenses with the corresponding credit included in retained earnings.

Long Term Plan

The Group's Long-Term Plan ('LTP') was introduced in 2013. There are two distinct awards made under the LTP. Awards to senior management are made based on achievement of performance measures, these being total shareholder return, gross margin, overhead improvement, EBITDA margin, revenue growth and ESG targets including reducing carbon emissions and leadership gender diversity. Participants may be granted conditional share awards or nil cost options at the start of the cycle. Where performance applies, this 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. Nil value share options may also be awarded under the LTP.

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	Performance period	Fair value of award	Awards outstanding 31 December 2021	Awards outstanding 31 December 2020
8	2015-17	£5.95	-	12,232
11	2018-20	£6.67	773,800	3,613,460
12	2019-21	£5.69	5,085,975	5,383,090
13	2020-22	£3.64	7,943,623	8,442,322
14	2021-23	£3.17	9,448,976	-
			23,252,374	17,451,104

9,885,096 awards were made during the year, 183,895 awards accrued in respect of dividends, 1,257,013 awards were exercised during the year and 3,010,708 awards lapsed or were cancelled due to performance targets not being achieved.

Notes to the financial statements

For the year ended 31 December 2021

22 Share based charges (continued)

The awards outstanding under cycle 11 represent 100% of the deferred award for directors and 20% of the award for all other participants at vesting which is deferred for two years.

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

ESOS

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 a lapse rate of 25% has been assumed. 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.

Share options

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

	ESOS		LTP and deferred bonus	
	2021	2020	2021	2020
Number of participants	400	400	85	85
Lapse rate	25%	25%	10%	10%
Risk free rate of return on grants during year	N/A	N/A	0.43%	0.27%
Share price volatility	40%	40%	40%	40%
Dividend yield on grants during year	N/A	N/A	0%	5.06%
Fair value of options granted during year	N/A	N/A	£2.30-£2.48	£3.15-£3.57
Weighted average remaining contractual life	1.4 years	2.2 years	2.4 years	1.7 years
Options outstanding 1 January	1,991,512	2,317,065	2,060,519	2,100,200
Options granted during the year	-	-	2,134,000	1,176,834
Options exercised during the year	-	(5,419)	(891,340)	(1,184,884)
Options lapsed during the year	(451,224)	(320,134)	(50,001)	(52,367)
Dividends accrued on options	-	-	31,090	20,736
Options outstanding 31 December	1,540,288	1,991,512	3,284,268	2,060,519
No. of options exercisable at 31 December	1,487,538	1,991,512	219,300	93,932
Weighted average share price of options exercised during year	N/A	£4.12	£2.45	£1.74

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
	2021	2020		
2011	-	212,635	529½p	2015-2021
2012	338,788	406,877	680½p	2016-2022
2013	622,000	707,000	845½p	2017-2023
2014	579,500	665,000	767½p	2018-2024
	1,540,288	1,991,512		

22 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.

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
	2021	2020		
2016	-	29,792	0.00p	2020-2021
2017	-	-	0.00p	2019-2020
2017	110,000	367,083	0.00p	2021-2022
2018	-	4,461	0.00p	2020-2021
2018	189,970	227,365	0.00p	2022-2023
2019	-	50,000	0.00p	2020-2021
2019	109,300	490,462	0.00p	2021-2022
2019	-	2,500	0.00p	2023-2024
2020	765,998	883,856	0.00p	2022-2023
2020	5,000	5,000	0.00p	2023-2024
2021	100,000	-	0.00p	2023-2024
2021	2,004,000	-	0.00p	2025-2026
	3,284,268	2,060,519		

Options are granted under the Group's LTP at nil value. There are no performance criteria 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 the ESP in 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 two shares purchased, providing they remain in employment for a further year. During 2021, 1,537,990 shares were awarded in relation to the ESP, of which 433,118 and 1,104,872 shares related to the 2020/21 and 2021/22 schemes respectively.

Share incentive plan

The Group introduced the SIP in 2021. Under the plan, which is recognised by HM Revenue and Customs, employees contribute regular monthly amounts of up to £150 per month to purchase shares. The participating employees are awarded one free share for every two purchased, provided that they hold the purchased shares for 3 years and remain in employment. During 2021, 212,436 matching shares were awarded.

Notes to the financial statements

For the year ended 31 December 2021

23 Share capital

Ordinary shares of 4²/₇ pence each (2020: 4²/₇ pence) Authorised, issued and fully paid	shares	2021 \$m	shares	2020 \$m
At 1 January	688,339,369	41.1	684,939,369	40.9
Allocation of new shares to employee share trusts	3,500,000	0.2	3,400,000	0.2
At 31 December	691,839,369	41.3	688,339,369	41.1

Holders of ordinary shares are entitled to receive any dividends declared by the Company and are entitled to vote at general meetings of the Company.

24 Share premium

	2021 \$m	2020 \$m
At 1 January and 31 December	63.9	63.9

The shares allocated to the trust during the year were issued at 4²/₇ pence (2020: 4²/₇ pence).

25 Retained earnings

	2021 \$m	2020 \$m
At 1 January	1,455.2	1,806.4
Loss for the year attributable to owners of the parent	(139.5)	(229.5)
Credit relating to share based charges (note 22)	22.1	24.3
Re-measurement loss on retirement benefit liabilities (note 32)	83.3	(178.7)
Movement in deferred tax relating to retirement benefit liabilities	(9.5)	36.8
Shares allocated to employee share trusts	(0.2)	(0.2)
Deferred tax impact of rate change in equity	4.5	(1.3)
Tax on derivative financial instruments	(3.4)	1.6
Other tax movements in equity	(0.1)	(0.7)
Exchange movements in respect of shares held by employee share trusts	1.1	(3.5)
Purchase of shares by employee share trusts for the Share Incentive Plan (SIP)	1.5	-
At 31 December	1,415.0	1,455.2

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 (2020: nil).

25 Retained earnings (continued)

Shares held by employee share trusts

	2021	2020		
	Shares	\$m	Shares	\$m
Balance 1 January	15,006,961	112.8	13,678,914	109.1
New shares allocated	3,500,000	0.2	3,400,000	0.2
Shares issued to satisfy option exercises	(870,503)	-	(1,369,582)	-
Shares issued to satisfy awards under Long Term Incentive Plan	(1,257,013)	-	(49,960)	-
Shares issued to satisfy awards under Employee Share Plan	(1,383,506)	-	(652,199)	-
Shares issued to satisfy awards under Share Incentive Plan	(637,925)	-	-	-
Other share transactions	-	-	(212)	-
Exchange movement	-	(1.1)	-	3.5
Balance 31 December	14,358,014	111.9	15,006,961	112.8

Shares acquired by the employee share trusts are purchased in the open market using funds provided by John Wood Group PLC to meet obligations under the Employee Share Option Schemes 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 2021 was \$37.1m (2020: \$63.6m) based on the closing share price of £1.91 (2020: £3.10) and closing exchange rate of 1.3545 (2020: 1.3669). The employee share trusts have waived their rights to receipt of dividends on ordinary shares.

26 Merger reserve

	2021	2020
	\$m	\$m
At 1 January and 31 December	2,540.8	2,540.8

On 6 October 2017, 294,510,217 new shares were issued in relation to the acquisition of Amec Foster Wheeler Group. As the acquisition resulted in the Group securing 90% of Amec Foster Wheeler's share capital, the acquisition qualified for merger relief under section 612 of the Companies Act 2006 and the premium arising on the issue of the shares was credited to a merger reserve rather than the share premium account.

In November 2019, John Wood Group PLC (the Company) sold its investment in Amec Foster Wheeler Limited and other subsidiaries to another subsidiary company, John Wood Group Holdings Limited for \$2,815.2m in exchange for a promissory note. To the extent that the promissory note is settled by qualifying consideration, the related portion of the merger reserve is considered realised and becomes available for distribution.

27 Other reserves

	Capital reduction reserve \$m	Capital redemption reserve \$m	Currency translation reserve \$m	Hedging reserve \$m	Total \$m
At 1 January 2020	88.1	439.7	(551.3)	(9.7)	(33.2)
Cash flow hedges	-	-	-	(8.0)	(8.0)
Exchange movement on retranslation of foreign operations	-	-	92.9	-	92.9
Exchange movement on disposal of foreign operations	-	-	17.3	-	17.3
At 31 December 2020	88.1	439.7	(441.1)	(17.7)	69.0
Cash flow hedges	-	-	-	7.9	7.9
Exchange movement on retranslation of foreign operations	-	-	(56.3)	-	(56.3)
Exchange movement on disposal of foreign operations	-	-	0.4	-	0.4
At 31 December 2021	88.1	439.7	(497.0)	(9.8)	21.0

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 a 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 operations, including goodwill and intangible assets recognised on acquisition.

The hedging reserve relates to the accounting for derivative financial instruments under IFRS 9. Fair value gains and losses in respect of effective cash flow hedges are recognised in the hedging reserve.

28 Non-controlling interests

	2021 \$m	2020 \$m
At 1 January	2.8	5.5
Share of profit for the year	4.0	1.4
Dividends paid to non-controlling interests	(2.7)	(4.9)
Transactions with non-controlling interests	(0.8)	0.8
At 31 December	3.3	2.8

Notes to the financial statements

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29 Cash generated from operations

	Note	2021 \$m	2020 \$m
Reconciliation of loss before tax to cash generated from operations:			
Loss before tax from continuing operations		(80.6)	(148.6)
Finance income		(3.3)	(13.4)
Finance expense		116.2	129.1
Operating profit/(loss) from continuing operations		32.3	(32.9)
Less share of post-tax profit from joint ventures		(31.5)	(33.6)
		0.8	(66.5)
Adjustments for:			
Depreciation	10	34.9	38.9
Depreciation on right of use assets	11	101.9	125.4
Gain on disposal of leases		(1.0)	-
(Gain)/loss on disposal of property plant and equipment	4	(10.0)	8.0
Impairment of property, plant and equipment	10	4.0	-
Impairment of right of use assets	11	2.0	-
Gain on disposal of businesses	30	-	(58.4)
Gain on disposal of investment in joint ventures	30	(14.4)	(0.7)
Amortisation of intangible assets	9	189.9	225.5
Share based charges	22	22.1	24.3
Decrease in provisions	20	(75.6)	(45.4)
Dividends from joint ventures	12	26.3	29.6
Exceptional items – non-cash impact	1	126.2	205.1
Changes in working capital (excluding effect of acquisition and divestment of subsidiaries)			
Decrease in inventories		0.1	0.9
(Increase)/decrease in receivables		(70.1)	504.2
Decrease in payables		(326.1)	(627.1)
Exchange movements		2.9	(17.6)
Cash generated from operations		13.9	346.2

Analysis of net debt

	At 1 January 2021	Cash flow	Other	Exchange	At 31 December 2021
				movements	
2021		\$m	\$m	\$m	\$m
Short term borrowings	(315.3)	33.5	-	(0.1)	(281.9)
Long term borrowings	(1,296.5)	(329.3)	12.1	(0.4)	(1,614.1)
	(1,611.8)	(295.8)	12.1	(0.5)	(1,896.0)
Cash and cash equivalents	585.0	(77.0)	-	(5.0)	503.0
Restricted cash	12.5	(12.5)	-	-	-
Net debt excluding leases	(1,014.3)	(385.3)	12.1	(5.5)	(1,393.0)
Leases	(541.4)	167.6	(80.2)	4.2	(449.8)
Net debt including leases	(1,555.7)	(217.7)	(68.1)	(1.3)	(1,842.8)

29 Cash generated from operations (continued)

2020	At 1 January 2020	Cash flow	Other	Exchange movements	At 31 December 2020
	\$m				\$m
Short term borrowings	(1,752.7)	1,438.4	-	(1.0)	(315.3)
Long term borrowings	(1,573.2)	277.5	0.3	(1.1)	(1,296.5)
	(3,325.9)	1,715.9	0.3	(2.1)	(1,611.8)
Cash and cash equivalents	1,847.0	(1,289.6)	-	27.6	585.0
Cash included in assets held for sale (see note 30)	54.9	(54.9)	-	-	-
Restricted cash	-	12.5	-	-	12.5
Net debt excluding leases	(1,424.0)	383.9	0.3	25.5	(1,014.3)
Leases	(583.3)	188.4	(137.2)	(9.3)	(541.4)
Net debt including leases	(2,007.3)	572.3	(136.9)	16.2	(1,555.7)

Other movements of \$68.1m (2020: \$136.9m) relate to lease additions of \$70.5m (2020: \$124.5m), interest expense related to lease liabilities of \$20.3m (2020: \$30.1m), offset by disposals of \$10.6m (2020: \$17.4m). The non-cash movement in the lease liability of \$80.2m (2020: \$137.2m) was offset by the movement in unamortised bank fees of \$12.1m (2020: \$0.3m).

30 Acquisitions and divestments

Contingent consideration payments of \$nil (2020: \$21.0m) were made during the year in respect of acquisitions made in prior periods. Total deferred and contingent consideration outstanding at 31 December 2021 amounted to \$nil (2020: \$nil). See note 19.

Divestments

During 2021, the Group disposed of its joint venture interest in Sulzer Wood Limited. The assets and liabilities disposed of are set out in the table below:

	2021 \$m
Investment	4.5
Net assets disposed	4.5
Post-acquisition translation reserve	(0.4)
Cash received	19.3
Gain on disposal (see note 5)	14.4

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

	\$m
Gross proceeds received	19.3
Disposal costs paid	-
Cash inflow	19.3

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31 Employees and directors

	2021 \$m	2020 \$m
Employee benefits expense		
Wages and salaries	2,827.5	3,020.0
Social security costs	211.7	231.6
Pension costs – defined benefit schemes (note 32)	3.7	1.1
Pension costs – defined contribution schemes (note 32)	104.6	122.9
Share based charges (note 22)	22.1	24.3
	3,169.6	3,399.9

	2021 No.	2020 No.
Average monthly number of employees (including executive directors)		
By geographical area:		
UK	5,491	6,240
US	10,926	13,400
Rest of the World	19,062	19,808
	35,479	39,448

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

	2021 \$m	2020 \$m
Key management compensation		
Salaries and short-term employee benefits	10.3	5.8
Amounts receivable under long-term incentive schemes	0.2	-
Social security costs	1.1	0.6
Post-employment benefits	0.2	0.2
Share based charges	3.6	4.9
	15.4	11.5

Key management compensation represents the charge to the income statement in respect of the remuneration of the Group board and Group Executive Leadership Team ('ELT') members. At 31 December 2021, key management held 0.1% of the voting rights of the company.

	2021 \$m	2020 \$m
Directors		
Aggregate emoluments	3.3	2.5
Aggregate amounts receivable under long-term incentive schemes	0.1	-
Aggregate gains made on the exercise of share options	0.2	0.1
Share based charges	1.4	1.8
	5.0	4.4

At 31 December 2021, one director (2020: one) had retirement benefits accruing under a defined contribution pension plan and no directors (2020: none) had benefits accruing under a defined benefit pension scheme. Further details of directors' emoluments are provided in the Directors' Remuneration Report.

Notes to the financial statements

For the year ended 31 December 2021

32 Retirement benefit schemes

The Group operates a number of defined benefit pension schemes which are largely closed to future accrual. 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. The trustees of the pension schemes are required by law to act in the best interests of the scheme participants and are responsible for setting certain policies (such as investment, contribution and indexation policies) for the schemes.

At 31 December 2021, the largest schemes by gross obligation are the Wood Pension Plan ('WPP'), the Foster Wheeler Inc Salaried Employees Pension Plan ('FW Inc SEPP') and the Foster Wheeler Inc Pension Plan for Certain Employees ('FW Inc PPCE').

The scheme valuations are based on the membership data contained within the triennial valuation of Wood Pension Plan as at 31 March 2020, and the valuation of the Foster Wheeler Inc SEPP/PPCE as at 1 January 2020. 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 2021. The assets of the schemes are stated at their aggregate market value as at 31 December 2021.

Management have considered the requirements of IFRIC 14, 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' and consider it is appropriate to recognise the IAS 19 surplus in the Wood Pension Plan. The rules governing these schemes provide an unconditional right to a refund assuming the gradual settlement of the scheme's liabilities over time until all members have left the schemes.

Scheme membership at the date of the most recent scheme census was as follows:

	2021 Wood Pension Plan	2021 FW Inc SEPP	2021 FW Inc PPCE	2020 Wood Pension Plan	2020 FW Inc SEPP	2020 FW Inc PPCE
Active members	494	48	38	494	56	45
Deferred members		8,313	453	653	8,313	497
Pensioner members	10,149	2,305	857	10,149	2,342	843

Active members includes deferred members still employed but not actively contributing to the scheme.

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

	2021 Wood Pension Plan %	2021 FW Inc SEPP %	2021 FW Inc PPCE %	2020 Wood Pension Plan %	2020 FW Inc SEPP %	2020 FW Inc PPCE %
Discount rate	1.8	2.6	2.6	1.4	2.1	2.1
Rate of increase in pensions in payment and deferred pensions	3.1	N/A	N/A	2.7	N/A	N/A
Rate of retail price index inflation	3.3	N/A	N/A	2.9	N/A	N/A
Rate of consumer price index inflation	2.8	N/A	N/A	2.4	N/A	N/A

The mortality assumptions used to determine pension liabilities in the main schemes at 31 December 2021 were as follows –

Scheme	Mortality assumption
Wood Pension Plan	Scheme specific table with CMI 2020 ($Sk = 7.5$) projections and a long-term rate of improvement of 1.25% pa
FW Inc SEPP and FW Inc PPCE	Pri-2012 Employee and Annuitant tables for males and females with generational projection using Scale MP-2021 with no collar adjustments

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.

Assumptions regarding future mortality are based on published statistics and the latest available mortality tables. The CMI's latest mortality projections model, 'CMI 2020', published in March 2021, does not place any weight on Covid-19 pandemic mortality data and so continues to assume mortality rates improve in the short to medium term. The Group, in conjunction with the schemes' actuaries, continues to monitor the impact of the pandemic on these assumptions and has reserved any adjustment for future reporting periods when appropriate pandemic experience can be observed. Any potential future adjustment is likely to reflect mortality rates being elevated due to the adverse impact of the pandemic and will reduce the defined benefit obligation.

Notes to the financial statements

For the year ended 31 December 2021

32 Retirement benefit schemes (continued)

For the schemes referred to above the assumed life expectancies are shown in the following table:

	2021 Wood Pension Plan	2021 FW Inc SEPP	2021 FW Inc PPCE	2020 Wood Pension Plan	2020 FW Inc SEPP	2020 FW Inc PPCE
Life expectancy at age 65 of male aged 45	24.1	22.0	22.0	24.1	21.9	21.9
Life expectancy at age 65 of male aged 65	22.8	20.5	20.5	22.7	20.4	20.4
Life expectancy at age 65 of female aged 45	25.5	23.9	23.9	25.5	23.8	23.8
Life expectancy at age 65 of female aged 65	24.0	22.5	22.5	24.0	22.4	22.4

The amounts recognised in the income statement are as follows:

	2021 \$m	2020 \$m
Current service cost	3.7	1.1
Past service (credit)/cost	(4.8)	4.1
Total (income)/expense included within operating profit	(1.1)	5.2
Interest cost	69.0	86.1
Interest income on scheme assets	(69.2)	(89.9)
Total included within finance income	(0.2)	(3.8)

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

	2021 \$m	2020 \$m
Present value of funded obligations	(4,626.6)	(4,779.9)
Fair value of scheme assets	4,811.5	4,844.3
Net surplus	184.9	64.4

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32 Retirement benefit schemes (continued)

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

	2021 \$m	2020 \$m
Present value of funded obligations at 1 January	4,779.9	4,233.7
Current service cost	3.7	1.1
Past service (credit)/cost	(4.8)	4.1
Interest cost	69.0	86.1
Contributions	-	-
Re-measurements:		
- actuarial (gains)/losses arising from changes in financial assumptions	(73.0)	504.1
- actuarial losses arising from changes in demographic assumptions	35.7	29.1
- actuarial losses/(gains) arising from changes in experience	53.6	(16.9)
Benefits paid	(201.6)	(209.2)
Exchange movements	(35.9)	147.8
Present value of funded obligations at 31 December	4,626.6	4,779.9

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

	2021 \$m	2020 \$m
Fair value of scheme assets at 1 January	4,844.3	4,474.7
Interest income on scheme assets	69.2	89.9
Contributions	50.1	15.2
Benefits paid	(201.6)	(209.2)
Re-measurement gains on scheme assets	99.6	337.6
Expenses paid	(9.4)	(10.0)
Exchange movements	(40.7)	146.1
Fair value of scheme assets at 31 December	4,811.5	4,844.3

Analysis of the movement in the balance sheet surplus:

	2021 \$m	2020 \$m
Surplus at 1 January	64.4	241.0
Current service cost	(3.7)	(1.1)
Past service credit/(cost)	4.8	(4.1)
Finance income	0.2	3.8
Contributions	50.1	15.2
Re-measurement gains/(losses) recognised in the year	83.3	(178.7)
Expenses paid	(9.4)	(10.0)
Exchange movements	(4.8)	(1.7)
Surplus at 31 December	184.9	64.4

32 Retirement benefit schemes (continued)

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

	2021 \$m	2020 \$m
Wood Pension Plan	259.6	188.8
Retirement benefit scheme surplus	259.6	188.8
Foster Wheeler Inc SEPP/PPCE	(43.1)	(83.1)
All other schemes	(31.6)	(41.3)
Retirement benefit scheme deficit	(74.7)	(124.4)
Net surplus	184.9	64.4

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

	2021 Wood Pension Plan %	2021 FW Inc SEPP %	2021 FW Inc PPCE %	2020 AFW Pension Plan %	2020 FW Inc SEPP %	2020 FW Inc PPCE %
Active members	6.4	4.6	2.3	6.3	4.6	2.7
Deferred members	45.0	22.1	17.6	43.5	20.2	20.2
Pensioner members	48.6	73.3	80.1	50.2	75.2	77.1

The weighted average duration of the defined benefit obligation is as follows:

	2021 Wood Pension Plan years	2021 FW Inc SEPP years	2021 FW Inc PPCE years	2020 AFW Pension Plan years	2020 FW Inc SEPP years	2020 FW Inc PPCE years
Duration of defined benefit obligation	17.0	9.5	9.1	18.0	9.6	9.8

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

	2021 Wood Pension Plan %	2021 FW Inc SEPP %	2021 FW Inc PPCE %	2020 Wood Pension Plan %	2020 FW Inc SEPP %	2020 FW Inc PPCE %	2021 Quoted on active market %	2020 Quoted on active market %
Equities	10.7	54.4	59.7	14.5	60.0	60.0	97.4	100.0
Property	2.6	-	-	5.8	-	-	-	-
Bonds (including gilts)	84.8	44.6	39.3	77.0	40.0	40.0	99.9	99.8
Cash	2.8	1.0	1.0	2.3	-	-	100.0	100.0
Other	(0.9)	-	-	0.4	-	-	-	-
	100.0	100.0	100.0	100.0	100.0	100.0	n/a	n/a

As at 31 December 2021, 98.0% (2020: 94.1%) of total scheme assets in the principal schemes have quoted prices in active markets.

32 Retirement benefit schemes (continued)

The Group seeks to fund its pension plans to ensure that all benefits can be paid as and when they fall due. It has agreed schedules of contributions with the UK plans' trustees and the amounts payable are dependent on the funding level of the respective plans. The US plans are funded to ensure that statutory obligations are met and contributions are generally payable to at least minimum funding requirements.

The Coronavirus Aid, Relief and Economic Security (CARES) Act and the American Rescue Plan Act of 2021 (ARPA) has provided the Group with funding relief on US pension schemes through changes in the assumptions used to determine the ongoing Required Minimum Contributions. This relief has eliminated \$10.3m of 2021 cash contributions and is expected to eliminate \$13.6m of 2022 contributions based on US Treasury guidance.

No changes to future contribution levels have been agreed for the Wood Pension Plan.

Total contributions expected to be paid during the financial year ending 31 December 2022 amount to \$43.4m (2020: \$45.2m for the financial year ending 31 December 2021).

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.

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.

	Wood Pension Plan 2021	Wood Pension Plan 2020	FW Inc SEPP 2021	FW Inc SEPP 2020	FW Inc PPCE 2021	FW Inc PPCE 2020
Approximate increase/(decrease) on scheme liabilities	\$m	\$m	\$m	\$m	\$m	\$m
Discount rate						
Plus 0.1%	(68.4)	(73.2)	(1.0)	(1.0)	(1.8)	(2.2)
Minus 0.1%	70.2	75.2	1.0	1.0	1.9	2.2
Inflation						
Plus 0.1%	38.5	44.6	N/A	N/A	N/A	N/A
Minus 0.1%	(38.3)	(44.5)	N/A	N/A	N/A	N/A
Life expectancy						
Plus 1 year	196.4	194.2	4.3	4.6	8.9	10.0
Minus 1 year	(192.2)	(190.7)	(4.2)	(4.5)	(8.9)	(9.9)

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For the year ended 31 December 2021

32 Retirement benefit schemes (continued)

The sensitivity analysis covering the impact of increases in pensions is included in the inflation sensitivity in the above table.

Defined contribution plans

Pension costs for defined contribution plans were as follows:

	2021 \$m	2020 \$m
Defined contribution plans	104.6	122.9

There were no material contributions outstanding at 31 December 2021 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 \$0.1m (2020: \$0.3m) 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 in other investments. Investments held by the Group at 31 December amounted to \$75.9m (2020: \$79.8m) and will be used to pay benefits when employees retire. The corresponding liability is recorded in other non-current liabilities.

33 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. For a number of these claims the potential exposure is material. Where management believes we are in a strong position to defend these claims no provision is made. This includes a civil administrative determination, which we believe to be without legal or factual merit, made by the Contraloría General de la República de Colombia against two Amec Foster Wheeler subsidiaries, along with 22 others, in relation to work carried out for Refineria de Cartagena, S.A ("Reficar") between 2009 and 2016. At any point in time there are a number of claims where it is too early to assess the merit of the claim, and hence it is not possible to make a reliable estimate of the potential financial impact.

Investigations

Following the settlement of the various regulatory investigations described in Note 20, it remains possible that there may be other adverse consequences for the Group's business including actions by authorities in other jurisdictions. At this time, these consequences and likelihood cannot be reliably estimated, and therefore no provision has made in respect of them in the financial statements.

Employment claims

In October 2021 the Group received assessments from HMRC into the historical application of employer's National Insurance Contributions to workers on the UK Continental Shelf. We believe it is more likely than not that we will be able to defend this challenge and therefore as a result do not expect that it is probable a liability will arise. The maximum potential exposure to the Group in relation to tax and interest should we be unsuccessful in our position is approximately \$31m.

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, to the extent such claim is quantifiable. 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.

Tax planning

HMRC have challenged the deductibility of certain interest expenses previously considered as part of the EU State Aid investigation into the UK controlled foreign company regime. HMRC are currently at the information gathering stage. We believe that the interest deductions have been appropriately taken in line with tax legislation and guidance and therefore do not expect any outflow as a result, however we continue to monitor case law in the area and will consider the challenges of HMRC when raised. The maximum potential exposure to the Group including interest in relation to the interest deductions is approximately \$39m.

34 Capital and other financial commitments

	2021 \$m	2020 \$m
Contracts placed for future capital expenditure not provided in the financial statements	119.9	112.6

The capital expenditure above relates to property plant and equipment and software costs.

35 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.

	2021 \$m	2020 \$m
Sale of goods and services to joint ventures	21.4	37.5
Purchase of goods and services from joint ventures	3.5	1.8
Receivables from joint ventures	13.1	18.0
Payables to joint ventures	0.4	1.2

Compensation of key management personnel includes salaries, non-cash benefits and contributions to post retirement benefits schemes disclosed in note 31.

The Group operates a number of defined benefit pension arrangements and seeks to fund these arrangements to ensure that all benefits can be paid as and when they fall due. The Group has an agreed schedule of contributions with the UK plan's trustees where amounts payable by the Group are dependent on the funding level of the respective scheme. The US plans are funded to ensure that statutory obligations are met and contributions are generally payable to at least minimum funding requirements. Note 32 sets out details of the Group's pension obligations under these arrangements.

36 Post balance sheet events

The Board concluded in January 2022 that a sale of the Built Environment business is the best option to deliver value for our shareholders. Given the decision was made after the year end, this is a non-adjusting post balance sheet event and so was not held for sale at the balance sheet date. Once completed, the sale will strengthen the balance sheet by reducing net debt. It is not possible to estimate the impact on net assets and profit before tax at the point of approval of these financial statements.

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37 Subsidiaries, joint ventures and other related undertakings

The Group's subsidiary and joint venture undertakings at 31 December 2021 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	Regus Algeria, Tour Nord,, Centre Commercial et Administratif de Bab Ezzouar,, Quartier d'affaires de Bab Ezzouar, Algeria Properties	100
Wood Group Somias SPA	PO Box 67, Elmalaha Road (Route des Salines), Elbouni, Annaba, Algeria	55
Angola		
Production Services Network Angola Limitada	RuaKima Kienda, Edificio SGEP, 2nd Floor, Apartment 16, Boavista District, Ingombota, Luanda, Angola	49*
Wood Group Kianda Limitada	No 201, Rua Engenheiro Armindo de Andrade,Bairro Miramar, Simbizanga, Luanda, Angola	41*
Argentina		
Foster Wheeler E&C Argentina S.A.	Paraguay 1866, Buenos Aires, Argentina	100
ISI Mustang (Argentina) S.A.	Pedro Molina 714, Provincia de Mendoza, Ciudad de Mendoza, Argentina	100
Wood Solar Argentina S.A.U.	Tucuman 1 Floor 4, Buenos Aires, Argentina	100
Wood Wind Argentina S.A.U.	Tucuman 1 Floor 4, Buenos Aires, Argentina	100
Australia		
Amec Foster Wheeler Australia Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
Wood Australia Architecture Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
Aus-Ops Pty Ltd	Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	100
Innofield Services Pty Ltd	Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	100
RIDER HUNT INTERNATIONAL (AUSTRALIA) PTY LTD	Level 3, 171 Collins Street, Melbourne, VIC 3000, Australia	100
SVT Holdings Pty Ltd	Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	100
Wood Australia Pty Ltd	Level 3, 171 Collins Street ,Melbourne, VIC, 3000, Australia	100
Wood Field Services Pty Ltd	Level 3, 171 Collins Street ,Melbourne, VIC, 3000, Australia	100
Wood Group Australia PTY Ltd	Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	100
Wood Group Kenny Australia Pty Ltd	Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	100
Azerbaijan		
AMEC Limited Liability Company	37 Khojali Street, Baku, AZ1025, Azerbaijan	100
Wood Group PSN Azerbaijan LLC	Khojali Avenue,Building 37, Khatal District, Baku, AZ1025, Azerbaijan	100
Bermuda		
Foster Wheeler Ltd.	Clarendon House, 2 Church Street, Hamilton, HM-11, Bermuda	100
FW Management Operations, Ltd.	Clarendon House, 2 Church Street, Hamilton HM CX, Bermuda	100
Brazil		
Amec Foster Wheeler America Latina, Ltda.	Centro Empresarial Ribeirao Office Tower, Av. Braz Olaia Acosta, 727 - 18 andar - Sl. 1810, Cep. 14026-404 - Jd. California, Ribeirao Preto, Sao Paulo, Brazil	100
Amec Foster Wheeler Brasil S.A.	Avenida das Americas, n 3.434, Bloco 2, salas 307 e 308, Centro Empresarial Mario Henrique Simonsen, Barra da Tijuca, CEP 22.640-102, Brazil	100
AMEC Petroleo e Gas Ltda.	Avenida das Americas, n 3.434, Bloco 2, salas 307 e 308, Centro Empresarial Mario Henrique Simonsen, Barra da Tijuca, CEP 22.640-102, 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
FW Industrial Power Brazil Ltda	Alameda Santos, 1293, Room 63, Cerqueira César, Sao Paulo, 01419-002, Brazil	100
Santos Barbosa Tencica Comercio e Servicos Ltda.	Estrada Sao Jose do Mutum, 301 - Imboassica, Cidade de Macae, Rio de Janeiro, CEP 27973-030, Brazil	100
Wood Group Engineering and Production Facilities Brasil Ltda.	Rua Ministro Salgado Filho,119, Cavaleiros, Cidade de Macae,CEP 27920-210, Estado do Rio de Janeiro	100

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Wood Group Kenny do Brasil Servicos de Engenharia Ltda.	Rua Sete de Setembro, 54 - 4 andares, Centro, Rio de Janeiro - RJ, CEP 20050-009, Brazil	100
Brunei Darussalam		
Amec Foster Wheeler (B) SDN BHD	Unit No.s 406A-410A, Wisma Jaya, Jalan Pemancha, Bandar Seri Begawan BS8811, Brunei Darussalam	100
Bulgaria		
AMEC Minproc Bulgaria EOOD	7th Floor, 9-11 María Louisa Blvd, Vazrazhdane District, Sofia 1301, Bulgaria	100
Cameroon		
Amec Foster Wheeler Cameroun SARL	Cap Limboh, Limbe, BP1280, Cameroon	100
Canada		
2292127 Alberta Ltd.	1900, 520 - 3rd Ave. S.W., Calgary, AB, T2P 0R3, Canada	100
Amec Foster Wheeler Canada Ltd.	Borden Ladner Gervais LLP, Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, AB, T2P 0R3, Canada	100
Rider Hunt International (Alberta) Inc.	900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada	100
Wood Architectural Services Ltd.	133 Crosbie Road, St. John's, NL, A1B 1H3, Canada	0**
Wood Canada Limited	1900, 520 - 3rd Avenue SW, Calgary, AB, T2P 0R3, Canada	100
Wood Geomatics Limited	900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada	49*
Wood Group Asset Integrity Solutions, Inc.	1900, 520 - 3rd Avenue SW, Calgary, AB, T2P 0R3, Canada	100
Wood Group Canada, Inc.	Borden Ladner Gervais LLP, Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, AB, T2P 0R3, Canada	100
Wood Solar Canada Ltd.	1900, 520 - 3rd Ave. S.W., Calgary, AB, T2P 0R3, Canada	100
Wood Wind Canada Ltd.	1900, 520 - 3rd Ave. S.W., Calgary, AB, T2P 0R3, Canada	100
Cayman Islands		
FW Chile Holdings Ltd.	Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, George Town, KY1-1111	100
Wood Group O&M International, Ltd.	Sterling Trust (Cayman) Limited, Whitehall House, 238 North Church Street, George Town, KY1-1102, Cayman Islands	100
Chile		
AMEC CADE Ingeniería y Desarrollo De Proyectos Limitada	Av. Larraín 5862, Piso 11, La Reina, Santiago	100
Amec Foster Wheeler International Ingenieria y Construcción Limitada	Avenida Presidente Riesco 5335, Piso 8 Las Condes	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, Chile	100
China		
Amec Foster Wheeler Engineering & Consulting (Shanghai) Co., Ltd	Room 204, Building 1, No. 1287, Shangcheng Road, Pudong New District, Shanghai	100
Liaoning Province Pharmaceutical Planning and Designing Institution Co. Ltd.	3rd Floor, Gate 4, 153-10 Chuangxin Road, Hunnan District, Shenyang, Liaoning Province, China	100
Shenyang Dongyu Youan Pharmaceutical Technology Co. Ltd.	Gate 2, 8# Wulihe Street, Heping District, Shenyang, Liaoning Province, China	76
Colombia		
Wood Engineering & Consultancy Colombia S.A.S.	Carrera 11 A No. 96-51 5th floor, Bogota D.C., Colombia	100
Cyprus		
AMEC Overseas (Cyprus) Limited	1, Lampousas Street, 1095 Nicosia, Cyprus	100
WGPS International Limited	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia,CY-1310 Nicosia, PO Box 25549, Cyprus	100
Wood Group Angola Limited	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia,CY-1310 Nicosia, PO Box 25549, Cyprus	100
Wood Group Equatorial Guinea Limited	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia,CY-1310 Nicosia, PO Box 25549, Cyprus	100
Democratic Republic of Congo		
MDM Engineering SPRL	32 Avenue 3Z, Commune de Kasuku, Ville de Kindu, Democratic Republic of Congo	100
Egypt		

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Foster Wheeler Petroleum Services S.A.E.	Al-Amerya General Free Zone, Alexandria, Egypt	100
Equatorial Guinea		
Baker Energy International Equatorial Guinea S.A.	Bioko, Island Region, Malabo	65
Hexagon Sociedad Anonima con Consejo de Administracion	c/o Solege, Calle Kenia S/N, Malabo, Equatorial Guinea	65
France		
Amec Foster Wheeler France S.A.	14, Place de la Coupole, Charenton-le-Pont, France, 94220	100
Wood Group Engineering Services (France) SAS	6Pl de la Madeleine, 75008, Paris, France	100
Wood Group France SAS	108 rue de Longchamp 75116 Paris	100
Gabon		
Production Services Network Gabon SARL	1.149, Republic Boulevard, CEDAM Building, 6th Floor, Bali - Douala, Douala, PO Box 3586, Cameroon	100
Germany		
Bauunternehmung Kittelberger GmbH i.L.	Liebigstr. 1-3, Kaiserslautern, 67661, Germany	100
KIG Immobilien Beteiligungsgesellschaft mbH	Hammstrasse 6, 04129 Leipzig, Germany	100
KIG Immobiliengesellschaft mbH & Co. KG	Hammstrasse 6, 04129 Leipzig, Germany	100
Wood E&IS GmbH	Weserstrasse 4, Frankfurt am Main, 60329, Germany	100
Ghana		
Amec Foster Wheeler Operations Ghana Limited	House Number 4, Momotse Avenue, Behind All Saints Anglican Church, Adabraka, PO Box GP 1632, Accra, Greater Accra, Ghana	100
Wood & BBS Ghana Ltd	No 4 Momotsa Avenue, Behind All Saints Anglican Church, Adabraka, Accra, Ghana	80
Wood Group Ghana Limited	20 Jones Nelson Road, Adabraka, Accra, Ghana	49*
Greece		
Amec Foster Wheeler Hellas Engineering and Construction Societe Anonyme	15 Meandrou Street, Athens, 115 28, Greece	100
Guatemala		
AMEC Guatemala Engineering and Consulting, Sociedad Anonima	Ciudad Guatemala, Guatemala	100
Guernsey		
AMEC Operations Limited	22 Havilland Street, St Peter Port, GY1 2QB, Guernsey	100
Garlan Insurance Limited	PO Box 33, Maison Trinity, Trinity Square, St Peter Port, GY1 4AT, Guernsey	100
Wood Group Offshore Services Limited	PO Box 119 Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB, Guernsey	100
Wood USA Holdings Limited	22 Havilland Street, St Peter Port, GY1 2QB, Guernsey	100
Hong Kong		
AMEC Asia Pacific Limited	3806, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	99
SgurrEnergy Hong Kong Limited	26/F Beautiful Group Tower, 77 Connaught Road Central, Hong Kong	100
India		
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, India	100
Wood India Engineering & Projects Private Limited	6th Floor, Zenith Building, Ascendas IT Park, CSIR Road, Taramani, Chennai 600 113, India	100
Wood Group Kenny India Private Limited	15th Floor Tower-B, Building No. 5, DLF Cyber City, ,HR, Phase III Gurgaon, 122002, India	100
Wood Group PSN India Private Limited	5th Floor, Zenith Building, Ascendas IT Park, CSIR Road, Taramani, Chennai, 600113, India	100
Indonesia		
PT AGRA Monenco	c/o 2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada	100
PT Amec Foster Wheeler Indonesia	Perkantoran Pulo mas Blok VII No. 2, Jl Perintis Kemerdekaan, Pulo Gadung, Jakarta, Timur, Indonesia	55
PT Australian Skills Training	Green Town Warehouse No. 2, Bengkong-Batam-Indonesia, Indonesia	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 Harding Lawson Indonesia	c/o 2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada	100

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PT Simons International Indonesia	c/o 2020 Winston Park Drive, Suite 7000, Oakville, Ontario, Canada	100
PT Wood Group Indonesia	Gedung Perkantoran Prudential Centre, Kota Kasablanka, Lantai 22, Unit A, J1, Cassablanca Kav, 88 Kel. Menteng Dalam, Kec.Tebet, Kota Adm, Jarkarta Selantan, DKI Jarkarta, Malaysia	90
Iran		
Foster Wheeler Adibi Engineering	9th Floor Aluminumm Building, Avenue Shah, Tehran	45
Wood Group Iran - Qeshm Company (pjs)	No 2564, Hafez Street, Toola Industrial Park,Qeshm Island, Annaba, Iran	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, Iraq	100
Touchstone General Contracting, Engineering Consultancy and Project Management LLC	Flat no. 23A, 3rd Floor, near Kahramana Square Anbar Building, District no. 903, Hay Al Karada, Baghdad, Iraq	100
Wood Group, LLC	Shoresh, Hadid and Khashab St., Kurdistan, Erbil, Iraq	100
Ireland		
Wood Group Kenny Ireland Limited	Second Floor, Blocks 4 and 5, Galway Technology Park, Parkmore, Galway, Ireland	100
Italy		
Geo Rinnovabile S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Greendream1 S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Greendream2 S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
HWF S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Hybrid Energy S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Tre Rinnovabili S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Wood Italiana S.r.l.	Via S. Caboto 15, Corsico, 20094, Italy	100
Wood Sardegna S.r.l.	Via Sebastiano Caboto 15, 20094- Corsico, Milan, 20094, Italy	100
Wood Solare Italia S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Jamaica		
Monenco Jamaica Limited	c/o 2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada	100
Jersey		
GTS Power Solutions Limited	28 Esplanade, St Helier, JE2 3QA, Jersey	100
RHI Talent UK 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	46 Satpayev St., Atyrau City, Atyrau Oblast, 060011, Kazakhstan	100
Foster Wheeler Kazakhstan LLP	app. 27, h. 64, Bostandykskiy district, Abaya Ave., Almaty City, Kazakhstan	100
QED International (Kazakhstan) Limited Liability Partnership	46 Satpayev St., Atyrau City, Atyrau Oblast, 060011, Kazakhstan	100
Wood Group Kazakhstan LLP	Satpayev str. 46, Atyrau, 060011, Kazakhstan	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		
Financial Services S.à r.l.	15, Boulevard Friedrich Wilhelm Raiffeisen, L-2411, Luxembourg	100
FW Investment Holdings S.à r.l.	15, Boulevard Friedrich Wilhelm Raiffeisen, L-2411, Luxembourg	100
Malaysia		
Amec Foster Wheeler OPE Sdn. Bhd.	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Lebuh Ampang, Kuala Lumpur, 50100, Malaysia	100
BMA Engineering SDN. BHD.	Unit C-12-4, Level 12, Block C, Megan Avenue II, Wilayah Persekutuan,Wilayah Persekutuan, Kuala Lumpur, 50450, Malaysia	100

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Foster Wheeler (Malaysia) Sdn. Bhd.	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Lebuh Ampang, Kuala Lumpur, 50100, Malaysia	100
Foster Wheeler E&C (Malaysia) Sdn. Bhd.	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Lebuh Ampang, Kuala Lumpur, 50100, Malaysia	70
Rider Hunt International (Malaysia) Sdn Bhd	Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, Kuala Lumpur, 50490, Malaysia	100
Wood Group Engineering Sdn. Bhd	Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, Wilayah Persekutuan, Wilayah Persekutuan, Kuala Lumpur, 50490, Malaysia	0*
Wood Group Kenny Sdn Bhd	c/o Securities Services (Holdings) Sdn Bhd, level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, Kuala Lumpur, Damansara Town Centre, Damansara, 50490, Malaysia	25*
Wood Group Mustang (M) Sdn. Bhd.	Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, Wilayah Persekutuan, Wilayah Persekutuan, Kuala Lumpur, 50490, Malaysia	100
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.	c/o First Island Trust Company Ltd, Suite 308, St. James Court, St. Denis Street, Port Louis, Mauritius	100
QED International Ltd	c/o Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1 CyberCity, Ebene, 72201, Mauritius	100
Mexico		
AGRA Ambiental S.A. de C.V.	c/o 2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada	100
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.	David Alfaro Siqueiros No.104, Piso 2, Colonia Valle Oriente, San Pedro Garza Garcia, Nuevo Leon, C.P. 66269, Mexico	100
AYMEC de Mexico S.A. de C.V.	453 Planta Alta Del Valle, San Pedro Garza Garcia, Nuevo Leon 66220, Mexico	100
CEC Controls Automatizacion S. de R.L. de C.V.	Libramiento Carr. Silao-León #201, Esq. Prolongación Bailleres, Col. Progreso Silao, Guanajuato, CP. 36135, Mexico	100
Foster Wheeler Constructors de Mexico S. de R.L. de C.V.	699 15th Street, 6th Avenue, Agua Prieta, Sonora, Mexico	80
Global Mining Projects and Engineering, S.A. de C.V.	Calle Coronado 124, Zona Centro, Chihuahua, Chihuahua, 31000, Mexico	100
Harding Lawson de Mexico S.A. de C.V.	Edificio Omega, Campos Eliseos 345, floors 2, 3 & 11, Chapultepec Polanco 11560 Mexico, D.F.	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, Distrito Federal, Mexico City, C.P. 11540, Mexico	100
Wood Group de Mexico S.A. de C.V.	Insurgentes Sur #619 piso 10, Colonia Napoles, Municipio Benito Juarez, between Calle Vermont and Calle Yosemite, Mexico City, 03810, Mexico	100
Wood Group Management Services de Mexico, S.A. de C.V.	Blvd. Manuel Avila Camacho 40 - 1801, Lomas de Cahpultepec, Delgacion Miguel Hidalgo, Mexico, D.F. 11000	100
Mongolia		
AMEC LLC	Mongol TV Tower-1005, Chinggis Avenue, Sukhbaatar District, 1st khoro, Ulaanbaatar, Mongolia	100
Mozambique		
Amec Foster Wheeler Mozambique Limitada	Mocambique, Maputo Cidade, Distrito Urbano 1, Bairro Sommerschield II, Av. Julius Nyerere, nº 3412, Maputo, Mozambique	100
Wood Group Mozambique, Limitada	73 Rua Jose Sidumo, Bairro da Polana, Maputo, Mozambique	100
Netherlands		
AMEC GRD SA B.V.	Meander 251, Arnhem, 6825 MC, Netherlands	100
AMEC Holland B.V.	EDGE Amsterdam West, Basisweg 10, 1043 AP, Amsterdam, Netherlands	100
AMEC Investments B.V.	EDGE Amsterdam West, Basisweg 10, 1043 AP, Amsterdam, Netherlands	100
Foster Wheeler Continental B.V.	Naritaweg 165, 1043 BW Amsterdam, Netherlands	100
Foster Wheeler Europe B.V.	Naritaweg 165, 1043 BW Amsterdam, Netherlands	100
John Wood Group B.V.	C/O Centralis Netherlands BV, Zuidplein 126, WTC, Toren H 15e, Amsterdam, 1077XV, Netherlands	100

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John Wood Group Holdings BV	C/O Centralis Netherlands BV, Zuidplein 126, WTC, Toren H 15e, Amsterdam, 1077XV, Netherlands	100
New Zealand		
M&O Pacific Limited	26 Manadon Street, Spotswood, New Plymouth, 4310, New Zealand	100
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
AMEC Offshore (Nigeria) Limited	18th Floor, Western House, 8/10 Broad street, Lagos, Nigeria	75
Foster Wheeler (Nigeria) Limited	1 Murtala Muhammed Drive, (Formerly Bank Road), Ikoyi, Lagos, Nigeria	100
Foster Wheeler Environmental Company Nigeria Limited	c/o Nwokedi & Co., 21 Ajasa Street, Onikan, Nigeria	87
JWG Nigeria Limited	13 Sumbo Jibowu Street, Ikoyi, Lagos, Nigeria	100
Overseas Technical Services Nigeria Limited	No 13 Sumbo Jibowu Street, Ikoyi, Lagos, Nigeria	93
Norway		
Wood Group Norway AS	Fokserodveien 12, Sandefjord, 3241, Norway	100
Oman		
Amec Foster Wheeler Engineering Consultancy LLC	PO Box 1469, Postal Code 133, Al-Khuwair, Sultanate of Oman	60
Wood LLC	Bldg No. 89, Way No. 6605, Al Oman Street, Ghala Industrial Area, P.O. Box 293, Al Khuwair, PC 133, Oman	70
Panama		
MACTEC Engineering and Consulting, Corp.	Brisas del Golf, Street 17, House 4-E Panama City, Panama	0**
Papua New Guinea		
Wood Engineering PNG Ltd	Deloitte Touche Tohmatsu, Level 9, Deloitte Haus, Macgregor Street, Section 8, Allotment 19, Port Moresby, National Capital District, Papua New Guinea	100
Wood Group PNG Limited	Dentons PNG, Level 5, Bsp Haus, Harbour City, Port Moresby, Papua New Guinea, National Capital District, Papua New Guinea	100
Peru		
Wood Ingenieria y Consultoria Peru S.A.	Calle Las Begonias 441, Piso 8, San Isidro, Lima, 27, Peru	100
Wood Group Peru S.A.C.	Av. de la Floresta 407, 5th Floor, San Borja, Lima, Peru	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, Philippines	100
PSN Production Services Network Philippines Corp	12th Floor, Net One Center, 26th Street Corner, 3rd Avenue, Crescent Park West, Taguig, Metro Manila, Bonifacio Global City, 1634, Philippines	100
Poland		
Amec Foster Wheeler Consulting Poland Sp. z o.o.	ul. Chmielna 132/134, Warsaw, 00-805, Poland	100
Portugal		
Amec Foster Wheeler (Portugal) Lda	Avenida Barbosa du Bocage 113-4, Lisboa, 1050-031, Portugal	100
Puerto Rico		
Wood Puerto Rico, P.S.C.	Metro Office Park #7, Street 1, Suite 204, Guaynabo, PR, PR 00968, Puerto Rico	0**
Qatar		
Production Services Network Qatar LLC	PO Box 2515, Doha, Qatar	49*
Romania		
AMEC Operations S.R.L	Rooms 1 and 2, 2nd Floor, No. 59 Strada Grigore Alexandrescu, Sector 1, Bucharest 010623, Romania	100
CEC Controls Company S.R.L.	Bulevardul Tudor Vladimirescu No. 22, Bldg. Greengate Office, 5th Floor, Room 516, Campus 02, District 5, Bucharest, Romania	100
Russia		
OOO Amec Foster Wheeler	Office E-100, Park Place, 113/1, Leninsky Prospekt, 117198, Moscow, Russian Federation 113/1, Leninsky Prospekt, 117198, Moscow, Russian Federation	100
Production Services Network Eurasia LLC	2-6 Floors, 88 Amurskaya, Yuzhno-Sakhalinsk, 693020, Russian Federation	50*

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Production Services Network Sakhalin LLC	2-6 Floors, 88 Amurskaya, Yuzhno-Sakhalinsk, 693020, Russian Federation	50*
Sakhalin Technical Services Network LLC	Suite 417, Kommunistichesky Prospekt 32, Yuzhno-Sakhalinsk, Sakhalin, Russian Federation	40*
Saudi Arabia		
Amec Foster Wheeler Energy and Partners Engineering Company	Majd Business Center, Tower B, P.O. Box 30920, King Faisal Road, Al-Khobar, 31952, Saudi Arabia	75
Mustang and Faisal Jamil Al-Hejailan Consulting Engineering Company	PO Box 9175, Almalaz, Salahuddin Alayoubi Street, Riyadh, 11413, Saudi Arabia	70
Mustang Saudi Arabia Co. Ltd.	King Fahad Road, Rakah, Po Box 8145, Al-Khobar, 34225, Saudi Arabia	100
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
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.	8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore, 018981, Singapore	100
Wood Group International Services Pte. Ltd.	991E Alexandra Road, #01 - 25, 119973, Singapore	100
Slovakia		
The Automated Technology Group (Slovakia) s.r.o.	c/o, Kinstellar s.r.o., Hviezdoslavovo nám 13, Bratislava, 811 02, Slovakia	100
South Africa		
Amec Foster Wheeler Properties (Pty) Limited	Waterfall Corporate Campus, Building 6, 74 Waterfall Drive Waterval City, Gauteng, 2090, South Africa	100
AMEC Minproc (Proprietary) Limited	2 Eglin Road, Sunninghill, 2157, South Africa	100
Mossel Bay Energy IPP (proprietary) Limited (RF)	2nd Road Halfway House, Midrand, South Africa	90
Rider Hunt International South Africa (Pty) Ltd	Building No. 2, Silver Stream Business Park, No. 10 Muswell Road South, Bryanston, South Africa	83
Wood BEE Holdings (Proprietary) Ltd	Waterfall Corporate Campus, Building 6, 74 Waterfall Drive Waterval City, Gauteng, 2090, South Africa	58
Wood Mining South Africa (Pty) Ltd	Zeelie Office Park, 381 Ontdekkers Road, Floida Park Ext 3, Roodepoort, 1709, South Africa	100
Wood South Africa (PTY) Ltd	Waterfall Corporate Campus, Building 6, 74 Waterfall Drive Waterval City, Gauteng, 2090, South Africa	70
South Korea		
AMEC Korea Limited	KG Tower 5F, 92 Tongil-ro, Jung-gu, Seoul 04517, Korea	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
Wood Iberia S.L.U.	Calle Gabriel Garcia Marquez, no 2, Parque Empresarial Madrid - Las Rozas, 28230 Las Rozas, Madrid, Spain	100
Switzerland		
A-FW International Investments GmbH	c/o Intertrust Services (Schweiz) AG, Zählerweg 6, Zug, 6300, Switzerland	100
Wood Engineering AG	Lohweg 6, 4054 Basel, Switzerland	100
Tanzania		
MDM Projects-Tanzania Limited	Plot No. 483, Garden Road, Mikocheni Ward, Kinondoni District, Dar es Salaam, 14112, Tanzania, the United Republic of	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, Suthisarnvinijchai Road, Khwaeng Samsennok, Khet Huaykwang, Bangkok Metropolis, Thailand	100

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Simons International Engineering Ltd.	91/17 Soi Wattananivet 4, Suthisarnvinijchai Road, Khwaeng Samsennok, Khet Huaykwang, Bangkok Metropolis, Thailand	100
Trinidad and Tobago		
Wood Group Trinidad & Tobago Limited	18 Scott Bushe Street, Port of Spain, Trinidad and Tobago	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, Uganda	100
Ukraine		
Wood Ukraine LLC	Room 398, Building 26, Obolonskyi Avenue, Kyiv City, 04205, Ukraine	100
United Arab Emirates		
Production Services Network Emirates LLC	Unit 1301-Cl Tower, Level 13, Al Bateen Street, Khalidiya, Abu Dhabi, PO Box 105828	49*
PSN Overseas Holding Company Limited	The MAZE Tower, 15th Floor, Sheikh Zayed Road, PO Box 9275, Dubai, United Arab Emirates	100
United Kingdom		
AFW Finance 2 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 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 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 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 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 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 Offshore Developments Limited	Ground Floor, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland	100
AMEC Offshore 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 Trustees 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 Wind Developments Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Automated Technology Group Holdings Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
East Mediterranean Energy Services Limited	c/o Ledingham Chalmers LLP, 3rd Floor, 68-70 George Street, Edinburgh, EH2 2LR, United Kingdom	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

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Foster Wheeler Europe	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler UK Investments Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland	100
Foster Wheeler World Services Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
FW Investments Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
HFA Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Integrated Maintenance Services Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
James Scott Limited	Ground Floor, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland	100
John Wood Group Holdings Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland	100
JWG Investments Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
JWGUSA Holdings Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Kelwat Investments Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Metal and Pipeline Endurance Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Mustang Engineering Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Press Construction 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
Production Services Network (UK) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Production Services Network Bangladesh Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
PSJ Fabrications Ltd	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
PSN (Angola) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
PSN (Philippines) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
PSN Asia Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
PSN Overseas Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
QED International (UK) Limited	Ground Floor, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland	100
RHI QS UK 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
Sandiway Solutions (No 3) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
SgurrEnergy Limited	St Vincent Plaza, 319 St Vincent Street, Glasgow, G2 5LP, Scotland, United Kingdom	100
The Automated Technology Group Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
WGD028 Limited	Ground Floor, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, United Kingdom	100
WGPSN (Holdings) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
WGPSN Eurasia Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	50
Wood (Indonesia) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood and Company Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Environment & Infrastructure Solutions UK Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Group Algeria Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Algiers Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Annaba Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Arzew Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Engineering & Operations Support Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Engineering (North Sea) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Hassi Messaoud Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Holdings (International) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Intetech Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Group Investments Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Kenny Corporate Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Kenny Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Group Kenny UK Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Group Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Power Investments Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Production Services UK Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100

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Wood Group UK Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group/OTS Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood International Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Nuclear Holdings Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Pensions Trustee Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Transmission and Distribution Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood UK Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
United States		
4900 Singleton, L.P.	400 North St. Paul, Dallas, TX, 75201	100
AMEC Architectural, Inc.	511 Congress Street, Ste. 200, Portland, ME, 04101, United States	100
AMEC Construction Management, Inc.	United Agent Group Inc., 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
AMEC E&E, P.C.	600 N 2nd Street, Suite 401, Harrisburg, PA, 17101-1071, United States	0**
AMEC Engineering and Consulting of Michigan, Inc.	46850 Magellan, Suite 190, Novi, MI, 48377, United States	100
Amec Foster Wheeler Arabia Ltd.	3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
Amec Foster Wheeler Environmental Equipment Company, Inc.	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle, DE, 19801	100
Amec Foster Wheeler Industrial Power Company, Inc.	3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
Amec Foster Wheeler Kamtech, Inc.	1979 Lakeside Parkway, Suite 400, Tucker, GA, 30084, United States	100
Amec Foster Wheeler Martinez, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Amec Foster Wheeler North America Corp.	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
Amec Foster Wheeler Power Systems, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Amec Foster Wheeler USA Corporation	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
AMEC Holdings, Inc.	United Agent Group Inc., 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
AMEC Industrial Programs, LLC	1105 Lakewood Parkway, Suite 300, Alpharetta, GA, 30009, United States	100
AMEC North Carolina, Inc.	225, Hillsborough Street, Raleigh, NC, 27603, United States	100
AMEC Oil & Gas World Services, Inc.	1209, Orange Street, Wilmington, DE, 19801, United States	100
Barsotti's Inc.	Perryville Corporate Park, 53 Frontage Road, PO Box 9000, Hampton, NJ, 08827-90000	100
BMA Solutions Inc.	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
C E C Controls Company, Inc.	United Agent Group Inc., 28175 Haggerty RoadD, Novi, MI, 48377, United States	100
Cape Software, Inc.	United Agent Group, 2425 W Loop South #200, Houston, TX, 77027, United States	100
Equipment Consultants, Inc.	Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler Asia Limited	3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
Foster Wheeler Energy Corporation	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler Environmental Corporation	5444 Westheimer #1000, Houston, Harris County, TX, 77056, United States	100
Foster Wheeler Inc.	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
Foster Wheeler Intercontinental Corporation	3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
Foster Wheeler International LLC	United Agent Group Inc., 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
Foster Wheeler LLC	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100

John Wood Group PLC

Notes to the financial statements

For the year ended 31 December 2021

Foster Wheeler Realty Services, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Ingenious Inc.	United Agent Group, 2425 W Loop South #200, Houston, TX, 77027, United States	100
ISI Group, L.L.C.	United Agent Group, 2425 W Loop South #200, Houston, TX, 77027, United States	100
JWGUSA Holdings, Inc.	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
Kelchner, Inc.	United Agent Group Inc., 119 E. Court Street, Cincinnati, OH, 45202, United States	100
MACTEC E&C International, Inc.	1105 Lakewood Parkway, Suite 300, Alpharetta, GA, 30009, United States	100
MACTEC Engineering & Geology, P.C.	7 Southside Drive, Suite 201, Clifton Park, NY, 12065, United States	0**
MACTEC Environmental Consultants, Inc.	1105 Lakewood Parkway, Suite 300, Alpharetta, GA, 30009, United States	100
Martinez Cogen Limited Partnership	Perryville Corporate Park, 53 Frontage Road, PO Box 9000, Hampton, NJ, 08827-9000	99
Mustang International, Inc.	5444 Westheimer #1000, Houston, Harris County, TX, 77056, United States	100
NDT Systems, Inc.	United Agent Group, 2425 W Loop South #200, Houston, TX, 77027, United States	100
Process Consultants, Inc.	United Agent Group Inc., 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
RHI Talent USA Inc.	United Agent Group Inc., 8275 South Eastern Av., #200, Las Vegas, NV, 89123, United States	100
Rider Hunt International (USA) Inc.	United Agent Group, 2425 W Loop South #200, Houston, TX, 77027, United States	100
Swaggart Brothers, Inc.	United Agent Group Inc., 5708 S.E. 136th Avenue, #2, Portland, OR, 97236, United States	100
Swaggart Logging & Excavation LLC	United Agent Group Inc., 5708 S.E. 136th Avenue, #2, Portland, OR, 97236, United States	100
Thelco Co.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Wood Design, LLC	1075 Big Shanty Rd NW, Ste. 100, Kennesaw, GA, 30144, United States	0**
Wood Environment & Infrastructure Solutions, Inc.	1105 Lakewood Parkway, Suite 300, Alpharetta, GA, 30009, United States	100
Wood Group Alaska, LLC	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
Wood Group PSN, Inc.	United Agent Group Inc., 8275 South Eastern Av., #200, Las Vegas, NV, 89123, United States	100
Wood Group Support Services, Inc.	United Agent Group Inc., 8275 South Eastern Av., #200, Las Vegas, NV, 89123, United States	100
Wood Group US Holdings, Inc.	3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
Wood Group US International, Inc.	United Agent Group Inc., 8275 South Eastern Av., #200, Las Vegas, NV, 89123, United States	100
Wood Group USA, Inc.	5444 Westheimer #1000, Houston, Harris County, TX, 77056, United States	100
Wood Massachusetts, Inc.	Suite 700, 155 Federal Street, Boston, MA, 02110, United States	100
Wood Programs, Inc.	2475 Northwinds Parkway, #200-260, Alpharetta, GA, 30009, United States	100
Uzbekistan		
Wood Energy Solutions LLC	Sulton Darvoza Business Center, 38/1 Shakhrisabz Street, Tashkent, 100060, Uzbekistan	100
Vanuatu		
O.T.S. Finance and Management Limited	Law Partners House, Rue Pasteur, Port Vila, Vanuatu	100
Overseas Technical Service International Limited	Law Partners House, Rue Pasteur, Port Vila, Vanuatu	100
Venezuela		
Amec Foster Wheeler Venezuela, C.A.	Avenida Francisco de Miranda, Torre Cavendes, Piso 9, Ofic 903, Caracas, Venezuela	100

*Companies consolidated for accounting purposes as subsidiaries on the basis of control. There is no material impact on the financial statements of the judgements applied in assessing the basis of control for these entities.

** The Group does not have a direct shareholding in these entities but considers them to be under group control.

John Wood Group PLC

Notes to the financial statements

For the year ended 31 December 2021

Joint Ventures		
Company Name	Registered Address	Ownership Interest %
Australia		
Clough AMEC Pty Ltd ¹	'Alluvion Building', Level 9, 58 Mounts Bay Road, Perth, WA, 6000, Australia	50
Azerbaijan		
Socar-Foster Wheeler Engineering LLC	88A Zardaby Avenue, Baku, Azerbaijan	35
Canada		
ABV Consultants Ltd ¹	Suite 2300, Bentall 5, 550 Burrard Street, Vancouver, BC, V6C 2B5, Canada	50
AMEC Black & McDonald Limited ¹	60 Cutler Avenue, Dartmouth, NS, B3B 0J6, Canada	50
ODL Canada Limited	689 Water Street, Newfoundland, St. John's, NL, A1E 1B5, Canada	50
Teshmont Consultants Inc.	1190 Waverley Street, Winnipeg, MB, R3T 0P4, Canada	50
Vista Mustang JV	Suite B12, 6020 2nd Street S. E., Calgary, AB, T2H 2L8, Canada	50
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 Consultor Cade Zañartu Limitada	Seminario 714, Ñuñoa, Santiago de Chile	50
Consorcio Consultor Systra / Cade Idepe / Geoconsult Limitada	Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	40
Consorcio de Ingeniería Geoconsult Cade Idepe Limitada	Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	50
Consorcio de Ingeniería Systra Cade Limitada	Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	50
Consorcio de Ingeniería Transporte Systra Cade Idepe Consultores Limitada	Jose Domingo Cañas 2640, Ñuñoa, Santiago Chile	50
Construcción e Ingeniería Chile FI Limitada	Avenida Andrés Bello 2711, Piso 22 - Comuna Las Condens, Santiago, Chile	50
Construcción e Ingeniería FIM Chile, Limitada	Avenida Santa María 2810, Comuna de Providencia, Santiago, Chile	33
China		
Wood Zone Co., Ltd	No. 143 Jinyi Road, Jinshan District, Shanghai, 200540, China	50
Cyprus		
Wood Group - CCC Limited	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia, CY-1310 Nicosia, PO Box 25549, Cyprus	50
Kazakhstan		
WOOD KSS JSC	Satpayev str. 46, Atyrau, 060011, Kazakhstan	50
Mexico		
AFWA DUBA Salina Cruz, S. de R.L. de C.V.	Carlos Salazar, #2333, Colonia Obrera, Monterrey, Nuevo Leon, Mexico	50
Grupo Industrial de Ingeniería Ecologica III HLA & Iconsa S.A. de C.V.	Edificio Omega, Campos Eliseos 345, floors 2, 3 & 11, Chapultepec Polanco 11560 Mexico, D.F.	51
Mustang Diavaz, S.A.P.I. de C.V.	Av. Revolucion 468, Col. San Pedro de los Pinos Mexico, D.F., 03800, Mexico	50
Northam Conip Consorcio, S.A. de C.V.	David Alfaro Siqueiros 104 piso 2, Col. Valle Oriente, San Pedro Garza Garcia, Nuevo Leon, CP. 66269, Mexico	50
Netherlands		
Wood Group Azerbaijan B.V.	C/O Centralis Netherlands BV, Zuidplein 126, WTC, Toren H 15e, Amsterdam, 1077XV, Netherlands	51
New Zealand		
Wood Beca Limited	Ground Floor, Beca House, 21 Pitt Street, Auckland, 1010, New Zealand	50
Oman		
AMEC Al Turki LLC	c/o Al Alawi, Mansoor Jamal & Co., Barristers & Legal Consultants, Muscat International Centre, Mezzanine Floor, Muttrah Business District, P.O. Box 686 Ruwi, Oman	35
Qatar		
Wood 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
Saudi Arabia		
AMEC BKW Arabia Limited ¹	Al Rushaid Petroleum Investment Co. Building, Prince Hamoud Street, P.O. Box 31685 – Al Khobar 31952, Saudi Arabia	50

John Wood Group PLC

Notes to the financial statements

For the year ended 31 December 2021

Spain

Insolux Monenco Medio Ambiente S.A.	Calle Juan Bravo, 3-C, Madrid, 28006, Spain	49
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Trinidad and Tobago

Massy Wood Group Ltd.	4th Floor, 6A Queens Park West, Victoria Avenue, Port of Spain, Trinidad and Tobago	50
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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
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United Kingdom

ACM Health Solutions Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England, United Kingdom	33
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Ethos Energy Group Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	51
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Lewis Wind Power Holdings Limited	EDF Energy, GSO Business Park, East Kilbride, G74 5PG, Scotland	50
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RWG (Repair & Overhauls) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	50
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South Kensington Developments Limited	Portland House, Bickenhill Lane, Solihull, Birmingham, B37 7BQ, England, United Kingdom	50
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Stornoway Wind Farm Limited	EDF Energy, GSO Business Park, East Kilbride, G74 5PG, Scotland	50
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United States

Fluor AMEC II, LLC	100 Fluor Daniel Drive, Greenville, SC, 29607-2770, United States	45
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¹Entities are consolidated as joint operations on the basis of control.

In addition to the subsidiaries listed above, the Group has a number of overseas branches.

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

Notes to the financial statements

For the year ended 31 December 2021

The Group will be exempting the following companies from an audit in 2021 under Section 479A of the Companies Act 2006. All of these companies are fully consolidated in the Group Financial Statements.

AFW Finance 2 Limited (Registered number 09861575)
AME Building Limited (Registered number 165287)
AMEC (F.C.G) Limited (Registered number 148585)
AMEC (MH1992) Limited (Registered number 222870)
AMEC (MHL) Limited (Registered number 713103)
AMEC (WSL) Limited Registered number 514311)
AMEC BKW Limited (Registered number 169831)
AMEC Bravo Limited (Registered number 6206015)
AMEC Capital Projects Limited (Registered number 2804109)
AMEC Civil Engineering Limited (Registered number 1265199)
Amec Foster Wheeler (Holdings) Limited (Registered number 00163609)
Amec Foster Wheeler Earth and Environmental (UK) Limited (Registered number 4987981)
Amec Foster Wheeler Energy Limited (Registered number 1361134)
Amec Foster Wheeler Finance Asia Limited (Registered number 6205760)
Amec Foster Wheeler Finance Limited (Registered number 1332332)
Amec Foster Wheeler Group Limited (Registered number 4612748)
Amec Foster Wheeler International Limited (Registered number 3203966)
AMEC Investments Europe Limited (Registered number 3704533)
Amec Kazakhstan Holdings Limited (Registered number 4530056)
AMEC Offshore Developments Limited (Registered number SC137017)
AMEC Offshore Limited (Registered number 1054207)
AMEC Process and Energy Limited Registered number 2028340)
AMEC Project Investments Limited (Registered number 2619408)
AMEC Services Limited (Registered number 2804093)
AMEC Trustees Limited (Registered number 2830098)
Amec USA Holdings Limited (Registered number 4041261)
Amec Wind Developments Limited (Registered number 8781332)
Automated Technology Group Holdings Limited (Registered number 07871655)
East Mediterranean Energy Services Limited (Registered number SC505318)
Foster Wheeler (G.B.) Limited (Registered number 745470)
Foster Wheeler (London) Limited (Registered number 887857)
Foster Wheeler (Process Plants) Limited (Registered number 1184855)
Foster Wheeler E&C Limited (Registered number 2247293)
Foster Wheeler Environmental (UK) Limited (Registered number 1657494)
Foster Wheeler Europe (Registered number 04127813)
Foster Wheeler UK Investments Limited Registered number SC649888)
Foster Wheeler World Services Limited (Registered number 1439353)
FW Investments Limited (Registered number 6933416)
HFA Limited (Registered number SC129298)
Integrated Maintenance Services Limited (Registered number 3665766)
James Scott Limited (Registered number SC35281)
John Wood Group Holdings Limited (Registered number SC642609)
JWG Investments Limited (Registered number SC484872)
JWGUSA Holdings Limited (Registered number SC178512)
Kelwat Investments Limited (Registered number SC203212)
Metal and Pipeline Endurance Limited (Registered number 534109)
Mustang Engineering Limited (Registered number SC273548)
Press Construction Limited (Registered number 471400)
Process Plants Suppliers Limited (Registered number 957881)
Production Services Network (UK) Limited (Registered number SC293004)
Production Services Network Bangladesh Limited (Registered number 02214332)
PSJ Fabrications Ltd (Registered number 01205595)
PSN (Angola) Limited (Register number SC311500)
PSN (Philippines) Limited (Registered number SC345547)
PSN Asia Limited (Registered number SC317111)
PSN Overseas Limited (Registered number SC319469)
QED International (UK) Limited (Registered number SC106477)
RHI QS UK Limited (Registered number 12522586)
Rider Hunt International Limited (Register number 02305615)
Sandiway Solutions (No 3) Limited (Registered number 5318249)
SgurrEnergy Limited (Registered number SC245814)

Notes to the financial statements

For the year ended 31 December 2021

The Automated Technology Group Limited (Registered number 03109235)
WGD028 Limited (Registered number SC136216)
WGPSN (Holdings) Limited (Registered number SC288570)
WGPSN Eurasia Limited (Registered number SC470501)
Wood (Indonesia) Limited (Registered number SC693591)
Wood and Company Limited (Registered number 01580678)
Wood Environment & Infrastructure Solutions UK Limited (Registered number 02190074)
Wood Group Algeria Limited (Registered number SC299843)
Wood Group Algiers Limited (Registered number SC299845)
Wood Group Annaba Limited (Registered number SC299848)
Wood Group Arzew Limited (Registered number SC299850)
Wood Group Engineering (North Sea) Limited (Registered number SC030715)
Wood Group Engineering and Operations Support Limited (Registered number SC159149)
Wood Group Hassi Messaoud Limited (Registered number SC299851)
Wood Group Holdings (International) Limited Register number SC169712)
Wood Group Intetech Limited (Registered number 02575585)
Wood Group Investments Limited (Registered number SC301983)
Wood Group Kenny Corporate Limited (Registered number SC147353)
Wood Group Kenny Limited (Registered number 1398385)
Wood Group Kenny UK Limited (Registered number 2331383)
Wood Group Power Investments Limited (Registered number SC454342)
Wood Group Production Services UK Limited (Registered number SC278252)
Wood Group/OTS Limited (Registered number 1579234)
Wood International Limited (Registered number 10517856)
Wood Limited (Registered number 9861563)
Wood Nuclear Holdings Limited (Registered number 03725076)
Wood Pensions Trustee Limited (Registered number 1889899)
Wood Transmission and Distribution Limited (Registered number 11829648)
Wood UK Limited (Registered number 3863449)

John Wood Group PLC

Notes to the financial statements
For the year ended 31 December 2021

Shareholder information

Officers and advisers

Secretary and Registered Office

M McIntyre
John Wood Group PLC
15 Justice Mill Lane
Aberdeen
AB11 6EQ

Registrars

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

Stockbrokers

JPMorgan Cazenove Limited
Morgan Stanley

Independent Auditor

KPMG LLP
Chartered Accountants and Statutory Auditors
1 Marischal Square
Broad Street
Aberdeen
AB10 1DD

Company Solicitors

Slaughter and May

Financial calendar

Results announced	20 April 2022
Annual General Meeting	22 June 2022

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