News Release

wood.

19 March 2019

Full year results for the year ended 31 December 2018

"Returning to growth and delivering strong operational cash generation"

Year ended 31 December	**2018 $m**	2017 $m	Movement %	**Proforma 2017 $m[1]**	Movement vs. proforma %
Revenue including joint ventures[2]	**11,036**	6,169	*78.9%*	**9,882**	*11.7%*
Adjusted EBITA[2]	**630**	372	*69.4%*	**598**	*5.4%*
Adjusted EBITA Margin	**5.7%**	6.0%	*(0.3)%*	**6.0%**	*(0.3)%*
Revenue (statutory revenue which excludes joint ventures)	**10,014**	5,394	*85.7%*		
Operating Profit before exceptional items	**357**	212	*68.4%*		
(Loss)/profit for the period	**(7.6)**	(30.0)	*74.7%*		
Basic EPS	**(1.3)c**	(7.4)c	*82.4%*		
Adjusted diluted EPS[3]	**57.4c**	53.3c	*7.7%*		
Total Dividend	**35.0c**	34.3c	*2.0%*		
Net debt	**1,548.2**	1,646.1	(5.9)%		
Order book[4]	**10,259**				

"Wood delivered good organic growth in 2018. We completed the integration of AFW at pace, increased cost synergy targets by 24% and unlocked new opportunities across our broader range of capabilities and sectors to secure revenue synergies of over $600m. We have delivered strong operational cashflow which has supported both a reduction in net debt of $450m since completion of the acquisition of AFW, and the payment of $231m in dividends in 2018. We have built a unique platform and are in the early stages of what we can achieve. Our performance in 2018 has strengthened our conviction in Wood's potential and we are excited about our prospects. We are confident of achieving further growth in 2019."

Robin Watson, Chief Executive

Financial performance

- Return to growth and ahead of 2018 consensus: Revenue including joint ventures up 12% and adjusted EBITA up 5% vs Pro forma 2017 reflecting good trading momentum and cost synergy delivery of $55m
- Operating profit before exceptional items increased by 68% to $357m (2017 proforma: $212m), after non-cash amortisation charges of $249m[5]
- Loss for the period reduced to $7.6m (2017: $30.0m), after exceptional costs of $183m related to synergy delivery, restructuring, impairment of EthosEnergy and guaranteed minimum pensions[6]
- Strong balance sheet: Net debt reduced to $1.5bn in line with guidance at December trading update. Total facilities headroom of $1.3bn. Net debt : Adjusted EBITDA reduced to 2.2x (2017: 2.4x)
- Cash conversion, calculated as cash generated from operations (after exceptional items) as a percentage of Adjusted EBITDA (excluding JVs), improved significantly to 102% (proforma 2017 14%), including $154m drawn down from our receivables facility
- Good progress on non core asset disposal programme; entered agreements to dispose of assets for consideration of over $50m to date

- AEPS of 57.4 cents up 8% and ahead of 2018 consensus[3]
- Proposed final dividend of 23.7c up 2% in line with progressive dividend policy; dividend cover of 1.6x $231m distributed to shareholders in 2018

Operations and integration

- Higher activity levels across all business units:
  - Growth in ASA in power, downstream & chemicals and US shale
  - ASEAAA grew in operations solutions work in Asia Pacific and the Middle East
  - STS delivered increased activity in minerals processing, automation & control and nuclear
  - E&IS saw increased consultancy work with long standing customers in North America
- Well aligned operational cultures enabled integration ahead of schedule in 12 months
- Excellent progress on cost synergies: in year benefit of $55m in 2018 equating to an annualised run rate of $85m, three year target increased to $210m, up 24%
- Secured revenue synergies >$600m; strong pipeline of opportunities
- Enhanced risk management framework and project delivery governance embedded

Outlook for 2019

- Well positioned for growth trends emerging across a broad range of energy and industrial markets
- Order book currently stands at $10.3bn[4], c60% of forecast FY2019 revenue secured in line with expectations for this point in the year. Reimbursable work is the largest element; c70%.
- Revenue growth in the region of 5% will deliver organic earnings growth which, together with the impact of cost synergies of around $60m, is expected to lead to growth in Adjusted EBITA in line with market expectations[3]
- Deleveraging to 1.5x Net debt to Adjusted EBITDA[7] will be more gradual than originally anticipated due to impact of slower sector recovery in oil & gas since completion, working capital commitments on the legacy AEGIS contract and slower progress on non-core asset disposals due to our focus on value
- Confident in the strong free cashflow generation of our business. Further deleveraging primarily driven by earnings growth in 2019, delivering cash conversion after exceptional items at c80%-85%, retaining capital discipline and the timing of additional disposals.

Notes:

1. *Proforma 2017 results are unaudited. They include 12 months of AFW's results but exclude the results of businesses disposed; principally the AFW North Sea upstream business, the AFW North American nuclear operations and the disposed elements of GPG. It also excludes the results of other, less material disposed interests including the Aquenta consultancy, an interest in Incheon Bridge and interests in two Italian windfarms.*

2. *See detailed footnotes following the Financial Review. 'Revenue including joint ventures', 'Adjusted EBITA' and 'Adjusted EBITDA' are presented based on proportionally consolidated and includes the contribution from joint ventures. A reconciliation to statutory numbers is provided in note 1 to the accounts.*

3. *Company compiled publicly available consensus 2018 Adjusted EBITA is $624mm and AEPS is 55.9c. Adjusted EBITA on a proportionally consolidated pre IFRS 16 adoption basis for 2019 is $716m and AEPS is 67.6c. Consensus EBITDA on the same basis is estimated to be $764m. (https://www.woodplc.com/investors/analyst-consensus-and-coverage)*

4. *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 includes Wood's proportional share of joint venture order book.*

5. *Operating profit before exceptional items is stated after non cash amortisation charges of $249m, including $126m of amortisation of intangibles arising on the acquisition of AFW.*
6. *Loss for the period is stated after exceptional costs net of tax of $183m, including $42m of costs to deliver synergies, $30m relating to restructuring and onerous leases, $41m related to an impairment in the carrying value of EthosEnergy and $10m of other write-offs related to EthosEnergy, investigation support costs of $26m, $10m relating to an arbitration settlement provision and a $32m defined benefit pension scheme charge related to guaranteed minimum pensions*
7. *Our previously stated target net debt : Adjusted EBITDA range of 0.5x to 1.5x is based on an existing "frozen GAAP" basis prior to the adoption of IFRS 16 in 2019*

Wood is a global leader in the delivery of project, engineering and technical services in energy, industry and the built environment. We operate in more than 60 countries, employing around 60,000 people, with revenues of around $11 billion. We provide performance-driven solutions throughout the asset life-cycle, from concept to decommissioning across a broad range of industrial markets including the upstream, midstream and downstream oil & gas, power & process, environment and infrastructure, clean energy, mining, nuclear and general industrial sectors. www.woodplc.com

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There will be an analyst and investor presentation at the London Stock Exchange, 10 Paternoster Square, EC4M 7LS at 09.00. Early registration is advised from 08.30.

A live webcast of the presentation will be available from https://www.woodplc.com/investors/financial-events-calendar

Replay facilities will be available later in the day.

Chair's statement

2018 was a year of significant progress for Wood that included the important milestone of the first anniversary of the completion of the Amec Foster Wheeler transaction. Under Robin's leadership, the two companies have been brought together to create one leading business in project, engineering and technical services delivery, accelerating the Wood Group strategy to broaden its service, sector and end market portfolio.

At the start of the year a clear set of financial and operational objectives were established for Wood and Robin, together with his leadership team have been focused on delivering against them. Integration and cost and revenue synergy delivery formed an important part of these objectives. With support from the Board integration has progressed at pace with the process completed in October. This clear focus has allowed the business to access cost synergies ahead of schedule and to capitalise on its broader capability set to realise significant revenue synergies and demonstrate the strength of the combined business.

Wood returned to growth in 2018 with good momentum in trading and a significant impact from cost synergy delivery. Results benefitted from relatively favourable conditions in the wide range of energy and industrial end markets Wood now operates in, despite a slower sector recovery in oil & gas. The quality of earnings is demonstrated by Wood's cash generation performance in 2018 which has contributed to a reduction in net debt of $450m since completion and progress towards our deleveraging target. The Board is confident that as an integrated business Wood has a strong operational platform capable of delivering growth from a sustainable cash generative model.

Wood remains committed to its progressive dividend policy which takes into account future cashflows and earnings. This is a key foundation of the Wood investment case which has been sustained through the challenging conditions in our core markets through the downturn. There is no change to the policy going forward. The Board has recommended a final dividend of 23.7 cents per share, which makes a total distribution for the year of 35.0 cents, representing an increase of 2% on the total distribution for 2017. Dividend cover is strong at 1.6 times.

Looking ahead, there is a very positive medium term outlook for Wood's broader end markets. The Board is confident that Wood is well placed to deliver good longer term growth both organically and by a return to acquisition led growth that aligns with our long term preferred capital structure.

Ian Marchant, Chair

Chief Executive Review

In October 2018, we completed the integration of Amec Foster Wheeler ("AFW") and celebrated our first anniversary as Wood. We have brought together the complementary capabilities and operational cultures of Wood Group and AFW and taken the best of both to create one leading business in project, engineering and technical services delivery in energy, industry and the built environment. We have a simple, effective delivery model with a multi sector full service capability across a broad range of energy and industrial markets. In 2018 we focussed on unlocking the anticipated deal opportunities, mitigating the well flagged risks and delivering against a clear set of operational and financial priorities:

Returning to growth: revenue including joint ventures up 12%, adjusted EBITA up 5% vs 2017 proforma

Wood returned to growth in 2018 and we saw good trading momentum throughout the year. Relatively favourable conditions in the wide range of energy and industrial end markets we now operate in have contributed to growth in 2018 across our business.

Completing integration of AFW ahead of schedule

Wood's simplified organisational structure was established before Day 1 and we completed the integration in October 2018, twelve months after completion of the acquisition. Our actions during the year focused on establishing our organisational structure, high-grading management, integrating business development functions and merging bidding pipelines, implementing enhanced processes for management of contract risk and working capital, establishing common ERP systems, rationalising IT systems and consolidating real estate to co-locate offices in key hubs. The operational cultures of the legacy businesses were already well aligned allowing us to roll out our Vision, Values and Behaviours which are the foundations of our cultural framework, in the first quarter.

Delivering increased costs synergies: 3 year target up 24% to $210m and $55m in-year benefit delivered

Integration at pace enabled us to deliver cost synergies ahead of schedule and the in-year benefit of cost synergies was $55m in 2018. As integration progressed we identified opportunities for further savings and in August 2018 we increased our target for annualised synergies by the end of the third year following completion to at least $210m, up from at least $170m previously, with no increase in the c$200m anticipated costs to deliver synergies.

Enhancing our risk management framework and project delivery governance

Recognising the change in risk profile of the combined business, a key element of our integration process was a review of significant contracts with profit at risk. As we improved our understanding of some legacy AFW contracts, and in line with accounting requirements, we took a view of the likely outturn which led to a number of opening balance sheet adjustments, although the risk profile inherited was in line with our overall expectations. We identified opportunities to simplify the process for managing risk and enhanced our governance structures, project and tender review process and contracting policy as a result. We also took the decision not to pursue certain higher risk lump sum work in the legacy AFW business and have exited the Guam project in the Pacific in the E&IS business. Only one of these legacy contracts remains active and we have taken steps to ensure close monitoring of progress and active management of the contract.

Securing >$600m in revenue synergies

Our revenue synergies delivery programme is now embedded in a cross-selling culture across our entire business. To date we have secured multi year contracts worth over $600m that are clear examples of revenue synergies, reflective of our enhanced capability set and ability to deliver a wider range of services to our customers. Orders won include our engineering, procurement, construction and commissioning contract with Saudi Aramco and SABIC to support their integrated crude oils to chemicals complex. We are also seeing a number of awards that leverage our involvement in the earlier stages of projects, as well as our strong in-country presence and enhanced capabilities.

Strong operational cashflow validating quality of earnings

Against the backdrop of a growing business we have generated strong operational cashflows, having delivered significant improvements in working capital management. Cash conversion, calculated as cash generated from operations (after exceptional items) as a percentage of Adjusted EBITDA, improved significantly to 102% (proforma 2017 14%). We are confident that we have an operational platform capable of delivering strong cash generation, validating the underlying quality of earnings and underpinning our long term investment case.

Deleveraging : Net debt reduced by c$450m since completion

We have reduced net debt from $2bn at completion of the AFW deal in October 2017 to $1.5bn (2.2x Adjusted EBITDA) at 31 December 2018. In addition to generating growth in earnings, delivering strong cashflow from operations and maintaining our capital discipline, we also made progress on our non-core asset disposal programme.

Retaining a progressive dividend: payments of $231m up 2%

Growth in our earnings and strong operational cashflow enabled us to grow our dividend in 2018. There is no change to our progressive policy and the dividend is well covered at 1.6 times.

Improved safety performance

Our focus on safety is undiminished and throughout 2018 we focused on developing a consistent health and safety framework as part of the integration. Our safety performance has shown strong improvements, with total recordable case frequency (TRCF) and lost work case frequency (LWCF) down 28% and 20% respectively compared to 2017.

With integration complete, we have created an excellent operational platform across energy and industrial markets that positions us really well for future growth. The value added range of capabilities, variety of end markets and lack of customer concentration means we have an operational structure with the flexibility to continuously deploy human and financial capital in the most appropriate manner; leveraging our differentiated service offering to meet customer requirements. Our agile teams deliver exceptional execution, while remaining commercially astute, and utilise our technical advantage to create new and innovative solutions. We have a well established investment case underpinned by an asset light, cash generative model; a financially prudent approach and a measured risk appetite. I am excited by the next stage in our evolution as Wood as we realise this sustainable growth opportunity, unlocking our potential and delivering superior outcomes for our customers, our investors and our people.

Financial performance in 2018

Year ended 31 December	2018 $m	2017 $m	Movement %	Proforma 2017 $m[1]	Movement vs. proforma %
Revenue including joint ventures[2]	**11,036**	6,169	*78.9%*	**9,882**	*11.7%*
Adjusted EBITA[2]	**630**	372	*69.4%*	**598**	*5.4%*
Adjusted EBITA Margin	**5.7%**	6.0%	*(0.3)%*	**6.0%**	*(0.3)%*
Revenue (statutory revenue which excludes joint ventures)	**10,014**	5,394	*85.7%*		
Operating Profit before exceptional items	**357**	212	*68.4%*		
(Loss)/profit for the period	**(7.6)**	(30.0)	*74.7%*		
Basic EPS	**(1.3)c**	(7.4)c	*82.4%*		
Adjusted diluted EPS[3]	**57.4c**	53.3c	*7.7%*		
Total Dividend	**35.0c**	34.3c	*2.0%*		
Net debt	**1,548.2**	1,646.1	(5.9)%		
Order book[4]	**10,259**				

Trading performance

Performance in 2018 was at the upper end of guidance and ahead of market expectations and reflects good organic growth led by our Asset Solutions Americas business and the benefit of in year cost synergies of $55m. We saw higher activity across all business units with revenue including joint ventures up 12% compared to proforma 2017. Revenue excluding joint ventures was up 86% compared to 2017 due to the inclusion of a full year contribution from AFW.

Adjusted EBITA and Operating Profit before exceptional items benefitted from cost synergy delivery helping to offset a continued competitive pricing environment and a slower than anticipated sector recovery in oil and gas.

Operating profit before exceptional items is stated after non cash amortisation charges of $249m (2017: $141m) which includes $126m (2017: $32m) in respect of amortisation of intangibles arising on the acquisition of AFW.

The loss for the period was impacted by exceptional costs of $183m net of tax. As anticipated, exceptional items include $42m of costs to deliver synergies, $24m in respect of redundancy and restructuring, $6m of charges relating to onerous leases, $26m in respect support costs related to regulatory investigations and an arbitration settlement provision of $10m. Exceptional costs also include non cash items including an impairment in the carrying value of EthosEnergy of $41m, which was recorded in H1 2018, other write-offs related to EthosEnergy of $10m and a $32m charge related to guaranteed minimum pensions following a court ruling in October 2018 affecting defined benefit pension schemes.

Synergies

We delivered increased cost synergies with an in year benefit of $55m in 2018 equating to an exit run rate of $85m, the exit run rate being the annualised forward benefit. In year costs to deliver were c$65m, including c$23m of capex and intangibles spend. We expect to deliver synergies in FY 2019 with an in year benefit of around $60m and remain confident of delivering against our upgraded annualised cost synergy target of >$210m by the end of the third year following completion of the AFW acquisition in October 2017.

Net debt and cashflow

Strong operational cash generation contributed to a reduction in net debt to $1.5bn at 31 December 2018. The ratio of net debt to Adjusted EBITDA of $694m reduced to 2.2x at 31 December 2018 (2.4x at 31 December 2017).

We have delivered a significantly improved working capital position compared to proforma 2017 having implemented a range of initiatives. Cash conversion, calculated as cash generated from operations after exceptional items as a percentage of adjusted EBITDA, improved significantly to 102% (2017 proforma: 14%). This includes the $154m impact of our receivables facility which provides working capital funding at a cost lower than our other facilities. Excluding the impact of exceptional costs, cash conversion was 126% (2017 proforma: 63%).

Cash exceptional items of $142m offset the strong cash generation from operations. Cash outflows in the year in respect of exceptional items include $42m of costs to deliver synergies and other redundancy and restructuring costs of $15m, $38m in respect of onerous leases, $14m in respect of transaction related costs, investigation support costs of $15m and arbitration related costs of $18m.

During the year we paid interest costs of $97m and dividends of $231m.

Capital structure and allocation

We remain committed to a strong balance sheet foundation and achieving our target leverage policy. Net debt to Adjusted EBITDA reduced to 2.2x as at 31 December 2018 (31 December 2017: 2.4x). Based on 2018 Adjusted EBITDA, committed facilities provide funding headroom of $0.9bn vs. covenants set at 3.5x. Total facilities headroom is $1.3bn.

We have reduced net debt by c$450m since completion in October 2017 and over the course of 2018 we delivered strong free cashflow. Deleveraging has been driven by Adjusted EBITDA growth of c5%, significantly improved working capital performance (cash conversion after exceptional items is up from 14% to 102%), delivering cost synergies of $55m, maintaining our capital discipline and proceeds of $35m from non core asset disposals.

Debt reduction and maintaining our progressive dividend, which is covered 1.6x in 2018, remain our preferred use of free cashflow. Further deleveraging will be primarily driven by continued earnings growth in 2019, which is supported by strong revenue visibility; a further $60m of cost synergy delivery and delivering cash conversion after exceptional items of around 80%-85%. We will also retain our discipline on capital expenditure and expect exceptional items to reduce as we deliver the cost synergies.

Since completion, the pace of deleveraging has been adversely impacted by a slower sector recovery in oil and gas compared to that anticipated in our May 2017 prospectus, working capital commitments on the legacy AFW AEGIS contract and slower progress on non-core assets disposals given our focus on value. As a result, while we are confident in the strong free cashflow generation of our business, deleveraging to our target of 1.5x Net debt to Adjusted EBITDA will be more gradual than originally anticipated.

In addition, the timing of further potential asset disposals identified following a strategic view of our portfolio, will impact the pace of deleveraging. These will be governed by appropriately competitive sales processes and are expected to generate proceeds in the range of c$200m-$300m.

Financing

In December 2018 we took the opportunity to secure a $140m part-refinancing of our term loan from an existing US private placement debt provider which further diversifies our financing structure. This comprises a mix of eight and ten year redemption dates at a fixed rate of around 5% and was drawn in February 2019. In 2019, we expect to complete a full refinancing of our remaining term loan which is due to mature in 2020, which will further diversify our sources of long term finance at competitive rates.

Update on regulatory investigations

There have been no material developments in the previously disclosed investigations in the UK and US, details of which are included in the contingent liabilities and provisions notes to the Financial Statements. Wood continues to cooperate with and assist the relevant authorities in relation to their respective investigations into the historical use of agents and in relation to Unaoil.

Order book

	FY 2018 $m	HY 2018 $m	*Change (%)*
Asset Solutions Americas	**3,016**	2,995	*0.7%*
Asset Solutions EAAA	**4,926**	4,907	*0.4%*
Specialist Technical Solutions	**1,017**	1,290	*(21.2)%*
Environment & Infrastructure Solutions	**1,213**	1,296	*(6.4)%*
Investment Services	**87**	119	*(26.9)%*
Total	**10,259**	10,607	*(3.3)%*

Our order book, comprising secured work and estimates of activity under long term agreements, currently stands at c10.3bn[4] this is broadly in line with the position in June. We saw a reduction in STS order book as we progressed towards completion of the Gruyere Gold contract and the STS led scope on TCO, offset in part by awards across the broad STS business. In E&IS, the slight reduction reflects progress to completion of our waste disposal contract in Guernsey and our decision not to pursue certain overseas capital projects.

We take a conservative approach to order book recognition, only recording work that is supported by signed, enforceable contracts or anticipated work releases under frame agreements, and as such we have a high conversion rate of opportunities.

Wood's business model operates on a relatively short cycle with much of our work being won and executed in the same period rather than relying on a flow of large multi year awards. Order book is consistent with our business model and also reflects the current stage in the oil & gas cycle in particular which is characterised by early stage awards and timing of renewals of long term contracts. Approximately 60% of 2019 forecast revenues are secured, in line with expectations at this point in the year, giving us confidence over continued revenue growth into 2019.

The shape of our order book reflects our measured risk approach; approximately 90% of our order book comprises reimbursable and <$100m fixed price contracts (H1 2018: 89%). Reimbursable work is the largest element of this; c70%. Only c10% of our order book comprises fixed priced contracts over $100m. This consists of ten contracts with an aggregate value remaining in order book of c$800m.

Simplifying profit reporting in 2019

Wood will simplify its reporting for the reporting periods ending on 30 June 2019 onwards. These changes align Wood's principal reporting metrics with IFRS measures and facilitate comparison across peers. There will be no reduction in the level of accounting disclosure at the Wood or business unit level.

At the Group level Wood's primary reporting metrics, and the management discussion and analysis of those metrics in reporting, will align with IFRS definitions of revenue and profit, that is, Operating Profit (pre-exceptional items). Wood will no longer report proportionally consolidated results.

Adjusted EBITDA (pre-exceptional items, including joint ventures) will be adopted as an additional non-statutory /'non-GAAP' measure of profit. This will be presented at the Group and Business Unit level to report underlying financial performance and facilitate comparison with peers.

Adjusted EBITDA in 2018 was $694m. As in previous years, Note 1 to the accounts includes details of Adjusted EBITDA at the Wood and business unit level together with comparatives for 2017.

Adjusted Diluted EPS will also be presented, defined as "earnings before exceptional items and amortisation relating to acquisitions, net of tax, divided by the weighted average number of ordinary shares in issue during the period. In contrast to previous reporting, the measure will be stated before amortisation arising from acquisitions only and not amortisation relating to other intangibles such as software costs. On the new basis, AEPS in 2018 was 46.6c.

Adoption of IFRS 16

IFRS 16 *Leases* will be effective from 1 January 2019. The most significant change for Wood is the accounting for property leases. Rental charges which were previously recorded in operating costs in respect of these leases will now be replaced with depreciation and an interest charge. We have chosen to apply the modified retrospective approach on adoption of IFRS 16 and using this approach there is no restatement of 2018 comparatives in 2019. We anticipate that 2019 adjusted EBITDA will increase by c$170m and adjusted EBITA will increase by c$30m. In the balance sheet a lease liability of around $650m will be recognised and we expect no material impact on operating profit or our EPS measures. Our bank covenants are set on a frozen GAAP basis, so will not be impacted by the adoption of the standard.

Outlook for 2019

We are well positioned for growth trends emerging across a broad range of industrial markets and have good visibility with approximately 60% of forecast 2019 revenues secured in order book, typical for our predominantly short cycle business model.

Revenue growth in the region of 5% will deliver organic earnings growth which, together with the impact of cost synergies of around $60m, is expected to lead to growth in Adjusted EBITA in line with market expectations, which are formed on a pre-IFRS 16 adoption basis[3].

Deleveraging will continue in 2019 and we expect cash conversion after exceptional items to be around 80%-85%. The timing of disposals will impact the pace of deleveraging. These will be governed by appropriately competitive sales processes and are expected to generate proceeds in the range of c$200m-$300m.

Asset Solutions Americas

Markets: c65% oil & gas, c35% industrial/other energy

	FY 2018 $m	FY 2017 $m	**Proforma FY 2017 $m**	*Change vs. proforma (%)*
Revenue including joint ventures	**3,762**	2,387	**3,186**	*18.1%*
Adjusted EBITA	**205**	158	**165**	*24.2%*
Adjusted EBITA Margin	**5.4%**	6.6%	**5.2%**	*0.2%*
People	**16,900**	16,800	**16,800**	*0.6%*

ASA generated strong revenue and earnings growth from increased activity and the delivery of cost synergies. Revenue in 2018 increased by 18% on proforma 2017 due to increased activity on capital projects in power, downstream & chemicals and in US shale facilities and pipelines. This is more than offsetting a reduction in operations solutions following the completion of commissioning work on the Hebron project in the second half of 2017.

EBITA margin was up on proforma 2017, reflecting the growth in revenue whilst ensuring cost discipline and delivery of cost synergies partly offset by cost overruns in heavy civils and competitive pressures in the Gulf of Mexico. Proforma 2017 Adjusted EBITA included the release of amounts previously provided in respect of prior year acquisitions in the legacy Wood Group business of c$13m.

Capital projects accounts for c70% of segment revenue. We have seen increased EPC activity on projects in power and in downstream & chemicals, and these are the largest contributors to capital projects revenue. Improvement in US shale continued, with significant growth in the Permian in infrastructure and pipeline work. In offshore upstream we remain active on a number of greenfield projects.

Our operations solutions work accounts for c30% of segment revenue. Challenging conditions in the Gulf of Mexico and the completion of commissioning work in 2017 have offset gains in US shale and improving modifications activity. In US shale, we are seeing an improvement in maintenance activity as expected. We have made good progress on revenue synergies, securing the engineering, procurement & construction, commissioning and operations scope for upstream assets in Trinidad.

Order book is approximately $3bn with c50% of 2019 revenue secured; reflecting the progress towards completion of a number of offshore projects and coal combustion residual treatment projects offset by new EPC awards in downstream & chemicals and early stage offshore engineering projects together with the benefit of EPC projects in power.

Outlook

We expect growth in ASA in 2019 weighted to the second half. In downstream and chemicals, work secured on our EPC scope for a Gulf Coast plastics manufacturing facility and the YCI methanol plant is expected to increase in 2019 and we remain well positioned for further opportunities. Momentum in US shale is also expected to continue with activity focused on facilities and pipelines in the Permian and Niobrara. We have retained our market leading position in offshore engineering and have improving visibility on early stage concept and FEED projects. We are encouraged by awards in early 2019 in power related to solar and wind projects, which are offsetting the completion of coal combustion residual treatment projects and will contribute to increased activity in H2. In operations solutions, activity levels are expected to remain broadly in line with 2018.

Asset Solutions Europe, Africa, Asia and Australia

Markets: c85% oil & gas, c15% Industrial

	FY 2018 $m	FY 2017 $m	**Proforma FY 2017 $m**	*Change vs. proforma (%)*
Revenue including joint ventures	**4,072**	2,617	**3,723**	*9.4%*
Adjusted EBITA	**231**	140	**283**	*(18.4)%*
Adjusted EBITA Margin	**5.7%**	5.3%	**7.6%**	*(1.9)%*
People	**27,500**	25,700	**25,700**	*7.0%*

Revenue is up 9% on proforma 2017, largely led by growth in Operations Solutions which accounts for c45% of segment revenue. We are seeing strong growth in the Middle East due to increased activity in Iraq with Exxon and Basra Gas Co and in Asia Pacific with Exxon.

Capital Projects accounts for c40% of segment revenue and benefitted from increased activity levels including the ongoing work on the Antwerp Oil Refinery, PMC work in Kuwait, our engineering and project management scope on the Marjan field for Saudi Aramco and our rejuvenation project for Brunei Shell Petroleum. We are encouraged by recent wins including the Saudi Aramco/SABIC integrated crude oils to chemicals complex and the engineering, procurement and construction management scope for the TEVA biotech facility in Germany.

EBITA is down on proforma 2017 due to the $70m positive impact of a contract dispute settlement in 2017 and currency devaluation in Angola in 2018, which offset margin improvements from positive trading momentum and the benefit of cost synergy delivery.

Turbine joint ventures account for c15% of revenue which is up on proforma 2017 with increased activity across each of the joint ventures. Despite improved trading performance in EthosEnergy in the second half of 2018 and relative strength in RWG, earnings are down on 2017.

Order book in ASEAAA is c$5.0bn, with c60% of expected 2019 revenue secured. Order book reflects the current stage in the oil & gas cycle with contract extensions being secured and also the timing of renewals for long term North Sea contracts. This is being offset by increased activity in Australia and Asia Pacific.

Outlook

We anticipate growth in AS EAAA in 2019. In Operations Services we see opportunities in Middle East driven by Iraq and also in the Caspian while growth in Asia Pacific is expected to be focused on Papua New Guinea and Australia. We see a positive outlook for modifications work in the North Sea. Activity on the FEED and project management consultancy scope for Aramco on both the Marjan field and the integrated crude oils to chemicals complex is expected to contribute to growth in capital projects. Further cost synergy delivery will underpin earnings growth in 2019.

Specialist Technical Solutions

Markets: c45% oil & gas, c30% minerals processing, c15% nuclear, c10% industrial/other energy

	FY 2018 $m	FY 2017 $m	**Proforma FY 2017 $m**	Change vs. proforma (%)
Revenue including joint ventures	**1,565**	756	**1,320**	18.6%
Adjusted EBITA	**148**	82	**134**	10.4%
Adjusted EBITA Margin	**9.5%**	10.8%	**10.1%**	(0.6)%
People	**7,800**	7,600	**7,600**	2.6%

In 2018 we saw strong revenue growth led by increased volumes in minerals processing and automation & control, the largest contributors to STS revenue. Activity in subsea & export systems and technology & consulting remained robust. EBITA margin is down slightly on proforma 2017 due to the commercial close out of a minerals processing project in 2017.

In minerals processing we remain active on work in South America and in Australia, including the Gruyere Gold EPC project, and are encouraged by recent wins including the Tasiast gold mine expansion project in Mauritania. Growth in automation and control was led by procurement activity on the TCO project and a full year contribution from CEC, acquired in May 2017. Activity in nuclear improved and we were recently awarded system design work supporting projects and decommissioning at Sellafield. Subsea activity on early stage and tie back work remains steady.

Order book is approximately $1.0bn with c50% of expected 2019 revenues secured, consistent with the short cycle nature of contracts in STS. We saw a reduction in STS order book as we progressed towards completion on a number of mining contracts including Gruyere Gold and the STS led scope on TCO offset in part by recent awards across the business.

Outlook

We expect moderate revenue growth in 2019 as the Gruyere Gold contract in minerals processing and the STS led scope of the TCO project in automation & control reach an advanced stage of completion. Our technology & consulting business remains well positioned. 2019 earnings are expected to benefit from a focus on further margin improvements initiatives.

Environment and Infrastructure Solutions

Markets: c95% Industrial/government, c5% oil & gas

	FY 2018 $m	FY 2017 $m	**Proforma FY 2017 $m**	*Change vs. proforma (%)*
Revenue including joint ventures	**1,385**	321	**1,279**	*8.3%*
Adjusted EBITA	**91**	25	**72**	*26.4%*
Adjusted EBITA Margin	**6.6%**	7.8%	**5.6%**	*1.0%*
People	**7,500**	7,300	**7,300**	*2.7%*

2018 revenues are up 8% on proforma 2017 with increased consultancy activity in the US and Canada. EBITA benefitted from cost overruns on projects experienced in 2017 not repeating offset in part by a lower than expected benefit from contract completions.

E&IS saw good activity across environmental remediation consultancy and engineering & construction project management services predominantly in North America. Full year performance benefitted from increased activity as a result of US government and industrial spending.

Order book is $1.2bn, giving us good visibility over revenues for 2019 with c70% of expected revenues secured. Order book reflects the typical, short cycle nature of contracts in E&IS, the slight reduction compared to June 2018 reflects progress to completion of our waste disposal contract in Guernsey and our decision not to pursue certain overseas capital projects.

Outlook

We expect further growth in 2019. We see good opportunities as government and industrial spending increases in the US and Canada although the US government shutdown may impact the pace of awards in early 2019. Having taken the decision not to pursue certain higher risk lump sum contracts, we have exited the legacy US government capital project in the Pacific. As a result, the Aegis project is the only legacy contract of this nature remaining which is due to be operationally complete towards the end of 2019 and commercial close out expected in 2021. The full amount of the expected loss at completion of $75m has been recorded as a fair value adjustment.

Investment Services

A number of underperforming legacy activities in AFW are managed in Investment Services. This includes the activities Industrial Power and Machinery business in addition to interests in a number of infrastructure projects. Operational performance in the Transmission and Distribution engineering business has been successfully improved and this business will be managed within Asset Solutions EAAA going forward. Investment services generated revenue including joint ventures of $252m in 2018 (2017 proforma: $374m) and adjusted EBITA of $32m (2017 proforma: $28m). During 2018, as part of our non-core asset disposal programme, Investment Services entered agreements to dispose of its interests in four joint ventures, Voreas S.r.l., RMS A13 Holdings Ltd, Power Machinery Ltd and Centro Energia Teverola S.r.l and Ferrara S.r.l for consideration of approximately $54m. Wood's share 2019 EBITA from the four joint ventures was forecast to be c$8m.

Financial Review

Trading performance

Trading performance is presented based on proportionally consolidated numbers, which is the basis used by management to run the business. Revenue including joint ventures and Adjusted EBITA include the contribution from Joint Ventures. The trends between these alternative performance measures and reported measures are similar. The balance sheet and cashflow information is presented on an equity accounted basis, consistent with the Financial Statements. A reconciliation to statutory measures of revenue and operating profit from continuing operations excluding joint ventures is included in note 1 to the financial statements.

	Full Year 2018 $m	**Full Year 2017 $m**
Revenue including joint ventures	**11,036.0**	6,169.0
Revenue	**10,014.4**	5,394.4
Adjusted EBITA	**629.9**	371.6
Adjusted EBITA margin %	***5.7%***	*6.0%*
Amortisation - software and system development	**(84.3)**	(61.3)
Amortisation - intangible assets from acquisitions	**(164.5)**	(80.0)
Adjusted EBIT	**381.1**	230.3
Net finance expense (excluding exceptional items)	**(119.9)**	(52.9)
Profit before tax, exceptional and discontinued items	**261.2**	177.4
Taxation before exceptional items	**(86.0)**	(42.3)
Profit before exceptional items	**175.2**	135.1
Exceptional items, net of tax	**(182.8)**	(165.1)
Loss for the period	**(7.6)**	(30.0)
Basic EPS (cents)	**(1.3)c**	(7.4)c
Adjusted diluted EPS (cents)	**57.4c**	53.3c

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

Reconciliation to operating profit

The table below sets out a reconciliation of Adjusted EBITA to operating profit per the group income statement.

	2018 $m	**2017 $m**
Adjusted EBITA	**629.9**	371.6
Amortisation	**(248.8)**	(141.3)
Adjusted EBIT	**381.1**	230.3
Tax and interest charges on joint ventures included within operating profit but not in Adjusted EBITA	**(24.5)**	(17.9)
Operating profit before exceptional items	**356.6**	212.4
Exceptional items	**(191.3)**	(176.0)
Operating profit	**165.3**	36.4

Revenue including joint ventures and adjusted EBITA

The financial performance of the Group for 2018 and 2017 is presented below. The 2017 results are on a pro-forma basis and include AFW's pre-acquisition results for the period from 1 January 2017 to 6 October 2017 but exclude the results of businesses disposed. The 2017 results are unaudited and are included to provide a better insight into the underlying business performance. The table below includes the results of joint ventures on a proportional basis.

Unaudited	2018 Revenue including JV's $m	2018 Adjusted EBITA $m	2017 Revenue including JV's $m	2017 Adjusted EBITA $m
Asset Solutions EAAA	**4,072.0**	**231.4**	3,722.7	283.5
Asset Solutions Americas	**3,761.6**	**204.8**	3,186.5	164.9
Specialist Technical Solutions	**1,564.9**	**148.2**	1,320.0	133.8
Environment and Infrastructure Solutions	**1,385.1**	**90.7**	1,279.0	71.9
Investment Services	**252.4**	**31.9**	373.6	27.9
Centre (incl asbestos)	**-**	**(77.1)**	-	(84.3)
Total	**11,036.0**	**629.9**	9,881.8	597.7
EBITA margin		**5.7%**		6.0%

Amortisation

Total amortisation for 2018 of $248.8m (2017: $141.3m) includes $126.4m for AFW and $38.1m of amortisation relating to intangible assets arising from prior year acquisitions. Amortisation in respect of software and development costs was $84.3m (2017: $61.3m) and this largely relates to engineering software and ERP system development. Included in the amortisation charge for the year above is $2.5m (2017: $1.9m) in respect of joint ventures.

Net finance expense and debt

Net finance expense is analysed below.

	Full year 2018 $m	Full year 2017 $m
Interest on debt	**67.8**	20.8
Interest on US Private Placement debt	**14.1**	14.1
Finance expense relating to defined benefit pension schemes	**-**	2.6
Discounting relating to asbestos, deferred consideration and other liabilities	**15.3**	6.9
Other interest, fees and charges	**19.9**	7.9
Total finance expense pre-exceptional items	**117.1**	52.3
Finance income relating to defined benefit pension schemes	**(0.5)**	-
Other finance income	**(4.8)**	(2.8)
Net finance expense pre-exceptional items	**111.8**	49.5

Interest cover[4] was 5.6 times (2017: 7.5 times).

The above table excludes net finance charges of $8.1m (2017: $3.4m) in respect of joint ventures.

The Group negotiated new bank facilities in order to complete the acquisition of AFW in 2017. The facilities comprised a $1.0bn term loan repayable in 2020 and a 5 year Revolving Credit Facility of $1.75bn repayable in

2022. The term loan has subsequently reduced to $0.9bn following repayments arising from the disposal of AFW's UK upstream oil and gas business.

At 31 December 2018 total borrowings under these facilities amounted to $1,542.3m with $1,091.4m undrawn. A further $162.2m of overdraft funding is available under the Group's other short-term facilities. The Group also has $375m of unsecured loan notes issued in the US private placement market which mature in 2021, 2024 and 2026. In December 2018, the Group took the opportunity to secure a $140m part refinancing of the term loan from an existing US private placement debt provider. As a result, a further $140m of US private placement debt, which matures in 2027 and 2029, was added in February 2019.

Net debt to adjusted EBITDA at 31 December was 2.2 times (2017: 2.4 times) against our covenant of 3.5 times. The Group remains committed to achieving its targeted leverage policy of net debt to adjusted EBITDA of 1.5 times.

Exceptional items

	Full Year 2018 $m	**Full year 2017 $m**
Acquisition costs	**-**	58.9
Redundancy, restructuring and integration costs	**71.7**	51.4
Arbitration settlement provision	**10.4**	19.2
EthosEnergy impairment and other write offs	**51.0**	38.3
Investigation support costs	**26.3**	8.2
Guaranteed Minimum Pension ("GMP") equalisation	**31.9**	-
	191.3	176.0
Bank fees relating to AFW acquisition	**-**	8.5
	191.3	184.5
Tax on exceptional items	**(8.5)**	(19.4)
Continuing exceptional items, net of tax	**182.8**	165.1

Redundancy, restructuring and integration costs of $71.7m have been incurred during the year. The total includes $41.8m of integration costs in relation to the acquisition of Amec Foster Wheeler, $23.8m of redundancy and restructuring costs, and $6.1m of costs relating to onerous property leases.

A charge of $10.4m was recorded in relation to a legacy contract carried out by the Group's Gas Turbine Services business prior to the formation of EthosEnergy. An arbitration hearing was held in relation to a dispute between the Group and a former subcontractor and this amount represents the additional provision required to cover the settlement and related legal costs, $19.2m having already been provided in 2017.

Investigation support costs of $26.3m have been incurred during the year in relation to ongoing investigations by the relevant authorities into the historical use of agents and in relation to Unaoil. See note 33 for full details.

A court ruling passed in October 2018 provided clarity in respect of GMP equalisation in relation to UK defined benefit pension schemes. As a result, the Group has allowed for GMP equalisation in determining its UK defined benefit scheme liabilities with the increase in liabilities arising of $31.9m being recorded as an exceptional charge in the year.

In June 2018, the Group carried out an impairment review of its investment in the EthosEnergy joint venture. The recoverable amount of the investment, based on management's estimate of fair value less costs of disposal of $29.0m, is lower than the book value. An impairment charge of $41.4m along with $9.6m relating to the Group's share of exceptional items recorded by EthosEnergy during 2019 has been booked in the income statement (see note 11). A tax credit of $8.5m has been recorded against exceptional items.

Taxation

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

	Full year 2018 $m	Full year 2017 $m
Profit from continuing operations before tax, exceptional items and amortisation	**510.0**	318.7
Tax charge (excluding tax on exceptional items and amortisation)	**116.8**	75.9
Effective tax rate on continuing operations (excluding tax on exceptional items and amortisation)	**22.9%**	23.8%

The tax charge above includes $16.4m in relation to joint ventures (2017: $14.5m).

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 2018 are restrictions on the deductibility of interest in the UK and US offset by increased deferred tax asset recognition, the release of provisions in relation to uncertain tax positions and branch and withholding taxes in excess of double tax relief. Despite challenges in relation to interest deductibility and the new US legislation around base erosion, we currently anticipate a rate in 2019 of in the region of 23 – 24%.

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 the ongoing trading profits. The income statement tax charge excludes tax in relation to joint ventures.

Earnings per share

Adjusted diluted EPS for the year was 57.4 cents per share (2017: 53.3 cents). The average number of fully diluted shares used in the EPS calculation for the period was 683.0m (2017: 451.3m).

Adjusted diluted EPS adds back all amortisation. If only the amortisation related to intangible assets arising on acquisition is adjusted and no adjustment is made for that relating to software and development costs, the figure for 2018 would be 46.6 cents per share (2017: 42.9 cents).

Reconciliation of number of fully diluted shares (million)	**Closing**	**Average**
At start of year	677.7	677.7
Allocation of shares to employee share trusts	3.8	1.0
	681.5	678.7
Shares held by employee share trusts	(11.2)	(9.1)
Basic number of shares for EPS	**670.3**	**669.6**
Effect of dilutive shares	12.0	13.4
Fully diluted number of shares for EPS	**682.3**	**683.0**

Basic EPS for the year was (1.3) cents per share (2017: (7.4) cents). The loss for the year attributable to owners of the parent of $8.9m is lower than the $32.4m loss reported in 2017 due to increased EBITA partly offset by higher amortisation, interest and tax.

Dividend

The progressive Wood dividend policy which takes into account cash flows and earnings, is a key element of our investment case and compares favourably against peers in the global engineering and construction sector. The Board has recommended a final dividend of 23.7 cents per share, which makes a total distribution for the year of 35.0 cents, an increase of 2%. The final dividend will be paid on 16 May 2019 to all shareholders on the register at the close of business on 26 April 2019.

Cash flow and net debt

The cash flow and net debt position set out below has been prepared using equity accounting and as such does not proportionally consolidate the assets and liabilities of joint ventures.

	Full year 2018 $m	**Full year 2017 $m**
Opening net debt	**(1,646.1)**	**(322.6)**
Adjusted EBITDA	**693.8**	**423.1**
Less JV EBITDA	(83.3)	(61.9)
	610.5	**361.2**
Cash impact of current year exceptional items	(74.7)	(75.1)
Cash impact of prior year exceptional items	(67.3)	-
Decrease in provisions	(144.1)	(75.8)
Dividends from JV's and other	38.5	32.0
FX and other	(28.8)	23.7
Cash generated from operations pre-working capital	**334.1**	**266.0**
Working capital movements	291.2	(16.0)
Cash generated from operations	**625.3**	**250.0**
Acquisitions	(30.0)	(1,469.3)
Divestments	33.4	254.9
Capex and intangibles	(87.5)	(73.9)
Tax paid	(83.5)	(99.6)
Interest paid	(96.7)	(50.2)
Dividends	(231.0)	(125.6)
Other	(32.1)	(9.8)
Decrease/(increase) in net debt	**97.9**	**(1,323.5)**
Closing net debt	**(1,548.2)**	**(1,646.1)**

Cash generated from operations pre-working capital increased by $68.1m to $334.1m and post-working capital increased by $375.3m to $625.3m as a result of improved working capital management.

Cash conversion, calculated as cash generated from operations as a percentage of EBITDA (less JV EBITDA), improved to 102% (2017: 69%) due to improved working capital performance partly offset by the cash impact of exceptional costs. Excluding the impact of exceptional costs cash conversion is 126%.

Expenditure on acquisitions largely relates to payments in respect of companies acquired in prior periods.

Cash from divestments of $33.4m relates to the disposal of the Group's interests in the Voreas wind farm and the Road Management Services (A13) joint venture.

Net payments for capex and intangible assets were $87.5m (2017: $73.9m) and included software development and expenditure on ERP systems across the Group. $24.0m of this amount related directly to the integration of AFW.

Summary Balance Sheet

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

	Dec 2018 $m	**Dec 2017 $m**
Non-current assets	**7,720.6**	8,157.6
Current assets	**4,032.7**	4,005.1
Current liabilities	**(3,870.1)**	(3,185.2)
Net current assets	**162.6**	819.9
Non-current liabilities	**(3,273.4)**	(4,005.5)
Net assets	**4,609.8**	4,972.0
Equity attributable to owners of the parent	**4,590.8**	4,960.3
Non-controlling interests	**19.0**	11.7
Total equity	**4,609.8**	4,972.0

The Group acquired Amec Foster Wheeler on 6 October 2017. At 31 December 2017, the Group had not fully finalised its assessment of the fair value of certain AFW assets and liabilities and the 2017 financial statements reflected the provisional assessment of the fair values at the acquisition date. During 2018, the Group has reassessed those fair values as a result of new information obtained about facts and circumstances that existed at the acquisition date, and recorded measurement period adjustments of $159.4m in provisions, $12.9m in trade and other receivables and $17.4m in trade and other payables. A $40.7m deferred tax asset and a $16.9m reduction to income tax liabilities have also been recorded in relation to these adjustments and $132.1m has been added to goodwill. The 2017 balance sheet has been restated accordingly. In total, $294.2m of fair value adjustments have been booked in relation to the acquisition around half of which relates to revised estimates of contract losses which existed at the date of acquisition. The balance relates to provisions for legal fees associated with legacy disputes, onerous property and amounts not considered recoverable.

A significant element of the fair value adjustment relates to the Aegis contract in 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 65% complete by value at 31 December 2018 and is expected to be operationally complete towards the end of 2019. Management's latest estimate is that the loss at completion will be $100m including liquidated damages and legal fees. The full amount of this loss has been included in provisions. In reaching its assessment of this loss, management have made certain estimates and assumptions around the date of completion, productivity of workers on site and the costs to complete.

Non-current assets includes $4,766.7m of goodwill and intangibles relating to the acquisition of Amec Foster Wheeler.

Asbestos related obligations

Largely as a result of the acquisition of AFW in 2017, 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 1970's or earlier. The overwhelming majority of claims that have been made and are expected to be made are in the United States. At 31 December 2018, the Group has net asbestos related liabilities of $398.1m (2017: $430.0m).

The Group expects to have net cash outflows of $35.1m as a result of asbestos liability indemnity and defence payments in excess of insurance proceeds during 2019. The estimate assumes no additional settlements with insurance companies and no elections to fund additional payments. The Group has worked with its independent asbestos valuation experts to estimate the amount of asbestos related indemnity and defence costs at each year end based on a forecast to 2050.

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

Full details of asbestos liabilities are provided in note 19 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 2018, the schemes had a net surplus of $242.7m (2017: $167.7m). In assessing the potential liabilities, judgment is required to determine the assumptions around inflation, investment returns and member longevity. The assumptions at 31 December 2018 showed an increase in the discount rates which results in lower scheme liabilities and broadly similar inflation rates. Full details of pension assets and liabilities are provided in note 31 to the Group financial statements.

Contingent liabilities

Details of the Group's contingent liabilities are set out in note 33 to the financial statements. During 2018, the contingent liability that existed in relation to pollution at the Mount Polley dam in British Columbia in Canada was settled by the Group's insurers.

Divestments

During 2018, the Group disposed of its 50% interest in the Voreas S.r.l wind farm for a cash consideration of $25.9m. In December 2018, the Group signed a sale and purchase agreement to dispose of its 25% interest in Road Management Services (A13) Holdings Limited for $11.5m, $2.8m of which was deferred. At 31 December 2018, the disposal remained subject to minor conditions precedent with the deal being completed in February 2019.

In December 2018, the Group signed a sale and purchase agreement for the disposal of its 52% interest in the Amec Foster Wheeler Power Machinery Company Limited, a fabrication and manufacturing facility in China. This disposal was completed in March 2019. In January 2019, the Group sold its 41.65% share in the Centro Energia Teverola S.r.l and Centro Energia Ferrara S.r.l combined cycle gas power plants in Italy.

New accounting standards

The new accounting standard on revenue recognition, IFRS 15 became effective on 1 January 2018. No material changes resulted from the adoption of the standard. IFRS 16, the new standard on leases becomes effective on 1 January 2019. Under IFRS 16, the Group is required to recognise 'right of use' assets and lease liabilities in respect of its operating leases for property, vehicles, plant and equipment. For 2019, we currently anticipate recognising lease liabilities of around c$650m. In the income statement this will result in an increased depreciation charge of c$140m and higher financing costs of c$30m and reduced operating costs of around $170m. As a result we anticipate that 2019 adjusted EBITDA will increase by c$170m and adjusted EBITA will increase by c$30m although we expect there will be no material impact on operating profit. We also expect net debt to increase by $630m on recognition of the lease liabilities.

Footnotes

1. *Adjusted EBITA represents operating profit including JVs on a proportional basis of $189.8m (2017: $54.3m) before the deduction of amortisation of $248.8m (2017: $141.3m) and continuing exceptional expense of $191.3m (2017: $176.0m) and is provided as it is a key unit of measurement used by the Group in the management of its business.*
2. *Adjusted diluted earnings per share ("AEPS") is calculated by dividing earnings before exceptional items and amortisation, net of tax, by the weighted average number of ordinary shares in issue during the*

period, excluding shares held by the Group's employee share ownership trusts and adjusted to assume conversion of all potentially dilutive ordinary shares.

3. *Number of people includes both employees and contractors at 31 December 2018 and includes joint ventures.*
4. *Interest cover is adjusted EBITA divided by the net finance expense.*

JOHN WOOD GROUP PLC

GROUP FINANCIAL STATEMENTS

FOR THE YEAR TO 31st DECEMBER 2018

Company Registration Number SC 36219

Consolidated income statement

for the year to 31 December 2018

		2018			2017		
	Note	Pre-exceptional items $m	Exceptional items $m	Total $m	Pre-exceptional items $m	Exceptional items $m	Total $m
Revenue from continuing operations	1,2	10,014.4	-	10,014.4	5,394.4	-	5,394.4
Cost of sales		(8,820.6)	-	(8,820.6)	(4,714.4)	-	(4,714.4)
Gross profit		1,193.8	-	1,193.8	680.0	-	680.0
Administrative expenses	5	(881.2)	(140.3)	(1,021.5)	(500.0)	(146.9)	(646.9)
Impairment of investment in joint ventures	5,11	-	(41.4)	(41.4)	-	(28.0)	(28.0)
Share of post-tax profit/(loss) from joint ventures	5,11	44.0	(9.6)	34.4	32.4	(1.1)	31.3
Operating profit	1	356.6	(191.3)	165.3	212.4	(176.0)	36.4
Finance income	3	5.3	-	5.3	2.8	-	2.8
Finance expense	3	(117.1)	-	(117.1)	(52.3)	(8.5)	(60.8)
Profit/(loss) before taxation from continuing operations	4,5	244.8	(191.3)	53.5	162.9	(184.5)	(21.6)
Taxation	5,6	(69.6)	8.5	(61.1)	(27.8)	19.4	(8.4)
Profit/(loss) for the year from continuing operations		175.2	(182.8)	(7.6)	135.1	(165.1)	(30.0)
Profit/(loss) attributable to							
Owners of the parent		173.9	(182.8)	(8.9)	132.7	(165.1)	(32.4)
Non-controlling interests	27	1.3	-	1.3	2.4	-	2.4
		175.2	(182.8)	(7.6)	135.1	(165.1)	(30.0)
Earnings per share (expressed in cents per share)							
Basic	8			(1.3)			(7.4)
Diluted	8			(1.3)			(7.4)

The notes on pages 29 to 113 are an integral part of these consolidated financial statements.

The Group has applied IFRS 15 and IFRS 9 for the first time from 1 January 2018. Under the transition methods chosen, comparative information is not restated. See notes to the financial statements.

Consolidated statement of comprehensive income/expense

for the year to 31 December 2018

	Note	2018 $m	2017 $m
Loss for the year		**(7.6)**	(30.0)
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on retirement benefit obligations	**31**	**118.0**	(1.2)
Movement in deferred tax relating to retirement benefit obligations	**6**	**(20.5)**	0.7
Total items that will not be reclassified to profit or loss		**97.5**	(0.5)
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges	**26**	**(4.7)**	1.3
Tax on derivative financial instruments	**6**	**0.6**	-
Exchange movements on retranslation of foreign operations	**26,27**	**(237.7)**	119.2
Total items that may be reclassified subsequently to profit or loss		**(241.8)**	120.5
Other comprehensive (expense)/income for the year, net of tax		**(144.3)**	120.0
Total comprehensive (expense)/income for the year		**(151.9)**	90.0
Total comprehensive (expense)/income for the year is attributable to:			
Owners of the parent		**(152.0)**	87.6
Non-controlling interests		**0.1**	2.4
		(151.9)	90.0

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

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

The Group has applied IFRS 15 and IFRS 9 for the first time from 1 January 2018. Under the transition methods chosen, comparative information is not restated. See notes to the financial statements.

The notes on pages 29 to 113 are an integral part of these consolidated financial statements.

Consolidated balance sheet

as at 31 December 2018

	Note	2018 $m	Restated* 2017 $m
Assets			
Non-current assets			
Goodwill and other intangible assets	**9**	**6,656.7**	7,002.9
Property plant and equipment	**10**	**198.5**	233.5
Investment in joint ventures	**11**	**168.2**	239.9
Other investments	**11**	**76.4**	83.8
Long term receivables	**13**	**128.1**	157.5
Retirement benefit scheme surplus	**31**	**404.9**	331.5
Deferred tax assets	**20**	**87.8**	108.5
		7,720.6	8,157.6
Current assets			
Inventories	**12**	**13.7**	14.2
Trade and other receivables	**13**	**2,555.7**	2,584.2
Financial assets	**13**	**14.3**	88.2
Income tax receivable		**37.4**	93.0
Assets held for sale	**29**	**58.9**	-
Cash and cash equivalents	**14**	**1,352.7**	1,225.5
		4,032.7	4,005.1
Total assets		**11,753.3**	12,162.7
Liabilities			
Current liabilities			
Borrowings	**16**	**984.5**	543.2
Trade and other payables	**15**	**2,526.1**	2,302.4
Income tax liabilities		**197.9**	235.8
Provisions	**19**	**134.3**	103.8
Liabilities held for sale	**29**	**27.3**	-
		3,870.1	3,185.2
Net current assets		**162.6**	819.9
Non-current liabilities			
Borrowings	**16**	**1,917.3**	2,336.1
Deferred tax liabilities	**20**	**112.6**	140.8
Retirement benefit scheme deficit	**31**	**162.2**	163.8
Other non-current liabilities	**17**	**224.4**	312.3
Provisions	**19**	**856.9**	1,052.5
		3,273.4	4,005.5
Total liabilities		**7,143.5**	7,190.7
Net assets		**4,609.8**	4,972.0
Equity attributable to owners of the parent			
Share capital	**22**	**40.7**	40.5
Share premium	**23**	**63.9**	63.9
Retained earnings	**24**	**1,806.7**	1,935.2
Merger reserve	**25**	**2,790.8**	2,790.8
Other reserves	**26**	**(111.3)**	129.9
Total equity attributable to owners of the parent		**4,590.8**	4,960.3
Non-controlling interests	**27**	**19.0**	11.7
Total equity		**4,609.8**	4,972.0

The financial statements on pages 24 to 113 were approved by the board of directors on 18 March 2019 and signed on its behalf by:

Robin Watson, Director David Kemp, Director

The Group has applied IFRS 15 and IFRS 9 for the first time from 1 January 2018. Under the transition methods chosen, comparative information is not restated. See notes to the financial statements.

*the December 2017 balance sheet has been restated to take account of the finalisation of the acquisition accounting in respect of Amec Foster Wheeler. In addition, the Group has reviewed the classification of provisions and made adjustments to align the treatment of balances between legacy Amec Foster Wheeler and legacy Wood Group as well as adjusting for the immaterial classification impact of certain balances following the adoption of IFRS 15. See the table and accompanying notes on page 30.

The notes on pages 29 to 113 are an integral part of these consolidated financial statements.

John Wood Group PLC

Consolidated statement of changes in equity

for the year to 31 December 2018

	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 2017		**23.9**	**63.9**	**2,098.0**	**-**	**9.4**	**2,195.2**	**13.0**	**2,208.2**
(Loss)/profit for the year		-	-	(32.4)	-	-	**(32.4)**	2.4	**(30.0)**
Other comprehensive income/(expense):									
Re-measurement losses on retirement benefit scheme	**31**	-	-	(1.2)	-	-	**(1.2)**	-	**(1.2)**
Movement in deferred tax relating to retirement benefit scheme	**6**	-	-	0.7	-	-	**0.7**	-	**0.7**
Cash flow hedges	**26**	-	-	-	-	1.3	**1.3**	-	**1.3**
Net exchange movements on retranslation of foreign operations	**26/27**	-	-	-	-	119.2	**119.2**	-	**119.2**
Total comprehensive (expense)/income for the year		**-**	**-**	**(32.9)**	**-**	**120.5**	**87.6**	**2.4**	**90.0**
Transactions with owners:									
Dividends paid	**7/27**	-	-	(125.6)	-	-	**(125.6)**	(4.5)	**(130.1)**
Issue of shares in relation to acquisition of Amec Foster Wheeler		16.5	-	-	2,790.8	-	**2,807.3**	-	**2,807.3**
Share based charges attributable to purchase consideration		-	-	2.1	-	-	**2.1**	-	**2.1**
Non-controlling interests acquired on Amec Foster Wheeler acquisition		-	-	-	-	-	**-**	1.2	**1.2**
Credit relating to share based charges	**21**	-	-	10.2	-	-	**10.2**	-	**10.2**
Tax relating to share option schemes	**6**	-	-	(4.0)	-	-	**(4.0)**	-	**(4.0)**
Deferred tax impact of rate change in equity	**20**	-	-	(4.2)	-	-	**(4.2)**	-	**(4.2)**
Shares allocated to employee share trusts	**24**	0.1	-	(0.1)	-	-	**-**	-	**-**
Shares issued by employee share trusts to satisfy option exercises	**24**	-	-	2.4	-	-	**2.4**	-	**2.4**
Gain on sale of shares sold by employee share trusts	**24**	-	-	3.2	-	-	**3.2**	-	**3.2**
Exchange movements in respect of shares held by employee share trusts	**24**	-	-	(9.9)	-	-	**(9.9)**	-	**(9.9)**
Transactions with non-controlling interests	**24/27**	-	-	(4.0)	-	-	**(4.0)**	(0.4)	**(4.4)**
At 31 December 2017		**40.5**	**63.9**	**1,935.2**	**2,790.8**	**129.9**	**4,960.3**	**11.7**	**4,972.0**
(Loss)/profit for the year		-	-	(8.9)	-	-	**(8.9)**	1.3	**(7.6)**
Other comprehensive income/(expense):									
Re-measurement gains on retirement benefit scheme	**31**	-	-	118.0	-	-	**118.0**	-	**118.0**
Movement in deferred tax relating to retirement benefit scheme	**6**	-	-	(20.5)	-	-	**(20.5)**	-	**(20.5)**
Cash flow hedges	**26**	-	-	-	-	(4.7)	**(4.7)**	-	**(4.7)**
Tax on derivative financial instruments	**6**	-	-	0.6	-	-	**0.6**	-	**0.6**
Net exchange movements on retranslation of foreign operations	**26/27**	-	-	-	-	(236.5)	**(236.5)**	(1.2)	**(237.7)**
Total comprehensive income/(expense) for the year		-	-	89.2	-	(241.2)	**(152.0)**	0.1	**(151.9)**
Transactions with owners:									
Dividends paid	**7/27**	-	-	(231.0)	-	-	**(231.0)**	(5.9)	**(236.9)**
Credit relating to share based charges	**21**	-	-	18.7	-	-	**18.7**	-	**18.7**
Tax relating to share option schemes	**6**	-	-	(0.7)	-	-	**(0.7)**	-	**(0.7)**
Deferred tax impact of rate change in equity	**6**	-	-	1.8	-	-	**1.8**	-	**1.8**
Shares allocated to employee share trusts	**24**	0.2	-	(0.2)	-	-	**-**	-	**-**
Shares issued by employee share trusts to satisfy option exercises	**24**	-	-	1.7	-	-	**1.7**	-	**1.7**
Exchange movements in respect of shares held by employee share trusts	**24**	-	-	6.5	-	-	**6.5**	-	**6.5**
Transactions with non-controlling interests	**24/27**	-	-	(14.5)	-	-	**(14.5)**	13.1	**(1.4)**
At 31 December 2018		**40.7**	**63.9**	**1,806.7**	**2,790.8**	**(111.3)**	**4,590.8**	**19.0**	**4,609.8**

The notes on 29 to 113 are an integral part of these consolidated financial statements.

John Wood Group PLC

Consolidated cash flow statement

for the year to 31 December 2018

	Note	2018 $m	2017 $m
Cash generated from operations	**28**	**625.3**	250.0
Tax paid		**(83.5)**	(99.6)
Net cash generated from operating activities		**541.8**	150.4
Cash flows from investing activities			
Acquisition of subsidiaries (cash acquired less consideration paid)	**29**	**(30.0)**	359.8
Disposal of businesses (net of cash disposed)	**29**	**33.4**	254.9
Purchase of property plant and equipment	**10**	**(34.2)**	(22.1)
Proceeds from sale of property plant and equipment		**5.0**	5.2
Purchase of intangible assets	**9**	**(58.3)**	(57.0)
Interest received		**4.8**	3.1
Cash from short term investments and restricted cash	**28**	**45.4**	-
Investment in joint ventures	**11**	**(3.2)**	-
(Loans to)/repayment of loans from joint ventures		**(5.2)**	20.8
Net cash (used in)/from investing activities		**(42.3)**	564.7
Cash flows from financing activities			
Proceeds from short-term borrowings	**28**	**448.9**	108.2
Repayment of/(proceeds from) long-term borrowings	**28**	**(407.8)**	1,831.0
Borrowings acquired and repaid on acquisition of subsidiaries		**-**	(1,809.7)
(Repayment of)/proceeds from finance leases	**28**	**(14.7)**	0.5
Settlement of derivative financial instruments on acquisition		**-**	(21.3)
Proceeds from disposal of shares by employee share trusts	**24**	**1.7**	5.6
Interest paid		**(101.5)**	(53.3)
Dividends paid to shareholders	**7**	**(231.0)**	(125.6)
Dividends paid to non-controlling interests	**27**	**(5.9)**	(4.5)
Acquisition of non-controlling interests	**27**	**(0.2)**	(3.9)
Net cash used in financing activities		**(310.5)**	(73.0)
Net increase in cash and cash equivalents	**28**	**189.0**	642.1
Effect of exchange rate changes on cash and cash equivalents	**28**	**(37.6)**	3.9
Opening cash and cash equivalents		**1,225.5**	579.5
Closing cash and cash equivalents	**14**	**1,376.9**	1,225.5

Closing cash and cash equivalents includes $24.2m presented in assets held for sale on the Group balance sheet (see note 29).

The notes on pages 29 to 113 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 IFRS and IFRIC interpretations adopted by the European Union ('EU') and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements are also in compliance with IFRS as issued by the International Accounting Standards Board. The Group financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through the income statement. This is the first set of the Group's financial statements in which IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' have been applied. The impact of the application of these standards is set out on page 38.

Going concern
The Directors have a reasonable expectation that the Group will be able to operate within the level of available bank facilities for the foreseeable future and accordingly believe that it is appropriate to prepare the consolidated financial statements on a going concern basis. In assessing the basis of preparation of these financial statements, 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.

The Directors have undertaken a rigorous assessment of going concern and liquidity, taking account of the Group's latest financial forecasts. In order to satisfy themselves that the Group has adequate resources for the foreseeable future, the Directors have reviewed the Group's existing debt levels, the committed funding and liquidity positions under debt covenants, and the Group's ability to generate cash from trading activities. At 31 December 2018, the Group's principal debt facilities comprised a $0.9bn term loan repayable in 2020, a $1.75bn revolving credit facility maturing in 2022 and $375m of US private placement debt repayable in 2021, 2024 and 2026. The Group had headroom of $1,091m under these facilities and in addition had $162m of other undrawn borrowing facilities. In undertaking their review the Directors have considered the latest forecasts which provide financial projections through to 2020.

Accounting Policies (continued)

Restatement of December 2017 balance sheet
The Group finalised the accounting for the Amec Foster Wheeler ('AFW') acquisition during 2018 and as a result the December 2017 balance sheet has been restated. In addition, the Group has reviewed the classification of provisions and made adjustments to align the treatment of balances between legacy AFW and legacy Wood Group, as well as adjusting for the immaterial classification impact of certain balances following the adoption of IFRS 15. The table below reconciles the amounts on the reported balance sheet to the restated figures now included as comparatives.

	Reported Dec-17 $m	Re-measurement of fair value adjustments $m	Provisions reclassification $m	Reclassification of US SERP $m	Restated Dec-17 $m
Goodwill	5,359.2	175.3	-	-	5,534.5
Other intangible assets	1,511.6	(43.2)	-	-	1,468.4
Other investments	-	-	-	83.8	83.8
Long term receivables	241.3	-	-	(83.8)	157.5
Total non-current assets	**8,025.5**	**132.1**	**-**	**-**	**8,157.6**
Trade and other receivables	2,628.7	(12.9)	(31.6)		2,584.2
Current assets	**4,049.6**	**(12.9)**	**(31.6)**	**-**	**4,005.1**
Trade and other payables	(2,447.6)	(17.4)	162.6	-	(2,302.4)
Income tax liabilities	(252.7)	16.9	-		(235.8)
Current provisions	-	-	(103.8)	-	(103.8)
Total current liabilities	**(3,243.5)**	**(0.5)**	**58.8**	**-**	**(3,185.2)**
Net current assets	**806.1**	**(13.4)**	**27.2**	**-**	**819.9**
Deferred tax liabilities	(181.5)	40.7	-	-	(140.8)
Non-current provisions	(865.9)	(159.4)	(27.2)	-	(1,052.5)
Non-current liabilities	**(3,859.6)**	**(118.7)**	**(27.2)**	**-**	**(4,005.5)**
Net assets	**4,972.0**	**-**	**-**	**-**	**4,972.0**

The Group acquired Amec Foster Wheeler on 6 October 2017. At 31 December 2017, the Group had not finalised its assessment of the fair value of certain AFW assets and liabilities and the 2017 financial statements reflected the provisional assessment of the fair values at the acquisition date. During 2018, the Group has reassessed those fair values as a result of new information obtained about facts and circumstances that existed at the acquisition date, and recorded measurement period adjustments of $159.4m in provisions (see note 19), $12.9m in trade and other receivables and $17.4m in trade and other payables. A $40.7m deferred tax asset and a $16.9m reduction to income tax liabilities has also been recorded in relation to these adjustments and $132.1m has been added to goodwill.

After completing the assessment of the valuation of the brands intangible assets, $43.2m of the $727.1m brand intangible asset recognised on acquisition of AFW has been reallocated to goodwill to better allocate the consideration paid to assets acquired.

Following the acquisition of AFW, the Group has reviewed the classification of provisions and made adjustments to align the treatment of balances between legacy AFW and legacy Wood Group, as well as adjusting for the immaterial classification impact of certain balances following the adoption of IFRS 15. A net amount of $131.0m has been reclassified to provisions with trade and other payables being reduced by $162.6m and trade and other receivables being reduced by $31.6m.

The assets held by the US SERP that were previously presented in long term receivables in now disclosed in other investments (see note 11).

Accounting Policies (continued)

Significant accounting policies
The Group's significant accounting policies adopted in the preparation of these financial statements are set out below. With the exception of the application of IFRS 15 'Revenue from contracts with customers' and IFRS 9 'Financial instruments', which have been applied from 1 January 2018, 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) Impairment of goodwill (estimate)

The Group carries out impairment reviews whenever events or changes in circumstance indicate that the carrying value of goodwill may not be recoverable. In addition, the Group carries out an annual impairment review. An impairment loss is recognised when the recoverable amount of goodwill is less than the carrying amount. The impairment tests are carried out by CGU ('Cash Generating Unit') and reflect the latest Group budgets and forecasts as approved by the Board. The budgets and forecasts are based on various assumptions relating to the Group's businesses including assumptions relating to market outlook, resource utilisation, contract awards and contract margins. The outlook for the Group is discussed in the Chief Executive Review. Pre-tax discount rates of between 11.4% and 11.8% have been used to discount the CGU cash flows and a terminal value is applied using long term growth rates of between 2% and 3%. A sensitivity analysis has been performed allowing for possible changes to the discount rate, the long-term growth rate and the short term EBITA growth rate. The headroom in relation to the Asset Solutions EAAA business is $274.0m, however a 1% increase in the discount rate or a 1% reduction in the long-term growth rate would result in impairments of $97.0m and $79.0m respectively. The headroom in relation to the Environment and Infrastructure Solutions business is $79.0m, however a 1% increase in the discount rate or a 1% reduction in the long-term growth rate would result in impairments of $54.0m and $47.0m respectively.

See note 9 for further details.

(b) Accounting for acquisition of Amec Foster Wheeler plc (judgement)
The Group acquired Amec Foster Wheeler ('AFW') on 6 October 2017 for a total consideration of $2,809.4m. The acquisition accounting for the transaction was completed in 2018. Management made judgements relating to the fair value of the assets and liabilities acquired. $104.5m of fair value adjustments were recorded at December 2017 and a further $189.7m has been recorded on finalisation of the acquisition accounting in 2018. $49.4m of tax provisions were recorded at December 2017, the tax impact of the 2018 adjustments resulted in a reduction in tax of $57.6m. These adjustments are as a result of new information obtained about facts and circumstances that existed at the acquisition date. Judgement was required in assessing the amount of future costs incurred on certain contracts and in assessing the outcome of disputes and litigation.

(c) Income taxes (estimate)
The Group is subject to income taxes in numerous jurisdictions and judgement is required in determining the provision for income taxes. The Group provides for uncertain tax positions based on the best estimate of the most likely outcome in respect of the relevant issue. Tax provisioning for uncertain tax positions is judgemental and requires estimates to be made in respect of existing and potential tax matters. Where the final outcome on uncertain tax positions is different from the amounts initially recorded, the difference will have an impact on the Group's tax charge. See notes 6 and 20 for further details.

(d) Retirement benefit schemes (estimate)
The Group operates a number of defined benefit pension schemes which are largely closed to future accrual. The value of the Group's retirement benefit schemes surplus/deficit is determined on an actuarial basis using a number of assumptions. Changes in these assumptions will impact the carrying value of the surplus/deficit. A sensitivity analysis showing the impact of changes to these assumptions is provided in note 31. 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. See note 31 for further details.

Accounting Policies (continued)

(e) 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 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 1970's and earlier. The provision for asbestos liabilities is the Group's best estimate of the obligation required to settle claims up until 2050. Group policy is to record annual changes to the underlying gross estimates where they move by more than 5%. Further details of the asbestos liabilities are provided in note 19 including a sensitivity analysis showing the impact of changes to the key assumptions.

(f) Revenue recognition on fixed price and long-term contracts (estimate)
The Group has a significant 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. Contract revenues are affected by uncertainties that depend on the outcome of future events. Uncertainties include the estimation of forecast costs to complete the contract, timing and recoverability of unagreed income from variations to the contract scope and claims. 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.

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. 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:

	2018	2017
Average rate £1 = $	**1.3345**	1.2886
Closing rate £1 = $	**1.2736**	1.3528

Accounting Policies (continued)

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.

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.

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

Revenue recognition
Revenue comprises the fair value of the consideration 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.

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 (KPI's) 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 contacts

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.

Revenue in respect of variations is recognised when the variation is approved by both parties to the contract. To the extent that a change in scope has been agreed but the corresponding change in price has not been agreed then revenue is recognised only to the extent that that it is highly probable that a significant reversal of revenue will not occur.

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 a source of variable consideration 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 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.

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 or regulatory costs or provisions, litigation settlements, 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).

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

Accounting Policies (continued)

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.

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

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

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

For the purposes of impairment testing, goodwill is allocated to the appropriate cash generating unit ('CGU'). The CGUs are aligned to the structure the Group uses to manage its business. Cash flows are discounted in determining the value in use.

See note 9 for further details of goodwill impairment testing and note 11 for details of impairment of investment in joint ventures.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and other short-term bank deposits with original maturities of three months or less. Bank overdrafts are included within borrowings in current liabilities. The Group presents balances that are part of a pooling arrangement on a gross basis in both cash and short-term borrowings.

Accounting Policies (continued)

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.

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 13 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 through to 2050. 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 & 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.

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

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

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

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

Accounting Policies (continued)

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.

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

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

Retirement benefit scheme surplus/deficit
The Group operates a number of defined benefit and defined contribution pension schemes. The surplus or deficit recognised in respect of the defined benefit schemes represents the difference between the present value of the defined benefit obligations and the fair value of the scheme assets.

The assets of these schemes are held in separate trustee administered funds. The schemes are largely closed to future accrual.

The defined benefit schemes assets are measured using fair values. Pension scheme liabilities are measured annually by an independent actuary using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the Group's defined benefit schemes expected to arise from employee service in the period is charged to operating profit. The interest income on scheme assets and the increase during the period in the present value of the 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.

The Group consider it is appropriate to recognise the IAS 19 surplus in both the John Wood Group PLC Retirement Benefit Scheme and the Amec Foster Wheeler Pension Plan as 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.

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.

Accounting Policies (continued)

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 management, are unlikely to succeed.

See note 19 for further details.

Possible but not probable liabilities are disclosed as contingent liabilities in note 33.

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

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

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

The Group has an Employee Share Plan under which employees contribute regular monthly amounts which are used to purchase shares over a one year period. At the end of the year the participating employees are awarded one free share for every 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.

For further details of these schemes, please see note 21 and the Directors Remuneration Report.

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

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

Segmental reporting
The Group has determined that its operating segments are based on management reports reviewed by the Chief Operating Decision Maker ('CODM'), the Group's Chief Executive. The Group's reportable segments are Asset Solutions Europe, Africa, Asia, Australia ('Asset Solutions EAAA'), Assets Solutions Americas ('AS Americas'), Specialist Technical Solutions ('STS'), Environment and Infrastructure Solutions ('E&IS') and Investment Services.

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

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

Assets and liabilities held for sale
Disposal groups are classified as assets and liabilities held for sale if it is highly probable that they will be recovered primarily through sale rather than continuing use. 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.

Accounting Policies (continued)

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

Disclosure of impact of new and future accounting standards

(a) Amended standards and interpretations

The following standards and interpretations apply for the first time to accounting periods commencing on or after 1 January 2018:

- IFRS 15 'Revenue from contracts with customers' has replaced IAS 18 'Revenue' and IAS 11 'Construction Contracts' and establishes a framework for determining how much and when revenue is recognised. The impact of the application of IFRS 15 on the Group's financial statements is not material as set out below.

- IFRS 9 'Financial 'instruments' has replaced IAS 39 'Financial Instruments: Recognition and Measurement' and sets out the requirements for recognising and measuring financial assets and financial liabilities. The impact of the application of IFRS 9 on the Group's financial statements is not material as set out below.

Impact of application of IFRS 15
The Group has adopted IFRS 15 using the cumulative effect method from 1 January 2018. Accordingly, the information presented for 2017 has not been restated and is presented as previously reported under IAS 18, IAS 11 and related interpretations.

The Group reviewed its revenue recognition processes from a sample of contracts in both legacy Wood Group and legacy Amec Foster Wheeler businesses. The main areas of focus and judgement are listed below but, in summary, no material changes have resulted from the adoption of the new standard.

- The Group has a number of contracts that include engineering man-hours and procurement activity where the engineering and procurement elements were previously accounted for separately. In the majority of cases, these are now accounted for as a single performance obligation under IFRS 15, however the differences arising from this change are immaterial and have not been adjusted in the financial statements.
- The Group carries out low margin procurement activity on certain contracts for customers. As part of the IFRS 15 transition, these contracts were reviewed to assess whether the Group was acting as 'principal' or 'agent'. Where the Group controls the goods before title passes to the customer then the Group is acting as principal and the related revenue is recognised. The review did not identify any instances where the conclusion reached in its principal versus agent assessment was incorrect.
- The Group has a number of contracts that give the right to profit based on achievement of key performance indicators (KPI's). Under IFRS 15, an estimate of variable consideration must be made at the start of the contract although any revenue and profit recognised is constrained to the extent that it is highly probable there will not be a significant reversal in future periods. Historically, the Group's approach to recognising KPI revenue has been to recognise revenue only when the contract is sufficiently far advanced, it is probable that the performance targets have been achieved and payment can be measured reliably. Consequently, the application of IFRS 15 did not result in a material change to revenue and profit recognised in the period.
- The Group carries out fixed price or lump sum contracts for services and construction contracts. These contracts were reviewed to determine the appropriate method to measure the Group's performance over time and recognise revenue in accordance with IFRS 15. The Group continues to recognise revenue according to the stage of completion reached in the contract by measuring the proportion of costs incurred for work performed to date to estimated total contract costs. No IFRS 15 differences were identified.

The Group has updated its revenue recognition processes and accounting policies for these areas to ensure that it is in compliance with IFRS 15.

Impact of application of IFRS 9
IFRS 9 sets out the requirements for recognising and measuring financial assets and financial liabilities. The application of IFRS 9 has had no material impact on the Group's financial statements. Credit losses incurred in the three years to 31 December 2017 amounted to around 0.05% of revenue. Credit losses in the year to 31 December 2018 amounted to $3.1m, which represents 0.02% of revenue. There were no material areas of judgement in reaching this conclusion.

Accounting Policies (continued)

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

The following standard has been published and is mandatory for the Group's accounting periods beginning on 1 January 2019, but the Group has not early adopted it:

IFRS 16

IFRS 16 'Leases' is effective for accounting periods beginning on or after 1 January 2019. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The Group has assessed the estimated impact that the initial application of IFRS 16 will have on its consolidated financial statements, as described below. The actual impact of adopting the standard on 1 January 2019 may change and the new accounting policies are subject to change until the Group presents its first financial statements that include the date of initial application.

Transition

The Group will apply IFRS 16 initially on 1 January 2019, using the modified retrospective approach. The cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group will recognise new assets and liabilities for its operating leases of property, vehicles and other assets. The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous. No significant impact is expected for the Group's finance leases.

Based on the information currently available, the Group estimates that it will recognise additional lease liabilities of around $650m at 1 January 2019. Depreciation and interest in 2019 are expected to increase by circa $140m and $30m respectively with operating lease rentals reducing by a corresponding amount. Consequently, adjusted EBITA is expected to increase by around $30m and adjusted EBITDA by $170m.

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

Notes to the financial statements
for the year to 31 December 2018

1 Segmental reporting

The Group operates through five segments, Asset Solutions EAAA, Asset Solutions Americas, Specialist Technical Solutions, Environment & Infrastructure Solutions and Investment Services.

Under IFRS 11 'Joint arrangements', the Group is required to account for joint ventures using equity accounting, however for management reporting the Group uses proportional consolidation, hence the inclusion of the proportional presentation in this note.

The segment information provided to the Group's Chief Executive for the operating segments for the year ended 31 December 2018 includes the following:

Operating Segments	**Revenue**		**Adjusted EBITDA(1)**		**Adjusted EBITA(1)**		**Operating profit**	
	Year ended 31 Dec 2018 $m	Year ended 31 Dec 2017 $m	**Year ended 31 Dec 2018 $m**	Year ended 31 Dec 2017 $m	**Year ended 31 Dec 2018 $m**	Year ended 31 Dec 2017 $m	**Year ended 31 Dec 2018 $m**	Year ended 31 Dec 2017 $m
Asset Solutions EAAA	**4,072.0**	2,619.2	**257.1**	162.6	**231.4**	139.8	**74.0**	57.1
Asset Solutions Americas	**3,761.6**	2,387.2	**226.9**	179.8	**204.8**	157.7	**100.9**	69.0
Specialist Technical Solutions	**1,564.9**	755.9	**152.3**	85.8	**148.2**	82.1	**113.7**	61.9
Environment & Infrastructure Solutions	**1,385.1**	321.3	**96.2**	26.0	**90.7**	24.7	**55.5**	12.1
Investment Services	**252.4**	85.4	**36.3**	5.3	**31.9**	5.3	**24.1**	1.2
Central costs (2)	**-**	-	**(75.0)**	(36.4)	**(77.1)**	(38.0)	**(178.4)**	(147.0)
Total including joint ventures	**11,036.0**	6,169.0	**693.8**	423.1	**629.9**	371.6	**189.8**	54.3
Remove share of joint ventures	**(1,021.6)**	(774.6)	**(83.3)**	(61.9)	**(71.0)**	(52.2)	**(58.9)**	(49.2)
Total	**10,014.4**	5,394.4	**610.5**	361.2	**558.9**	319.4	**130.9**	5.1
Share of post-tax profit from joint ventures							**34.4**	31.3
Operating profit							**165.3**	36.4
Finance income							**5.3**	2.8
Finance expense							**(117.1)**	(60.8)
Profit before taxation from continuing operations							**53.5**	(21.6)
Taxation							**(61.1)**	(8.4)
Loss for the year from continuing operations							**(7.6)**	(30.0)

Notes

1. A reconciliation from Operating profit (before exceptional items) to Adjusted EBITA and Adjusted EBITDA is provided in the table below. Adjusted EBITDA represents Adjusted EBITA before depreciation of property plant and equipment of $63.9m (2017 : $51.5m). Adjusted EBITA and Adjusted EBITDA are provided as they are units of measurement used by the Group in the management of its business.
2. Central costs include the costs of certain management personnel in both the UK and the US, along with an element of Group infrastructure costs.
3. Revenue arising from sales between segments is not material.

Notes to the financial statements
for the year to 31 December 2018

1 Segmental reporting (continued)

Reconciliation of Operating profit to Adjusted EBITA and Adjusted EBITDA	2018 $m	2017 $m
Operating profit per income statement	**165.3**	36.4
Share of joint venture finance expense	**8.1**	3.4
Share of joint venture tax	**16.4**	14.5
Operating profit (including share of joint ventures)	**189.8**	54.3
Continuing exceptional items (including joint ventures)	**191.3**	176.0
Adjusted EBIT	**381.1**	230.3
Amortisation (note 9)	**246.3**	139.4
Amortisation (joint ventures)	**2.5**	1.9
Adjusted EBITA	**629.9**	371.6
Depreciation (note 10)	**51.6**	41.8
Depreciation (joint ventures)	**12.3**	9.7
Adjusted EBITDA	**693.8**	423.1

Other segment items

At 31 December 2018	Asset Solutions EAAA $m	Asset Solutions Americas $m	Specialist Technical Solutions $m	Environment and Infrastructure Solutions $m	Investment Services $m	Unallocated $m	Total $m
Capital expenditure							
PP&E	**13.6**	**15.6**	**2.1**	**3.7**	**0.5**	**1.5**	**37.0**
Intangible assets	**28.4**	**11.4**	**3.9**	**0.4**	**-**	**14.2**	**58.3**
Non-cash expense							
Depreciation	**16.2**	**22.0**	**4.1**	**5.5**	**1.7**	**2.1**	**51.6**
Amortisation	**85.9**	**92.0**	**26.5**	**32.6**	**-**	**9.3**	**246.3**
Exceptional items	**44.6**	**11.2**	**3.6**	**0.4**	**6.8**	**40.4**	**107.0**
At 31 December 2017							
Capital expenditure							
PP&E	9.1	9.1	2.6	0.4	0.1	0.8	22.1
Intangible assets	20.1	24.7	4.8	0.1	-	7.3	57.0
Non-cash expense							
Depreciation	13.3	21.9	3.7	1.3	-	1.6	41.8
Amortisation	33.5	80.3	16.2	8.1	0.9	0.4	139.4
Exceptional items	42.9	3.7	2.3	3.4	2.4	45.1	99.8

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 $12.3m (2017: $9.7m) and joint venture amortisation amounts to $2.5m (2017: $1.9m).

Notes to the financial statements
for the year to 31 December 2018

1 Segmental reporting (continued)

	Non-current assets		Continuing revenue	
Geographical segments	**2018 $m**	2017 $m	**2018 $m**	2017 $m
United Kingdom	**1,226.7**	1,269.6	**1,327.2**	900.5
United States of America	**3,557.3**	3,725.2	**4,286.8**	2,253.0
Canada	**769.9**	887.0	**679.6**	373.6
Australia	**135.5**	170.2	**500.2**	303.9
Kuwait	**164.7**	172.4	**339.9**	113.2
Kazakhstan	**26.1**	27.8	**249.8**	164.1
Saudi Arabia	**84.7**	87.2	**193.2**	103.2
Rest of the world	**1,134.9**	1,220.7	**2,437.7**	1,182.9
	7,099.8	7,560.1	**10,014.4**	5,394.4

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

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

2 Revenue

In the following table, revenue is disaggregated by primary geographical market and major service line. The tables provided below analyse total revenue including the Group's share of joint venture revenue.

Primary geographical market	AS EAAA 2018 $m	AS EAAA 2017 $m	AS Americas 2018 $m	AS Americas 2017 $m	STS 2018 $m	STS 2017 $m	E&IS 2018 $m	E&IS 2017 $m	Investment Services 2018 $m	Investment Services 2017 $m	Total 2018 $m	Total 2017 $m
USA	**293.4**	298.6	**3,073.4**	1,854.2	**252.9**	187.2	**894.1**	174.1	**64.1**	25.8	**4,577.9**	2,539.9
Europe	**1,608.6**	1,078.6	**5.6**	0.5	**753.1**	392.1	**194.8**	63.7	**130.7**	42.5	**2,692.8**	1,577.4
Rest of the world	**2,170.0**	1,242.0	**682.6**	532.5	**558.9**	176.6	**296.2**	83.5	**57.6**	17.1	**3,765.3**	2,051.7
Revenue including joint ventures	**4,072.0**	2,619.2	**3,761.6**	2,387.2	**1,564.9**	755.9	**1,385.1**	321.3	**252.4**	85.4	**11,036.0**	6,169.0
Major service lines												
Capital Projects	**1,477.5**	428.3	**1,670.9**	1,418.2	**-**	-	**129.2**	35.7	**-**	-	**3,277.6**	1,882.2
Operations Services	**1,738.5**	1,325.0	**1,124.5**	932.0	**-**	-	**-**	-	**-**	-	**2,863.0**	2,257.0
Automation and Control	**-**	-	**-**	-	**414.0**	335.2	**-**	-	**-**	-	**414.0**	335.2
Subsea and Export	**-**	-	**-**	-	**114.5**	109.8	**-**	-	**-**	-	**114.5**	109.8
Nuclear	**-**	-	**-**	-	**283.7**	65.6	**-**	-	**-**	-	**283.7**	65.6
Mining & Minerals	**-**	-	**-**	-	**456.7**	79.1	**-**	-	**-**	-	**456.7**	79.1
Technology and Consulting	**-**	-	**-**	-	**296.0**	166.2	**-**	-	**-**	-	**296.0**	166.2
Environment & Infrastructure	**14.1**	16.5	**-**	-	**-**	-	**1,255.9**	285.6	**-**	-	**1,270.0**	302.1
Turbines	**672.1**	638.0	**-**	-	**-**	-	**-**	-	**-**	-	**672.1**	638.0
Industrial Power and Manufacturing	**86.8**	72.7	**927.6**	26.1	**-**	-	**-**	-	**136.8**	43.9	**1,151.2**	142.7
Other	**83.0**	138.7	**38.6**	10.9	**-**	-	**-**	-	**115.6**	41.5	**237.2**	191.1
Revenue including joint ventures	**4,072.0**	2,619.2	**3,761.6**	2,387.2	**1,564.9**	755.9	**1,385.1**	321.3	**252.4**	85.4	**11,036.0**	6,169.0

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

Revenue (including joint ventures) in 2018 included $7,557.0m (or 68%) from reimbursable contracts and $3,510.3m (32%) from lump sum contracts. The equivalent figures for revenue from continuing operations, which excludes joint venture revenue, are $6,761.6m (68%) from reimbursable contracts and $3,252.8m (32%) from lump sum contracts. Revenue from lump sum contracts is calculated based on an estimate and the amount recognised could increase or decrease.

Contract assets and liabilities

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

	2018 $m	2017 $m
Trade receivables	**1,287.1**	1,426.8
Gross amounts due from customers	**935.1**	804.8
Gross amounts due to customers	**(407.5)**	(450.8)
	1,814.7	1,780.8

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.

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 is included within the 'Trade and other payables' heading in the Group balance sheet.

2 Revenue (continued)

Restatement of balances at 31 December 2017

Unbilled income of $278.3m that was included as Trade receivables in the December 2017 balance sheet was reallocated to Gross amounts due from customers in the Group's 2018 interim accounts. This reclassification was booked to ensure consistency in presentation between similar balances in legacy Wood Group and legacy AFW.

The reclassification referred to on page 30 has resulted in the reclassification of $31.6m to gross amounts due from customers and $14.9m to gross amounts due to customers at 31 December 2017. $12.9m of gross amounts due from customers at 31 December 2017 was also written down as a measurement period fair value adjustment in relation to the acquisition of Amec Foster Wheeler.

These reclassifications do not affect net assets.

3 Finance expense/(income)

	2018 $m	2017 $m
Interest payable on senior loan notes	**14.1**	14.1
Interest payable on borrowings	**67.8**	20.8
Amortisation of bank facility fees	**3.9**	1.6
Interest expense – retirement benefit obligations (note 31)	**-**	2.6
Unwinding of discount on deferred and contingent consideration liabilities	**1.0**	2.3
Unwinding of discount on asbestos provision	**9.7**	4.0
Unwinding of discount on other liabilities	**4.6**	0.6
Other interest expense	**16.0**	6.3
Finance expense – pre-exceptional items	**117.1**	52.3
Bank fees relating to Amec Foster Wheeler acquisition	**-**	8.5
Finance expense – continuing operations	**117.1**	60.8
Interest receivable	**(4.8)**	(2.8)
Interest income – retirement benefit obligations (note 31)	**(0.5)**	-
Finance income	**(5.3)**	(2.8)
Finance expense – continuing operations – net	**111.8**	58.0

Net interest expense of $8.1m (2017: $3.4m) has been deducted in arriving at the share of post-tax profit from joint ventures.

The unwinding of discount on the asbestos provision comprises $10.8m per note 19 less $1.1m relating to the unwinding of discount on long term asbestos receivables.

Notes to the financial statements
for the year to 31 December 2018

4 Profit before taxation

	2018 $m	2017 $m
The following items have been charged/(credited) in arriving at profit before taxation :		
Employee benefits expense (note 30)	**4,558.2**	2,741.6
Depreciation of property plant and equipment (note 10)	**51.6**	41.8
Amortisation of intangible assets (note 9)	**246.3**	139.4
Loss/(gain) on disposal of property plant and equipment	**1.4**	(1.3)
Other operating lease rentals payable:		
- Plant and machinery	**35.5**	22.9
- Property	**178.0**	110.7
Foreign exchange (gains)/losses	**(11.7)**	0.7

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:

	$m
Fees payable to the Group's auditors and its associate firms for -	
Audit of parent company and consolidated financial statements	**4.0**
Audit of financial statements of subsidiaries of the company	**3.0**
Audit related assurance services	**0.3**
Tax and other services	**0.1**
	7.4

The ratio of audit related services to other non-audit services is 1.00 : 0.01.

In 2017, Group obtained the following services from the previous auditors, PwC and associate firms at costs as detailed below:

	2017 $m
Fees payable to the Group's auditors and its associate firms for -	
Audit of parent company and consolidated financial statements	1.0
Audit of financial statements of subsidiaries of the company	2.9
Reporting accountant and due diligence services in relation to AFW acquisition	2.5
Tax and other services	0.2
	6.6

5 Exceptional items

	2018 $m	2017 $m
Exceptional items included in continuing operations		
Acquisition costs in respect of the acquisition of Amec Foster Wheeler	**-**	58.9
Redundancy, restructuring and integration costs	**71.7**	51.4
Arbitration settlement provision	**10.4**	19.2
Investigation support costs	**26.3**	8.2
GMP equalisation	**31.9**	-
Impairment of investment in EthosEnergy	**41.4**	28.0
Impairments recorded by EthosEnergy	**9.6**	1.1
Other write offs relating to EthosEnergy	**-**	9.2
	191.3	176.0
Bank fees relating to Amec Foster Wheeler acquisition	**-**	8.5
	191.3	184.5
Tax credit	**(8.5)**	(19.4)
Continuing operations exceptional items, net of tax	**182.8**	165.1

Redundancy, restructuring and integration costs of $71.7m (2017: $51.4m) have been incurred during the year. The total includes $41.8m (2017: $14.1m) of integration costs and $23.8m (2017: $28.1m) of redundancy and restructuring costs in relation to the acquisition of Amec Foster Wheeler as well as $6.1m (2017: $9.2m) of costs relating to onerous property leases.

A charge of $10.4m was recorded in relation to a legacy contract carried out by the Group's Gas Turbine Services business prior to the formation of EthosEnergy. An arbitration hearing was held in relation to a dispute between the Group and a former subcontractor and this amount represents the additional provision required to cover the settlement and related legal costs, $19.2m having already been provided in 2017.

Investigation support costs of $26.3m (2017: $8.2m) have been incurred during the year in relation to ongoing investigations by the US Securities and Exchange Commission, the US Department of Justice and UK Serious Fraud Office. See note 33 for full details.

A court ruling passed in October 2018 provided clarity in respect of Guaranteed Minimum Pension ('GMP') equalisation in relation to UK defined benefit pension schemes. As a result, the Group has allowed for GMP equalisation in determining its UK defined benefit scheme liabilities with the increase in liabilities arising of $31.9m being recorded as an exceptional charge in the year.

In June 2018, the Group carried out an impairment review of its investment in the EthosEnergy joint venture. The recoverable amount of the investment, based on management's estimate of fair value less costs of disposal of $29.0m, is lower than the book value and an impairment charge of $41.4m has been booked in the income statement (see note 11). An impairment charge of $28.0m was recorded in 2017. The Group's share of EthosEnergy's exceptional write offs in 2018 was $9.6m (2017: $1.1m) and this included restructuring and redundancy costs and write downs in relation to its Power Solutions business.

In 2017, the Group incurred acquisition costs of $58.9m in relation to the acquisition of Amec Foster Wheeler. These costs included broker fees and legal fees as well as other advisory and regulatory fees. In addition, $8.5m of bank fees were expensed in respect of the borrowing facility required to fund the acquisition.

The allocation of continuing exceptionals of $191.3m by segment is as follows – AS EAAA $69.0m, AS Americas $11.9m, STS $8.0m, E&IS $2.6m, Investment Services $7.8m and Central $92.0m.

A tax credit of $8.5m (2017: $19.4m) has been recorded against exceptional items.

6 Taxation

	2018 $m	2017 $m
Current tax		
Current year	**120.4**	87.8
Adjustment in respect of prior years	**(11.9)**	(21.3)
	108.5	66.5
Deferred tax		
Origination and reversal of temporary differences	**(40.7)**	(55.3)
Adjustment in respect of prior years	**(6.7)**	(2.8)
	(47.4)	(58.1)
Total tax charge	**61.1**	8.4
Comprising		
Tax on continuing operations before exceptional items	**69.6**	27.8
Tax on exceptional items in continuing operations	**(8.5)**	(19.4)
Total tax charge	**61.1**	8.4

Tax charged/(credited) to equity	**2018 $m**	2017 $m
Deferred tax movement on retirement benefit liabilities	**20.5**	(0.7)
Deferred tax relating to share option schemes	**1.1**	5.8
Current tax relating to share option schemes	**(0.4)**	(1.8)
Deferred tax impact of rate change	**(1.8)**	4.2
Tax on derivative financial instruments	**(0.6)**	-
Total charged to equity	**18.8**	7.5

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.

6 Taxation (continued)

Reconciliation of applicable tax charge/(credit) at statutory rates to tax charge/(credit)	**2018 $m**	2017 $m
Profit/(loss) before taxation from continuing operations (excluding profits from and impairment of joint ventures)	**60.5**	(24.9)
Applicable tax charge/(credit) at statutory rates	**10.5**	(16.7)
Effects of:		
Non-deductible expenses	**10.3**	6.9
Non-taxable income	**(1.9)**	(5.0)
Non-deductible expenses - exceptional	**2.2**	18.7
Non-taxable income - exceptional	**(1.0)**	-
Benefit of financing structure	**(10.8)**	(14.3)
Deferred tax recognition:		
Utilisation of deferred tax assets not previously recognised	**-**	(5.4)
Recognition of deferred tax assets not previously recognised	**(1.4)**	(9.4)
Current year deferred tax assets not recognised	**40.4**	45.4
Write off of previously recognised deferred tax assets	**0.1**	3.1
Irrecoverable withholding tax	**29.0**	16.2
Additional US taxes	**5.0**	-
CFC charges	**4.1**	1.1
Uncertain tax provisions	**(5.8)**	6.7
Uncertain tax provisions – prior year adjustments	**(25.5)**	(1.7)
Uncertain tax provisions – prior year adjustments - exceptional	**(2.7)**	(14.9)
Prior year adjustments	**(4.3)**	(7.2)
Prior year adjustments - exceptional	**13.9**	(0.3)
One off impact of tax reform	**-**	(15.7)
Impact of change in rates on deferred tax	**(1.0)**	0.9
Total tax charge	**61.1**	8.4

The weighted average of statutory tax rates was 17.4% in 2018 (2017: 67.1%).

The adjustment in respect of prior years is largely due to the release of uncertain tax provisions as the final outcome on certain issues was agreed with tax authorities during the year or the statute of limitations for audit by the tax authorities expired without challenge.

The one-off impact of tax reform in 2017 was as a result of a reduction in the US tax rate from 1 January 2018, reducing the Group's deferred tax liability, as well as changes in loss utilisation rules in the UK allowing losses that would not otherwise have been accessible to be utilised against future profits.

Net income tax liabilities in the Group balance sheet include $176.9m (2017: $207.4m) 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 ($54.7m, 2017: $61.3m), group financing ($38.3m, of which $13.8m relates to deferred tax, 2017: $49.7m) and transfer pricing and tax residence ($26.5m, 2017: $36.7m). Where the final outcome on these issues differs to the amounts provided, the Group's tax charge will be impacted.

Of the uncertain tax positions, $81.8m are currently under audit by tax authorities and the provision reflects the maximum potential liability. The outcome of the audits will determine if there is a credit to taxation in 2019. Of the balance, $10.9m will become statute barred for tax authority audit during 2019 if the tax authorities do not commence an audit.

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

6 Taxation (continued)

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.

As a result of legislation changes following the OECD Base Erosion and Profit Shifting actions as well as US tax reform, the future tax rate is likely to be affected by the following:

- Inter-company financing structures giving rise to a rate benefit have been unwound and as such the rate benefit will not recur. However, this may be partly offset by the deferral of interest deductions which have not been recognised in full in the current year.
- The US has introduced a charge in relation to transactions with group companies. In the current year this charge has been relatively low reflecting the disallowance of interest but it is expected to increase in future years as the tax rate changes from 5% to 10%.
- As part of the US tax reform, a new charge on the profits of overseas subsidiaries of US entities was created, which resulted in a tax charge in the current year. It is anticipated that the charge will reduce in future years reflecting the transfer of subsidiaries out from under US entities in 2018 and 2019 and future relief for foreign tax credits.
- In 2017 and 2018 the Group has accrued tax in relation to a change in tax law in Papua New Guinea resulting in profits of a branch being subject to withholding tax at 15%. In late 2018, the Group received clearance to transfer the business to a separate legal entity in Papua New Guinea with a resulting reduction in the tax charge.

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

	2018 $m	2017 $m
Dividends on ordinary shares		
Final 2017 dividend paid: 23.2 cents per share (Final 2016: 22.5 cents)	**155.3**	83.9
Interim 2018 dividend paid: 11.3 cents per share (Interim 2017: 11.1 cents)	**75.7**	41.7
	231.0	125.6

The directors are proposing a final dividend in respect of the financial year ended 31 December 2018 of 23.7 cents per share. The final dividend will be paid on 16 May 2019 to shareholders who are on the register of members on 26 April 2019. The financial statements do not reflect the final dividend, the payment of which will result in an estimated $158.9m reduction in equity attributable to owners of the parent.

8 Earnings per share

	2018			2017		
	Earnings/(losses) attributable to owners of the parent $m	**Number of shares m**	**Earnings per share cents**	Earnings/(losses) attributable to owners of the parent $m	Number of shares m	Earnings per share cents
Basic pre-exceptional	**173.9**	**669.6**	**26.0**	132.7	440.0	30.1
Exceptional items, net of tax	**(182.8)**	**-**	**(27.3)**	(165.1)	-	(37.5)
Basic	**(8.9)**	**669.6**	**(1.3)**	(32.4)	440.0	(7.4)
Effect of dilutive ordinary shares	**-**	**-**	**-**	-	-	-
Diluted	**(8.9)**	**669.6**	**(1.3)**	(32.4)	440.0	(7.4)
Adjusted diluted earnings per share calculation						
Basic	**(8.9)**	**669.6**	**(1.3)**	(32.4)	440.0	(7.4)
Effect of dilutive ordinary shares	**-**	**13.4**	**-**	-	11.3	0.2
	(8.9)	**683.0**	**(1.3)**	(32.4)	451.3	(7.2)
Exceptional items, net of tax	**182.8**	**-**	**26.8**	165.1	-	36.6
Amortisation, net of tax	**218.0**	**-**	**31.9**	107.7	-	23.9
Adjusted diluted	**391.9**	**683.0**	**57.4**	240.4	451.3	53.3
Adjusted basic	**391.9**	**669.6**	**58.5**	240.4	440.0	54.6

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

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

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 2018 as reported	5,360.0	358.2	894.6	184.7	730.6	7,528.1
Fair value adjustments in relation to acquisition of Amec Foster Wheeler	132.1	-	-	-	-	132.1
Reallocation	43.2	-	-	-	(43.2)	-
At 1 January as restated	5,535.3	358.2	894.6	184.7	687.4	7,660.2
Exchange movements	(139.8)	(20.2)	(26.8)	(2.5)	(13.2)	(202.5)
Additions	-	58.3	-	-	-	58.3
Acquisitions (note 29)	3.8	-	-	-	-	3.8
Disposals	-	(97.9)	-	-	-	(97.9)
Reclassification	-	5.3	-	-	-	5.3
At 31 December 2018	**5,399.3**	**303.7**	**867.8**	**182.2**	**674.2**	**7,427.2**
Amortisation and impairment						
At 1 January 2018	0.8	245.6	389.1	12.7	9.1	657.3
Exchange movements	-	(16.7)	(17.3)	(0.7)	(0.5)	(35.2)
Amortisation charge	-	81.8	80.4	50.5	33.6	246.3
Disposals	-	(97.9)	-	-	-	(97.9)
At 31 December 2018	**0.8**	**212.8**	**452.2**	**62.5**	**42.2**	**770.5**
Net book value at 31 December 2018	**5,398.5**	**90.9**	**415.6**	**119.7**	**632.0**	**6,656.7**
Cost						
At 1 January 2017	1,706.0	256.8	432.6	-	-	2,395.4
Exchange movements	99.4	16.3	17.4	0.5	3.5	137.1
Additions	-	57.0	-	-	-	57.0
Acquisitions	3,729.9	35.1	444.6	184.2	683.9	5,077.7
Disposals	-	(7.0)	-	-	-	(7.0)
At 31 December 2017	**5,535.3**	**358.2**	**894.6**	**184.7**	**687.4**	**7,660.2**
Amortisation and impairment						
At 1 January 2017	0.8	182.1	318.0	-	-	500.9
Exchange movements	-	11.2	12.6	0.1	0.1	24.0
Amortisation charge	-	59.3	58.5	12.6	9.0	139.4
Disposals	-	(7.0)	-	-	-	(7.0)
At 31 December 2017	**0.8**	**245.6**	**389.1**	**12.7**	**9.1**	**657.3**
Net book value at 31 December 2017	**5,534.5**	**112.6**	**505.5**	**172.0**	**678.3**	**7,002.9**

The carrying value of software held under deferred payment arrangements, which are similar to finance leases, at 31 December 2018 was $7.3m (2017: $14.7m). There were no additions to software held under deferred payment arrangements during the year (2017: $nil).

9 Goodwill and other intangible assets (continued)

The Group acquired Amec Foster Wheeler on 6 October 2017. At 31 December 2017, the Group had not fully finalised its assessment of the fair value of certain AFW assets and liabilities and the 2017 financial statements reflected the provisional assessment of the fair values at the acquisition date. During 2018, the Group has reassessed those fair values as a result of new information obtained about facts and circumstances that existed at the acquisition date, and recorded measurement period adjustments of $159.4m in provisions, $12.9m in trade and other receivables and $17.4m in trade and other payables offset by a $40.7m reduction in deferred tax and a $16.9m reduction in income tax liabilities. These adjustments have increased the goodwill on the transaction by $132.1m.

After completing the assessment of the valuation of the brands intangible assets, $43.2m of the $727.1m brand intangible asset recognised on acquisition of AFW has been reallocated to goodwill to better allocate the consideration paid to assets acquired. The December 2017 balance sheet has been restated accordingly.

In accordance with IAS 36 'Impairment of assets', goodwill was tested for impairment during the year. The impairment tests were carried out by Cash Generating Unit ('CGU'). The Group has five reportable segments and Goodwill is monitored by management at CGU level (there is no goodwill attributable to the Investment Services business). The allocation of Goodwill by CGU 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 budgets prepared by management and approved by the Board for 2019. The budget is based on various assumptions including market outlook, resource utilisation, contract backlog, contract margins and assumed contract awards. Adjusted EBITA growth assumed in the 2019 business unit budgets ranges from 8% to 19%. For 2020 a further 2% to 12% adjusted EBITA growth has been assumed. Growth rates of 3% per annum have been assumed from 2021 for Asset Solutions EAAA and Specialist Technical Solutions and 2% per annum for Asset Solutions Americas and Environment and Infrastructure Solutions. The growth rates assumed from 2021 have also been used in the calculation of the terminal value. The growth rates used do not exceed the long-term average growth rates for the regions in which the CGUs operate. The cash flows have been discounted using discount rates appropriate for each CGU, and these are reviewed annually. The pre-tax rates used for the 2018 review are as follows – 11.4% for Asset Solutions EAAA, 11.6% for Asset Solutions Americas, 11.8% for Specialist Technical Solutions and 11.4% for Environment and Infrastructure Solutions (the equivalent post-tax rates are 9.5%, 9.5%, 10.0% and 9.25% respectively).

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

Cash Generating Unit	**Goodwill carrying value ($m)**
Asset Solutions EAAA	2,068.5
Asset Solutions Americas	1,796.5
Specialist Technical Solutions	933.7
Environment and Infrastructure Solutions	599.8

The headroom on Asset Solutions EAAA based on the assumptions above was $274.0m. A sensitivity analysis has been performed assuming a 1% reduction in the long-term growth rate and a 1% increase in the discount rate in order to assess the impact of reasonable possible changes to the assumptions used in the impairment review. A 1% reduction in the long-term growth rate would result in an impairment of $79.0m and a 1% increase in the discount rate would result in an impairment of $97.0m. If the adjusted EBITA growth assumed for 2020 and future periods did not materialise then an impairment could result.

The headroom on Environment and Infrastructure Solutions based on the assumptions above was $79.0m. A sensitivity analysis has been performed assuming a 1% reduction in the long-term growth rate and a 1% increase in the discount rate in order to assess the impact of reasonable possible changes to the assumptions used in the impairment review. A 1% reduction in the long-term growth rate would result in an impairment of $47.0m and a 1% increase in the discount rate would result in an impairment of $54.0m. If the adjusted EBITA growth assumed for 2020 and future periods did not materialise then an impairment could result.

The sensitivity analysis did not identify any potential impairments other than those mentioned above for Asset Solutions EAAA and Environment and Infrastructure Solutions.

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.

9 Goodwill and other intangible assets (continued)

Software and development costs includes internally generated assets with a net book value of $18.0m at 31 December 2018. $6.5m of internally generated intangibles is included in additions in the year.

The software disposals in 2018 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 2018	123.6	266.4	390.0
Exchange movements	(4.6)	(15.4)	(20.0)
Additions	6.9	30.1	37.0
Acquisitions (note 29)	-	0.6	0.6
Disposals	(8.9)	(36.9)	(45.8)
Reclassifications	(4.5)	4.5	-
Transferred to held for sale (note 29)	(8.1)	(8.2)	(16.3)
At 31 December 2018	**104.4**	**241.1**	**345.5**
Accumulated depreciation and impairment			
At 1 January 2018	37.1	119.4	156.5
Exchange movements	(2.9)	(12.0)	(14.9)
Charge for the year	13.6	38.0	51.6
Disposals	(7.0)	(32.4)	(39.4)
Impairment	0.7	-	0.7
Transferred to held for sale (note 29)	(4.0)	(3.5)	(7.5)
At 31 December 2018	**37.5**	**109.5**	**147.0**
Net book value at 31 December 2018	**66.9**	**131.6**	**198.5**
Cost			
At 1 January 2017	80.7	208.3	289.0
Exchange movements	5.6	13.1	18.7
Additions	1.2	20.9	22.1
Acquisitions	41.9	41.9	83.8
Disposals	(5.8)	(23.6)	(29.4)
Reclassifications	-	5.8	5.8
At 31 December 2017	**123.6**	**266.4**	**390.0**
Accumulated depreciation and impairment			
At 1 January 2017	33.2	84.7	117.9
Exchange movements	1.2	14.0	15.2
Charge for the year	7.9	33.9	41.8
Disposals	(5.6)	(19.9)	(25.5)
Impairment	0.4	2.3	2.7
Reclassifications	-	4.4	4.4
At 31 December 2017	**37.1**	**119.4**	**156.5**
Net book value at 31 December 2017	**86.5**	**147.0**	**233.5**

The net book value of Land and Buildings includes $41.3m (2017: $53.6m) of Long Leasehold and Freehold property and $25.6m (2017: $32.9m) of Short Leasehold property. There were no material amounts in assets under construction at 31 December 2018. There was no material land and buildings or plant and equipment held under finance leases at 31 December 2018 or 2017.

11 Investment in joint ventures

The Group operates a number of joint ventures companies, the most significant of which are its turbine JV's, EthosEnergy Group Limited and RWG (Repair & Overhauls) Limited. The Group has a 51% shareholding in EthosEnergy, a provider of rotating equipment services and solutions to the power, oil and gas and industrial markets. EthosEnergy is based in Aberdeen, Scotland. The Group has a 50% shareholding in RWG, a provider of repair and overhaul services to the oil and gas, power generation and marine propulsion industries. RWG is based in Aberdeen, Scotland.

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

	EthosEnergy (100%)		**RWG (100%)**	
	2018 $m	2017 $m	**2018 $m**	2017 $m
Non-current assets	**180.2**	162.1	**42.8**	37.9
Current assets	**631.2**	723.9	**137.5**	126.0
Current liabilities	**(355.7)**	(310.2)	**(63.6)**	(40.9)
Non-current liabilities	**(29.4)**	(114.8)	**(3.1)**	(2.9)
Net assets	**426.3**	461.0	**113.6**	120.1
Wood Group share	**217.4**	235.1	**56.8**	60.1
Impairments and other adjustments	**(188.4)**	(158.1)	**-**	-
Wood Group investment	**29.0**	77.0	**56.8**	60.1
Revenue	**904.5**	842.2	**222.8**	206.0
Cost of sales	**(794.6)**	(722.5)	**(158.7)**	(147.7)
Administrative expenses	**(95.6)**	(93.6)	**(33.0)**	(29.7)
Exceptional items	**(19.0)**	(2.2)	**-**	-
Operating(loss)/profit	**(4.7)**	23.9	**31.1**	28.6
Net finance (expense)/income	**(5.7)**	(5.5)	**0.2**	-
(Loss)/profit before tax	**(10.4)**	18.4	**31.3**	28.6
Tax	**(2.3)**	(8.6)	**(6.4)**	(6.9)
Post-tax (loss)/profit from joint ventures	**(12.7)**	9.8	**24.9**	21.7
Wood Group share	**(6.5)**	5.0	**12.5**	10.9

The Group carried out an impairment review on the valuation of its EthosEnergy joint venture during 2018. Management's estimate of fair value less costs of disposal was $29.0m which was lower than the book value and an impairment charge of $41.4m was recorded in the income statement. The fair value is supported by third party market data. If fair value less costs of disposal are ultimately less than $29.0m then a further impairment will be required. At 31 December 2018, the Group does not believe it is likely that it will dispose of EthosEnergy within the next 12 months and it has not therefore been classified as held for sale.

EthosEnergy's net borrowings, including parent company loans, at 31 December 2018 amounted to $110.6m (2017: $92.6m)

RWG had net borrowings at 31 December 2018 of $2.4m (2017: net cash $9.2m)

The aggregate carrying amount of the Group's other equity accounted joint ventures, which individually are not material, amounted to $82.4m at 31 December 2018 (2017: $102.8m).

11 Investment in joint ventures (continued)

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

	2018 $m	2017 $m
Revenue	**1,021.6**	774.6
Cost of sales	**(873.3)**	(650.7)
Administrative expenses	**(79.8)**	(73.6)
Exceptional expense	**(9.6)**	(1.1)
Operating profit	**58.9**	49.2
Net finance expense	**(8.1)**	(3.4)
Profit before tax	**50.8**	45.8
Tax	**(16.4)**	(14.5)
Share of post-tax profit from joint ventures	**34.4**	31.3

The movement in investment in joint ventures is shown below.

	$m
At 1 January 2018	239.9
Exchange movements on retranslation of net assets	(8.5)
Additional investment in joint ventures	3.2
Disposals (note 29)	(20.9)
Share of net liabilities disposed on conversion to subsidiary (note 29)	1.1
Share of profit after tax	34.4
Impairment of investments	(41.4)
Dividends received	(38.5)
Transferred to assets held for sale (note 29)	(1.1)
At 31 December 2018	**168.2**

During 2018, the Group disposed of its interests in two of its equity joint ventures – Voreas S.r.l, and Road Management Services (A13) Holdings Limited. The interests were recorded at $20.9m at the date of disposal. See note 29 for further details of these disposals.

In addition, the Group increased its shareholding in Amec Foster Wheeler Energy and Partners Engineering Company and this company is now accounted for as a subsidiary. The fair value of the investment disposed was $1.1m.

The Group invested an additional $3.2m in Lewis Wind Power Holdings Ltd during the year.

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

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

Other investments

Other investments include $76.4m (2017: $83.8m) relating to the US SERP referred to in note 31. 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 17).

12 Inventories

	2018 $m	2017 $m
Materials	**4.3**	7.8
Work in progress	**3.7**	2.1
Finished goods and goods for resale	**5.7**	4.3
	13.7	14.2

13 Trade and other receivables

	2018 $m	Restated 2017 $m
Trade receivables	**1,391.9**	1,519.8
Less: provision for impairment of trade receivables	**(104.8)**	(93.0)
Trade receivables – net	**1,287.1**	1,426.8
Gross amounts due from customers	**935.1**	804.8
Prepayments	**157.2**	131.6
Amounts due from joint ventures	**97.2**	131.2
Asbestos related insurance recoveries	**16.3**	18.0
Other receivables	**62.8**	71.8
Trade and other receivables – current	**2,555.7**	2,584.2
Long term receivables – asbestos related insurance recoveries	**90.2**	114.4
Long term receivables - other	**37.9**	43.1
Total receivables	**2,683.8**	2,741.7

Unbilled income of $278.3m that was included as Trade receivables at 31 December 2017 was reallocated to the Gross amounts due from customers line in the Group's 2018 interim accounts. This reclassification was booked to ensure consistency in presentation between similar balances in legacy Wood Group and legacy AFW.

The adjustment referred to on page 30 has resulted in the reclassification of $31.6m to gross amounts due from customers at 31 December 2017. $12.9m of gross amounts due from customers at 31 December 2017 was also written down as a fair value adjustment in relation to the acquisition of Amec Foster Wheeler.

As at 31 December 2018 the Group had received $153.5m (2017: nil) 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.

13 Trade and other receivables (continued)

Financial assets

	2018 $m	2017 $m
Bank deposits (more than three months)	**-**	31.2
Restricted cash	**11.7**	26.5
Derivative financial instruments (note 18)	**2.6**	30.5
	14.3	88.2

The restricted cash of $11.7m (2017: $26.5m) is cash that is subject to an attachment order. Management believe it is appropriate to include the restricted cash balance in the Group's net debt figure (see note 28).

Bank deposits of more than three months at 31st December 2017 were short term instruments held by the Group's insurance captives.

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

31 December 2018	**Trade receivables - Gross $m**	**Provision for impairment $m**	**Trade receivables – Net $m**	**Receivable days**
Asset Solutions EAAA	**470.4**	**(50.3)**	**420.1**	**62**
Asset Solutions Americas	**396.1**	**(21.9)**	**374.2**	**44**
Specialist Technical Solutions	**197.7**	**(9.1)**	**188.6**	**72**
Environment and Infrastructure Solutions	**263.8**	**(6.2)**	**257.6**	**96**
Investment Services	**63.9**	**(17.3)**	**46.6**	**150**
Total Group	**1,391.9**	**(104.8)**	**1,287.1**	**64**
31 December 2017				
Asset Solutions EAAA	493.8	(48.7)	445.1	76
Asset Solutions Americas	526.8	(24.7)	502.1	52
Specialist Technical Solutions	186.6	(12.5)	174.1	78
Environment and Infrastructure Solutions	242.8	(4.5)	238.3	109
Investment Services	69.8	(2.6)	67.2	64
Total Group	1,519.8	(93.0)	1,426.8	71

Receivable days are calculated by allocating the closing trade receivables balance to current and prior period revenue. A receivable days calculation of 64 indicates that closing trade receivables represent the most recent 64 days of revenue.

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

13 Trade and other receivables (continued)

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

	2018 $m	2017 $m
Up to 3 months	**2.1**	1.1
Over 3 months	**102.7**	91.9
	104.8	93.0

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

2018	**Asset Solutions EAAA $m**	**Asset Solutions Americas $m**	**Specialist Technical Solutions $m**	**Environment & Infrastructure Solutions $m**	**Investment Services $m**	**Total $m**
At 1 January	**48.7**	**24.7**	**12.5**	**4.5**	**2.6**	**93.0**
Exchange movements	**(2.5)**	**-**	**-**	**-**	**-**	**(2.5)**
Provided during year	**4.9**	**6.3**	**2.6**	**1.8**	**17.7**	**33.3**
Released during year	**(0.8)**	**(9.1)**	**(6.0)**	**-**	**(3.1)**	**(19.0)**
At 31 December	**50.3**	**21.9**	**9.1**	**6.3**	**17.2**	**104.8**

2017						
At 1 January	12.1	11.9	0.7	-	-	24.7
Exchange movements	1.4	-	0.1	-	-	1.5
Acquisitions	39.0	19.5	15.7	4.3	2.5	81.0
Provided during year	0.7	0.1	0.9	0.6	0.2	2.5
Released during year	(4.5)	(6.8)	(4.9)	(0.4)	(0.1)	(16.7)
At 31 December	48.7	24.7	12.5	4.5	2.6	93.0

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

Included within gross trade receivables of $1,391.9m above (2017: $1,519.8m) are receivables of $449.6m (2017: $581.0m) which were past due but not impaired. These relate to customers for whom there is no recent history or expectation of default. The ageing analysis of these trade receivables is as follows:

	2018 $m	2017 $m
Up to 3 months overdue	**197.9**	365.3
Over 3 months overdue	**251.7**	215.7
	449.6	581.0

The above analysis excludes retentions relating to contracts in progress of $104.5m (2016: $118.5m).

14 Cash and cash equivalents

	2018 **$m**	2017 $m
Cash at bank and in hand	**1,335.2**	1,205.5
Short-term bank deposits	**17.5**	20.0
	1,352.7	1,225.5

Cash at bank and in hand at 31 December 2018 includes $942.0m (2017: $533.4m) 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.

Cash of $24.2m is included in assets held for sale (see note 29).

The effective interest rate on short-term deposits at 31 December 2018 was 3.2% and these deposits have an average maturity of 59 days.

15 Trade and other payables

	2018 **$m**	Restated 2017 $m
Trade payables	**1,050.3**	782.7
Gross amounts due to customers	**407.5**	450.8
Other tax and social security payable	**71.8**	74.5
Accruals and deferred income	**567.4**	569.0
Deferred and contingent consideration (note 18)	**21.8**	36.8
Finance leases (note 34)	**9.8**	18.6
Derivative financial instruments	**7.2**	11.8
Amounts due to joint ventures	**3.1**	14.3
Asbestos related payables	**51.2**	50.8
Other payables	**336.0**	293.1
	2,526.1	2,302.4

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

The adjustment referred to on page 30 has resulted in the reclassification of trade and other payables to provisions at 31 December 2017. A total of $162.6m has been reclassified, $9.9m from trade payables, $14.9m from amounts due to customers, $62.7m from accruals and $75.1m from other payables. As a result of the remeasurement adjustments recorded in respect of the acquisition of AFW, accruals at 31 December 2017 have been increased by $19.6m and other creditors reduced by $0.2m.

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

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

16 Borrowings

	2018 $m	2017 $m
Bank loans and overdrafts due within one year or on demand		
Unsecured	**984.5**	543.2
Non-current bank loans		
Unsecured	**1,542.3**	1,961.1
Senior loan notes		
Unsecured	**375.0**	375.0
Total non-current borrowings	**1,917.3**	2,336.1

Borrowings of $942.0m (2017: $533.4m) 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.

Total facilities comprise a 5 year $1.75bn revolving credit facility and a $0.9bn 3 year term loan.

The Group has $375.0m of unsecured senior loan notes issued in the US private placement market. The notes mature in 2021, 2024 and 2026 and interest is payable at an average fixed rate of 3.74%. Of the total non-current borrowings of $1,917.3m, $268.3m is denominated in sterling with the balance in US dollars.

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

	2018 %	2017 %
US dollar	**3.57**	2.58
Sterling	**2.09**	1.80
Euro	**1.15**	1.15
Australian dollar	**2.36**	2.38
Norwegian kroner	**1.34**	1.08

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

	2018 $m	2017 $m
US Dollar	**2,177.2**	2,284.9
Sterling	**625.9**	478.1
Euro	**51.0**	8.1
Australian dollar	**35.8**	88.2
Norwegian kroner	**6.7**	14.6
Other	**5.2**	5.4
	2,901.8	2,879.3

The Group is required to issue tender bonds, performance bonds, retention bonds, advance payment bonds and standby letters of credit to certain customers. At 31 December 2018, the Group's bank facilities relating to the issue of bonds, guarantees and letters of credit amounted to $1,720.7m (2017: $1,831.3m). At 31 December 2018, these facilities were 55% utilised (2017: 54%).

16 Borrowings (continued)

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

	2018 $m	2017 $m
Expiring within one year	**162.2**	143.5
Expiring between two and five years	**1,091.4**	692.0
	1,253.6	835.5

All undrawn borrowing facilities are floating rate facilities. The facilities expiring within one year are annual facilities subject to review at various dates during 2019. Total facilities comprise a 5 year $1.75bn revolving credit facility expiring in May 2022 and a $0.9bn 3 year term loan expiring in October 2020. The Group was in compliance with its bank covenants throughout the year.

17 Other non-current liabilities

	2018 $m	2017 $m
Deferred and contingent consideration (note 18)	**4.8**	24.4
Finance leases (note 34)	**25.2**	31.4
Other payables	**194.4**	256.5
	224.4	312.3

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

Other payables include $76.4m (2017: $83.8m) relating to the US SERP pension arrangement referred to in note 31 and unfavourable leases of $70.7m (2017: $115.0m). Unfavourable leases recognised on acquisition are initially measured at fair value, are amortised over the life of the lease and are presented as other payables.

18 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.

18 Financial instruments (continued)

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.

	2018 Notional contract amount $m	2017 Notional contract amount $m	2018 Carrying amount and fair value $m	2017 Carrying amount and fair value $m
Current assets	**37.7**	157.9	**0.5**	5.4
Current liabilities	**(50.3)**	(36.4)	**(2.0)**	(0.9)

A net foreign exchange loss of $1.4m (2017: gain $0.7m) was recognised in the hedging reserve as a result of fair value movements on forward contract and currency swaps designated as cash flow hedges.

Hedging of foreign currency exchange risk – fair value through income statement
The notional contract amount, carrying amount and fair value of all other forward contracts and currency swaps at the balance sheet date are shown in the table below.

	2018 Notional contract amount $m	2017 Notional contract amount $m	2018 Carrying amount and fair value $m	2017 Carrying amount and fair value $m
Current assets	**236.4**	973.8	**2.1**	24.5
Current liabilities	**(160.4)**	(651.7)	**(1.9)**	(10.9)

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

	2018 $m	2017 $m
Impact of 10% increase to average £/$ exchange rate on profit after tax	**(2.4)**	(4.0)
Impact of 10% increase to closing £/$ exchange rate on equity	**134.2**	178.1

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

(ii) Interest rate risk

The Group finances its operations through a mixture of retained profits and debt. The Group borrows in the desired currencies at a mixture of fixed and floating rates of interest and then uses interest rate swaps to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations. At 31 December 2018, 21% (2017: 15%) of the Group's borrowings were at fixed rates after taking account of interest rate swaps. The Group is also exposed to interest rate risk on cash held on deposit. The Group's policy is to maximise the return on cash deposits and where possible, deposit cash with a financial institution with a credit rating of 'A' or better.

18 Financial instruments (continued)

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

	2018 Hedged amount $m	2017 Hedged amount $m	2018 Carrying amount and fair value $m	2017 Carrying amount and fair value $m
Interest rate swaps	**250.0**	60.0	**(3.3)**	0.6

A net foreign exchange loss of $3.3m (2017: gain $0.6m) was recognised in the hedging reserve as a result of fair value movements on interest rate swaps designated as cash flow hedges.

If average interest rates had been 1% higher or lower during 2018 (2017: 1%), post-tax profit for the year would have been $13.9m lower or higher respectively (2017: $4.5m). 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. Responsibility for managing credit risk lies within the businesses with support being provided by Group and divisional management where appropriate.

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

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

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

Management review trade receivables across the Group based on receivable days calculations to assess performance. A table showing trade receivables and receivable days is provided in note 13. 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 2018 was $1,388.6m (2017: $1,283.2m). The Group treasury department monitors counterparty exposure on a global basis to avoid any over exposure to any one counterparty.

The Group's policy is to deposit cash at institutions with a credit rating of 'A' or better where possible. 100% of cash held on deposit at 31 December 2018 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 $1,253.6m undrawn portion of the Group's committed banking facilities. At 31 December 2018, 100% (2017: 100%) of the Group's principal borrowing facilities (including senior loan notes) were due to mature in more than one year. Based on the Group's latest forecasts the Group has sufficient funding in place to meet its future obligations.

Total facilities comprise a 5 year $1.75bn revolving credit facility and a $0.9bn 3 year term loan.

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

18 Financial instruments (continued)

(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 EBITDA at 31 December 2018 was 2.2 times (2017: 2.4 times). This ratio is calculated in accordance with the methodology prescribed in the Group's bank facility agreement. Net debt and EBITDA are adjusted to exclude the cash and profits of the Group's insurance captives and EBITDA is adjusted to add back share-based charges, to exclude the results of businesses disposed of during the year and to include the results of businesses acquired during the year as if they were acquired on 1 January.

Interest cover is calculated by dividing adjusted EBITA by net finance expense and was 6.4 times for the year ended 31 December 2018 (2017: 5.9 times). This ratio is also calculated in accordance with the methodology prescribed in the bank facility agreement. EBITA is adjusted to exclude the profits of the Group's insurance captives, to add back share-based charges, to exclude the results of businesses disposed of during the year and to include the results of businesses acquired during the year as if they were acquired on 1 January. Interest is adjusted to excluded non-cash interest charges in relation to pensions and discounting of liabilities.

Gearing is calculated by dividing net debt by equity attributable to owners of the parent. Gearing at 31 December 2018 was 33.7% (2017: 33.2%).

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. The process for valuation is consistently applied to all acquisitions.

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

Contingent consideration arising from business combinations	2018 $m	2017 $m
At 1 January	**61.2**	92.7
Exchange movements	**(1.0)**	1.8
Amounts provided in relation to new acquisitions	**-**	14.0
Interest relating to discounting of contingent consideration	**1.0**	2.3
Payments during the year	**(36.8)**	(32.1)
Amounts charged/(released) to the income statement	**2.2**	(17.5)
At 31 December	**26.6**	61.2

18 Financial instruments (continued)

Financial liabilities
The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2018	Less than 1 year $m	Between 1 and 2 years $m	Between 2 and 5 years $m	Over 5 years $m
Borrowings	**1,053.7**	**958.2**	**805.6**	**316.2**
Trade and other payables	**2,454.3**	**-**	**-**	**-**
Other non-current liabilities	**-**	**150.9**	**76.4**	**-**
At 31 December 2017				
Borrowings	607.8	64.6	2,162.1	327.6
Trade and other payables	2,227.9	-	-	-
Other non-current liabilities	-	224.5	88.8	-

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 the US Private Placement debt at 31 December 2018 was $366.9m (book value $375.0m).

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 2018 and 31 December 2017, there were no transfers into or out of level 2 fair value measurements.

19 Provisions

	Asbestos related litigation $m	Project related provisions $m	Obligations relating to disposed businesses $m	Other provisions $m	Total $m
At 1 January 2018 as reported	511.6	148.7	101.1	104.5	865.9
Fair value adjustments in relation to the acquisition of Amec Foster Wheeler	-	131.8	-	27.6	159.4
Reclassification (see page 30)	-	92.1	15.1	23.8	131.0
At 1 January 2018 as restated	511.6	372.6	116.2	155.9	1,156.3
Exchange movements	(4.1)	(1.3)	(5.1)	(5.7)	(16.2)
Utilised	(48.1)	(69.3)	(2.9)	(50.4)	(170.7)
Charge to income statement	-	-	-	26.2	26.2
Released to income statement	(7.8)	(5.1)	(12.1)	-	(25.0)
Change in discount rate	(9.0)	-	-	-	(9.0)
Unwinding of discount	10.8	-	-	-	10.8
Reclassifications	-	5.0	-	13.8	18.8
At 31 December 2018	**453.4**	**301.9**	**96.1**	**139.8**	**991.2**
Presented as					
Current	-	104.7	6.5	23.1	134.3
Non-current	453.4	197.2	89.6	116.7	856.9

At 31 December 2017, the Group had not fully finalised its assessment of the fair value of certain AFW assets and liabilities and the 2017 financial statements reflected the provisional assessment of the fair values at the acquisition date. During 2018, the Group has reassessed those fair values as a result of new information obtained about facts and circumstances that existed at the acquisition date, and recorded measurement period adjustments of $159.4m in provisions.

Following the acquisition of AFW, the Group has reviewed the classification of provisions and made adjustments to align the treatment of balances between legacy AFW and legacy Wood Group as well as adjusting for the immaterial classification impact of certain balances following the adoption of IFRS 15. A net amount of $131.0m has been reclassified to provisions with trade and other payables being reduced by $162.6m and trade and other receivables being reduced by $31.6m.

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.

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.

Some Amec Foster Wheeler US subsidiaries are named as defendants in numerous lawsuits and out-of-court administrative claims pending in the US in which the plaintiffs claim damages for alleged bodily injury or death arising from exposure to asbestos in connection with work performed, or heat exchange devices assembled, installed and/or sold, by these entities. 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

19 Provisions (continued)

through to 2050. Although we believe that these estimates are reasonable, the actual number of future claims brought against the Group 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 liability are updated, as appropriate.

The total liability recorded in the Group's balance sheet at 31 December 2018 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:

	2018			**2017**		
	US $m	**UK $m**	**Total $m**	**US $m**	**UK $m**	**Total $m**
Asbestos related provision						
Gross provision	**543.3**	**61.7**	**605.0**	589.0	73.2	662.2
Effect of discounting	**(100.4)**	**-**	**(100.4)**	(99.8)	-	(99.8)
Net provision	**442.9**	**61.7**	**504.6**	489.2	73.2	562.4
Insurance recoveries						
Gross recoveries	**(52.2)**	**(57.2)**	**(109.4)**	(66.8)	(68.5)	(135.3)
Effect of discounting	**2.9**	**-**	**2.9**	2.9	-	2.9
Net recoveries	**(49.3)**	**(57.2)**	**(106.5)**	(63.9)	(68.5)	(132.4)
Net asbestos related liabilities	**393.6**	**4.5**	**398.1**	425.3	4.7	430.0
Presented in accounts as follows						
Provisions – non-current			**453.4**			511.6
Trade and other payables			**51.2**			50.8
Trade and other receivables			**(16.3)**			(18.0)
Long term receivables			**(90.2)**			(114.4)
			398.1			430.0

In connection with updating the estimated asbestos liability and related assets, a net interest charge of $9.7m for the time value of money and a yield curve credit of $9.0m for increases in the US Federal funds rate in 2018 have been recorded.

19 Provisions (continued)

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

Number of open claims	2018 Number	2017 Number
At 1 January	**70,120**	81,720
New claims	**2,700**	3,200
Claims resolved	**(8,450)**	(14,800)
At 31 December	**64,370**	70,120
Claims not valued in liability	**(50,160)**	(54,750)
Open claims valued in liability at 31 December	**14,210**	15,370

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 its review of 2018 activity, the Group's advisors recommended no material changes to the current forecast other than adjustments for payments made in 2018 and the present value of interest. In 2018, the liability for asbestos indemnity and defence costs to 2050 was calculated at gross nominal amount of $543.3m (present value $442.9m), 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 2009 to 2018, 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.

19 Provisions (continued)

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	60-70
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. A change of 0.1% in the 10 year US federal funds rate would give rise to a change to the income statement charge/credit of approximately $3m.

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 US asbestos-related net cash impact for indemnity and defence costs and collection of insurance proceeds:

	2018 $m	2017 $m
Asbestos litigation, defence and case resolution payments	**46.6**	50.6
Insurance proceeds	**(14.6)**	(16.4)
Net asbestos related payments	**32.0**	34.2

The Group expects to have a net cash outflow of $35.1m as a result of asbestos liability indemnity and defence payments in excess of insurance proceeds during 2019. This estimate assumes no settlements with insurance companies and no elections by the Group to fund additional payments. As the Group continues to collect cash from insurance settlements, the asbestos-related insurance receivable recorded on our consolidated balance sheet will continue to 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.

Project related provisions
The Group has numerous provisions relating to the projects it undertakes for its customers. The value of these provisions rely on project specific judgements and estimates 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.

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 65% complete by value at 31 December 2018 and is expected to be operationally complete towards the end of 2019. Management's latest estimate is that the loss at completion will be $100.0m representing the expected cost to complete less estimated revenue to be earned. The full amount of this loss has been included in provisions. 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. In addition, the Group's assessment of the ultimate loss includes change orders which have not been agreed with the customer and management's assessment of liquidated damages and the current estimate is that these will not be settled until 2021. If the amounts agreed are different to the assumptions made then the ultimate loss will be different.

Chemical Plant Litigation in the United States
In 2013, one of Amec Foster Wheeler plc's subsidiaries contracted to engineer, procure and construct a chemical plant for a client in Texas. In December 2015 the client partially terminated the contract and in September 2016, terminated the remainder of the contract

19 Provisions (continued)

and commenced a lawsuit in Texas against the subsidiary and also Amec Foster Wheeler plc, seeking damages for breach of contract and warranty, gross negligence, and fraud. The claim amount is unspecified but the client alleges that the projected cost for the assigned scope of work is approximately $800 million above the alleged estimate and that the subsidiary's delays have caused it to suffer continuing monthly damages of $25 million due to the alleged late completion of the facility and resultant delay to the client's ability to sell the expected products from the facility. We understand that the facility was completed mechanically in late 2017 and began commercial operation in early 2018. The client seeks recovery of actual and punitive damages, as well as the disgorgement of the full project fixed fee paid to the subsidiary (approximately $66.5 million).

The Group believes that the claims lack legal and factual merit but have 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 which governs the dispute, is a reimbursable cost plus fixed fee contract, with no guaranteed price or schedule, wherein the client assumed joint responsibility for management of the work and development of the project schedule. Liability for consequential damages is barred, except in the case of wilful misconduct. Except for gross negligence, wilful misconduct, and warranty claims, overall liability is capped at 10 percent of the contract price (or approximately $100 million). Amec Foster Wheeler has denied the claims and intend to vigorously defend the lawsuit. It has also interposed a counterclaim in an amount to be determined. The lawsuit is in the early stages of proceedings and it would be premature to predict the ultimate outcome of the matter. The Group has a provision of $67.0m as at 31 December 2018 on this project against disallowed costs and warranties, which includes $29.0m included as a fair value adjustment on the acquisition of Amec Foster Wheeler.

Environmental obligations
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 2018, the Group held provisions totalling $36.1m for the estimated future environmental clean-up costs in relation to industrial facilities that it no longer operates. Whilst the timing of the related cash flows is typically uncertain, the Group expects that certain of its remediation obligations may continue for up to 60 years.

Project and environmental litigation

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

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

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

Obligations related to disposed businesses
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. As at 31 December 2018, the Group recognised indemnity provisions totalling $96.1m (2017: $116.2m). Indemnity provisions principally relate to businesses that were sold by Amec Foster Wheeler prior to its acquisition by the Group.

Other provisions
At 31 December 2018, other provisions of $139.8m (2017: $155.9m) have been recognised. This amount includes warranty provisions in respect of guarantees provided in the normal course of business relating to contract performance, property related provisions and amounts provided by the Group's insurance captives.

20 Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using the tax rate applicable to the territory in which the asset or liability has arisen. The UK rate of corporation tax, currently 19%, will reduce to 17% in April 2020. The Group has provided deferred tax in relation to UK companies at 18% (2017: 18%). The movement on the deferred tax account is shown below:

(Asset)/liability

	As at 1 January 2018 $m	Income statement $m	OCI $m	Other $m	As at 31 December 2018 $m
Accelerated capital allowances	10.7	2.2	1.2	0.1	14.2
Intangibles	307.7	(16.5)	(6.2)	(0.4)	284.6
Pension	52.3	(1.1)	15.5	0.1	66.8
Share based charges	(13.6)	(3.3)	1.3	1.9	(13.7)
Other temporary differences	7.8	5.0	(5.5)	1.9	9.2
Provisions	(213.1)	12.0	4.1	(1.8)	(198.8)
Unremitted earnings	48.1	(3.5)	(2.1)	-	42.5
Tax credits	(27.2)	0.5	0.1	25.1	(1.5)
Deferred interest deduction	(0.3)	(17.2)	0.5	-	(17.0)
Losses	(140.1)	(25.5)	4.1	-	(161.5)
Total	**32.3**	**(47.4)**	**13.0**	**26.9**	**24.8**

	As at 1 January 2017 $m	Acquisitions $m	Income statement $m	OCI $m	Other $m	As reported at 31 December 2017 $m	Remeasurement of fair value adjustments $m	Restated as at 31 December 2017 $m
Accelerated capital allowances	41.4	(25.8)	(8.2)	(0.3)	3.6	10.7	-	10.7
Intangibles	13.0	396.6	(114.2)	5.2	(2.6)	298.0	9.7	307.7
Pension	(1.4)	48.0	2.0	4.9	(1.2)	52.3	-	52.3
Share based charges	(17.3)	(3.9)	2.2	5.6	(0.2)	(13.6)	-	(13.6)
Other temporary differences	(9.0)	21.3	30.0	(3.8)	(30.7)	7.8	-	7.8
Provisions	(76.5)	(157.6)	55.6	(0.6)	(2.7)	(181.8)	(31.3)	(213.1)
Unremitted earnings	9.8	51.0	(13.2)	-	0.5	48.1	-	48.1
Tax credits	-	(51.3)	0.4	-	23.7	(27.2)	-	(27.2)
Deferred interest deduction	(10.7)	-	10.4	-	-	(0.3)	-	(0.3)
Losses	(35.9)	(58.6)	(23.1)	(1.7)	(1.7)	(121.0)	(19.1)	(140.1)
Total	**(86.6)**	**219.7**	**(58.1)**	**9.3**	**(11.3)**	**73.0**	**(40.7)**	**32.3**

Deferred tax is presented in the financial statements as follows:

	2018 $m	Restated 2017 $m
Deferred tax assets	**(87.8)**	(108.5)
Deferred tax liabilities	**112.6**	140.8
Net deferred tax liability	**24.8**	32.3

20 Deferred tax (continued)

No deferred tax liability has been recognised in respect of $22,052.9m of unremitted earnings 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 earnings is estimated to be $22.7m.

Under current legislation, earnings remitted to the UK from subsidiaries located in EEA countries are exempt from tax. Uncertainty over the outcome of Brexit could result in existing tax treaty rates being applied which would result in an estimated increase to the unrecognised deferred tax liability of $7.8m.

Recognition of $65.8m of deferred tax assets in relation to the US tax group is based on forecast profits of the US businesses.

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

The deferred tax balance at 31 December 2017 has been restated to reflect the finalisation of the acquisition accounting in relation to Amec Foster Wheeler as described on page 30.

The deferred tax balances are analysed below:-

31 December 2018

	Accelerated capital allowances $m	Intangibles $m	Pension $m	Share based charges $m	Other temporary differences $m	Provisions $m	Unremitted earnings $m	Tax credits $m	Deferred interest deduction $m	Losses $m	Netting $m	Total $m
Deferred tax assets	(30.2)	(129.6)	(6.7)	(13.7)	(12.4)	(198.8)	-	(1.5)	(17.0)	(161.5)	483.6	(87.8)
Deferred tax liabilities	44.4	414.2	73.5	-	21.6	-	42.5	-	-	-	(483.6)	112.6
Net	**14.2**	**284.6**	**66.8**	**(13.7)**	**9.2**	**(198.8)**	**42.5**	**(1.5)**	**(17.0)**	**(161.5)**	**-**	**24.8**

31 December 2017 (restated)

	Accelerated capital allowances $m	Intangibles $m	Pension $m	Share based charges $m	Other temporary differences $m	Provisions $m	Unremitted earnings $m	Tax credits $m	Deferred interest deduction $m	Losses $m	Netting $m	Total $m
Deferred tax assets	(34.5)	(150.1)	(6.7)	(13.6)	(35.3)	(213.1)	-	(27.2)	(0.3)	(140.1)	512.4	(108.5)
Deferred tax liabilities	45.2	457.8	59.0	-	43.1	-	48.1	-	-	-	(512.4)	140.8
Net	**10.7**	**307.7**	**52.3**	**(13.6)**	**7.8**	**(213.1)**	**48.1**	**(27.2)**	**(0.3)**	**(140.1)**	**-**	**32.3**

At 31 December 2018, the expiry dates of unrecognised gross deferred tax assets carried forward are as follows:

	Tax losses $m	Deductible temporary differences $m	Total $m
Expiring within 5 years	1,795.3	101.2	1,896.5
Expiring within 6-10 years	-	85.7	85.7
Expiring within 11-20 years	358.8	-	358.8
Unlimited	2,554.9	875.7	3,430.6
	4,709.0	**1,062.6**	**5,771.6**

21 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 Retention Plan ('LTRP'), the Long Term Plan ('LTP') and the Employee Share Plan. The charge to operating profit for these schemes for the year amounted to $18.7m (2017: $10.2m) and is included in administrative expenses with the corresponding credit included in retained earnings.

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

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

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

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

Cycle	**6**	**7**	**8**	**9**	**10**	**11**
Performance period	2013-15	2014-16	2015-17	2016-18	2017-19	2018-20
Fair value of awards	£7.53	£7.26	£5.95	£5.82	£8.54	£6.67
Type of award	Options	Options	Options	Options	Options	Options
Outstanding at 31/12/18	3,136	93,275	79,594	2,543,147	2,004,407	4,427,002

In addition to the awards above, 846,106 (2017: 960,633) options are outstanding at 31 December 2018 in respect of awards made under the Amec Foster Wheeler Long Term Incentive Plan. These awards were converted to Wood Group awards following the acquisition of Amec Foster Wheeler on 6 October 2017. The fair value of these awards is £7.00.

21 Share based charges (continued)

The awards outstanding under cycles 6, 7 and 8 represent 20% of the award at vesting which is deferred for two years.

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

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

	ESOS		LTRP		LTP	
	2018	2017	**2018**	2017	**2018**	2017
Number of participants	**113**	493	**-**	23	**104**	247
Lapse rate	**25%**	25%	**N/A**	20%	**10-20%**	10-20%
Risk free rate of return on grants during year	**N/A**	N/A	**N/A**	N/A	**0.71%-1.05%**	0.07%-0.34%
Share price volatility	**40%**	40%	**N/A**	40%	**40%**	40%
Dividend yield on grants during year	**N/A**	N/A	**N/A**	N/A	**3.91%**	3.60%
Fair value of options granted during year	**N/A**	N/A	**N/A**	N/A	**£4.59-£6.32**	£4.73-£6.81
Weighted average remaining contractual life	**3.8 years**	4.7 years	**N/A**	0.3 years	**2.7 years**	2.5 years
Options outstanding 1 January	**3,026,273**	3,850,154	**73,947**	482,062	**2,036,053**	1,800,364
Options granted during the year	**-**	-	**-**	-	**506,206**	728,736
Options exercised during the year	**(263,922)**	(487,873)	**(70,160)**	(395,739)	**(864,278)**	(355,906)
Options lapsed during the year	**(157,491)**	(336,008)	**(3,787)**	(12,376)	**(35,394)**	(159,621)
Dividends accrued on options	**-**	-	**-**	-	**16,947**	22,480
Options outstanding 31 December	**2,604,860**	3,026,273	**-**	73,947	**1,659,534**	2,036,053
No. of options exercisable at 31 December	**2,604,860**	2,189,367	**-**	73,947	**85,108**	50,502
Weighted average share price of options exercised during year	**£6.79**	£8.14	**£5.72**	£7.52	**£6.44**	£7.30

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 **2018**	2017	Exercise price (per share)	Exercise period
2008	**-**	25,000	381¾p	2012-2018
2009	**137,250**	178,750	222p	2013-2019
2010	**179,953**	247,114	377½p	2014-2020
2011	**234,135**	325,440	529½p	2015-2021
2012	**459,803**	508,446	680½p	2016-2022
2013	**823,500**	904,617	845⅓p	2017-2023
2014	**770,219**	836,906	767⅔p	2018-2024
	2,604,860	3,026,273		

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.

21 Share based charges (continued)

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

Year of Grant	Number of ordinary shares under option 2018	2017	Exercise price (per share)	Exercise period
2013	**-**	73,947	$4^2/_7$p	2017-2018
	-	73,947		

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

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

Year of Grant	Number of ordinary shares under option 2018	2017	Exercise price (per share)	Exercise period
2013	**-**	7,500	0.00p	2017-2018
2014	**74,242**	639,292	0.00p	2018-2019
2015	**-**	43,002	0.00p	2017-2018
2015	**140,000**	163,645	0.00p	2019-2020
2016	**10,866**	235,228	0.00p	2018-2019
2016	**225,000**	237,083	0.00p	2020-2021
2017	**190,303**	190,303	0.00p	2019-2020
2017	**512,917**	520,000	0.00p	2021-2022
2018	**221,236**	-	0.00p	2020-2021
2018	**284,970**	-	0.00p	2022-2023
	1,659,534	2,036,053		

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

Employee share plan

The Group introduced an Employee Share Plan 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 three shares purchased, providing they remain in employment for a further year. During 2018, 157,148 shares were awarded in relation to the first year of the plan and it is anticipated that 225,464 shares in relation to the second year will be awarded in March 2019.

Amec Foster Wheeler also had an Employee Share Plan. Awards under this scheme were converted to Wood Group awards following the acquisition on 6 October 2017. At 31 December 2018, 551,274 (2017: 1,099,016) options were outstanding under this scheme.

22 Share capital

Ordinary shares of $4^2/_7$ pence each (2017: $4^2/_7$ pence) **Issued and fully paid**	**shares**	**2018** **$m**	shares	2017 $m
At 1 January	**677,692,296**	**40.5**	381,025,384	23.9
Allocation of new shares to employee share trusts	**3,800,000**	**0.2**	2,150,000	0.1
Shares issued in relation to acquisition of Amec Foster Wheeler	**-**	**-**	294,510,217	16.5
Shares issued to satisfy option exercises	**47,073**	**-**	6,695	-
At 31 December	**681,539,369**	**40.7**	677,692,296	40.5

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.

23 Share premium

	2018 **$m**	2017 $m
At 1 January and 31 December	**63.9**	63.9

The shares allocated to the trust during the year were issued at $4^2/_7$ pence (2017: $4^2/_7$ pence).

24 Retained earnings

	2018 **$m**	2017 $m
At 1 January	**1,935.2**	2,098.0
Loss for the year attributable to owners of the parent	**(8.9)**	(32.4)
Dividends paid (note 7)	**(231.0)**	(125.6)
Credit relating to share based charges (note 21)	**18.7**	10.2
Share based charges allocated to AFW purchase consideration	**-**	2.1
Re-measurement gain/(loss) on retirement benefit liabilities (note 31)	**118.0**	(1.2)
Movement in deferred tax relating to retirement benefit liabilities	**(20.5)**	0.7
Shares allocated to employee share trusts	**(0.2)**	(0.1)
Shares disposed of by employee share trusts	**1.7**	2.4
Gain on sale of shares sold by employee share trusts	**-**	3.2
Tax relating to share option schemes	**(0.7)**	(4.2)
Deferred tax impact of rate change in equity	**1.8**	(4.0)
Tax on derivative financial instruments	**0.6**	-
Exchange movements in respect of shares held by employee share trusts	**6.5**	(9.9)
Transactions with non-controlling interests (note 27)	**(14.5)**	(4.0)
At 31 December	**1,806.7**	1,935.2

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 (2017: nil).

24 Retained earnings (continued)

Shares held by employee share trusts

	2018		2017	
	Shares	**$m**	Shares	$m
Balance 1 January	**9,107,787**	**113.1**	9,097,352	105.5
New shares allocated	**3,800,000**	**0.2**	2,150,000	0.1
Shares issued to satisfy option exercises	**(1,198,360)**	**(1.7)**	(1,239,518)	(2.3)
Shares issued to satisfy awards under Long Term Incentive Plan	**(345,067)**	**-**	(478,611)	-
Shares issued to satisfy awards under Employee Share Plan	**(163,961)**	**-**	(436)	-
Shares issued to satisfy awards under AFW schemes	**(3,005)**	**-**	-	-
Sale of shares by JWG Trustees Ltd	**-**	**-**	(421,000)	(0.1)
Exchange movement	**-**	**(6.5)**	-	9.9
Balance 31 December	**11,197,394**	**105.1**	9,107,787	113.1

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

The costs of funding and administering the trusts are charged to the income statement in the period to which they relate. The market value of the shares at 31 December 2018 was $72.2m (2017: $80.1m) based on the closing share price of £5.06 (2017: £6.50). The employee share trusts have waived their rights to receipt of dividends on ordinary shares.

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

25 Merger reserve

	2018 $m	2017 $m
At 1 January	**2,790.8**	-
Shares issued in relation to acquisition of Amec Foster Wheeler	**-**	2,790.8
At 31 December	**2,790.8**	2,790.8

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

26 Other reserves

	Capital reduction reserve $m	Capital redemption reserve $m	Currency translation reserve $m	Hedging reserve $m	Total $m
At 1 January 2017	88.1	439.7	(517.4)	(1.0)	9.4
Cash flow hedges	-	-	-	1.3	1.3
Exchange movement on retranslation of foreign operations	-	-	119.2	-	119.2
At 31 December 2017	**88.1**	**439.7**	**(398.2)**	**0.3**	**129.9**
Cash flow hedges	-	-	-	(4.7)	(4.7)
Exchange movement on retranslation of foreign operations	-	-	(236.5)	-	(236.5)
At 31 December 2018	**88.1**	**439.7**	**(634.7)**	**(4.4)**	**(111.3)**

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

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

The currency translation reserve relates to the retranslation of foreign currency net assets on consolidation. This was reset to zero on transition to IFRS at 1 January 2004. The movement during the year relates to the retranslation of foreign 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.

27 Non-controlling interests

	2018 $m	2017 $m
At 1 January	**11.7**	13.0
Exchange movements	**(1.2)**	-
Share of profit for the year	**1.3**	2.4
Dividends paid to non-controlling interests	**(5.9)**	(4.5)
Transactions with non-controlling interests	**13.1**	0.8
At 31 December	**19.0**	11.7

The Group acquired minority shareholdings during the year for $0.2m. Transactions with non-controlling interests includes $14.3m representing the share of net liabilities acquired with $14.5m being recorded against retained earnings. The remaining balance in transactions with non-controlling interests includes the acquisition of an additional shareholding in Amec Foster Wheeler Energy and Partners Engineering Company. See note 29 for more details.

28 Cash generated from operations

	Note	2018 $m	2017 $m
Reconciliation of operating profit to cash generated from operations:			
Operating profit from continuing operations		**165.3**	36.4
Less share of post-tax profit from joint ventures		**(34.4)**	(31.3)
		130.9	5.1
Adjustments for:			
Depreciation	**10**	**51.6**	41.8
Loss/(gain) on disposal of property plant and equipment	**4**	**1.4**	(1.3)
Gain on disposal of investment in joint ventures	**29**	**(15.3)**	-
Impairment of property plant and equipment	**10**	**0.7**	2.7
Amortisation of intangible assets	**9**	**246.3**	139.4
Share based charges	**21**	**18.7**	10.2
Decrease in provisions	**19**	**(182.8)**	(75.8)
Dividends from joint ventures	**11**	**38.5**	32.0
Exceptional items – non-cash impact	**1,5**	**107.0**	99.8
Changes in working capital (excluding effect of acquisition and divestment of subsidiaries)			
Decrease/(increase) in inventories		**0.1**	(0.4)
Decrease in receivables		**88.9**	287.3
Decrease/(increase) in payables		**173.6**	(302.9)
Exchange movements		**(34.3)**	12.1
Cash generated from operations		**625.3**	250.0

Analysis of net debt

	At 1 January 2018 $m	Cash flow $m	Exchange movements $m	Other changes $m	At 31 December 2018 $m
Short-term borrowings (note 16)	(543.2)	(448.9)	7.6	-	(984.5)
Finance leases (note 34)	(50.0)	14.7	0.3	-	(35.0)
Long-term borrowings (note 16)	(2,336.1)	407.8	0.4	10.6	(1,917.3)
	(2,929.3)	**(26.4)**	**8.3**	**10.6**	**(2,936.8)**
Cash and cash equivalents (note 14)	1,225.5	164.8	(37.6)	-	1,352.7
Cash included in assets held for sale (note 29)	-	24.2	-	-	24.2
Restricted cash (note 13)	26.5	(14.8)	-	-	11.7
Bank deposits (more than three months) (note 13)	31.2	(30.6)	(0.6)	-	-
Net debt	**(1,646.1)**	**117.2**	**(29.9)**	**10.6**	**(1,548.2)**

Notes to the financial statements
for the year to 31 December 2018

29 Acquisitions and divestments

Acquisitions

In September 2018, the Group paid $2.1m to acquire an additional 25% shareholding in Amec Foster Wheeler Energy and Partners Engineering Company. The results of this entity, which was previously accounted for as an equity joint venture, are fully consolidated from the date the additional shareholding was acquired. The assets and liabilities acquired are set out below –

	$m
Assets and liabilities acquired	
Property, plant and equipment	0.6
Trade and other receivables	15.1
Cash and cash equivalents	8.9
Trade and other payables	(28.3)
	(3.7)
Fair value of investments disposed	1.1
Non-controlling interests	0.9
Net liabilities acquired	**(1.7)**
Consideration paid	2.1
Goodwill	**3.8**

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

	$m
Cash consideration for acquisitions in year	(2.1)
Cash consideration relating to acquisitions in prior periods	(36.8)
Cash acquired	8.9
Net cash outflow	**(30.0)**

Contingent consideration payments of $36.8m were made during the year in respect of acquisitions made in prior periods. Total deferred and contingent consideration outstanding at 31 December 2018 amounted to $26.6m (2017: $61.2m). See note 18 for further details.

29 Acquisitions and divestments (continued)

The Group acquired Amec Foster Wheeler on 6 October 2017 for a total consideration of $2,809.4m. The acquisition accounting at 31 December 2017 reflected the provisional fair values of the assets and liabilities acquired. During 2018, the Group has reassessed the fair values as a result of new information obtained about facts and circumstances that existed at the acquisition date and recorded measurement period adjustments of $159.4m in provisions (see note 19), $12.9m in trade and other receivables and $17.4m in trade and other payables. A $40.7m deferred tax asset and a $16.9m reduction to income tax liabilities has also been recorded in relation to these adjustments and $132.1m has been added to goodwill.

After completing the assessment of the valuation of the brands intangible assets, $43.2m of the $727.1m brand intangible asset recognised on acquisition of AFW has been reallocated to goodwill to better allocate the consideration paid to assets acquired.

The assets and liabilities acquired are set out in the table below.

	As per 2017 accounts $m	2018 adjustments $m	Final $m
Property plant and equipment	83.4	-	**83.4**
Intangible assets recognised	1,343.6	(43.2)	**1,300.4**
Other intangible assets	35.1	-	**35.1**
Investment in joint ventures	55.5	-	**55.5**
Retirement benefit scheme surplus	147.3	-	**147.3**
Long term receivables	167.3	-	**167.3**
Inventories	6.7	-	**6.7**
Trade and other receivables	1,861.4	(12.9)	**1,848.5**
Assets held for sale	582.6	-	**582.6**
Bank deposits (more than three months)	30.1	-	**30.1**
Cash and cash equivalents	443.7	-	**443.7**
Borrowings	(1,809.7)	-	**(1,809.7)**
Finance leases	(49.5)	-	**(49.5)**
Trade and other payables	(1,902.8)	(17.4)	**(1,920.2)**
Liabilities held for sale	(326.2)	-	**(326.2)**
Current tax liabilities	(149.1)	16.9	**(132.2)**
Deferred tax	(219.7)	40.7	**(179.0)**
Provisions	(822.4)	(159.4)	**(981.8)**
Non-current liabilities	(181.2)	-	**(181.2)**
	(703.9)	(175.3)	**(879.2)**
Non-controlling interests	(1.2)	-	**(1.2)**
	(705.1)	(175.3)	**(880.4)**
Goodwill	3,514.5	175.3	**3,689.8**
Consideration	2,809.4	-	**2,809.4**

The pro-forma results of the Group, on the basis that Amec Foster Wheeler was acquired on 1 January 2017 are presented in the Financial Review in the Group's Annual Report. The figures for the pre-acquisition period have been extracted from the management accounts of Amec Foster Wheeler, are unaudited and show Group revenue of $9,881.8m and EBITA of $597.7m for the year ended 31 December 2017.

29 Acquisitions and divestments (continued)

Divestments

During 2018, the Group disposed of its 50% interest in the Voreas S.r.l wind farm for a cash consideration of $25.9m. In December 2018, the Group signed a sale and purchase agreement to dispose of its 25% interest in Road Management Services (A13) Holdings Limited for $11.5m, $2.8m of which was deferred. At 31 December 2018, the disposal remained subject to minor conditions precedent with the deal being completed in February 2019. These investments were part of the Group's Investment Services business unit.

The accounting for the disposals is shown below -:

	$m
Gross proceeds received	34.6
Deferred consideration	2.8
Total consideration	**37.4**
Net assets disposed	
Investment in joint ventures	(20.9)
Gross gain	16.5
Disposal costs	(1.2)
Net gain	**15.3**

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

	$m
Gross proceeds received	34.6
Disposal costs paid	(1.2)
Cash inflow	**33.4**

Assets and liabilities held for sale

Amounts categorised as held for sale at 31st December include the assets and liabilities of Amec Foster Wheeler Power Machinery Company Limited (which is part of the Investment Services reportable segment) and the assets and liabilities of the Group's minerals conveyer business which is part of STS. The composition of the amounts included in the Group balance sheet is set out below.

	$m
Assets held for sale	
Property plant and equipment	8.8
Investment in joint ventures	1.1
Trade and other receivables	23.6
Income tax receivable	1.2
Cash and cash equivalents	24.2
	58.9
Liabilities held for sale	
Trade and other payables	**27.3**
Net assets held for sale	**31.6**

30 Employees and directors

Employee benefits expense	2018 $m	2017 $m
Wages and salaries	**4,032.6**	2,458.0
Social security costs	**358.5**	197.1
Pension costs – defined benefit schemes (note 31)	**1.5**	0.2
Pension costs – defined contribution schemes (note 31)	**146.9**	76.1
Share based charges (note 21)	**18.7**	10.2
	4,558.2	2,741.6

Average monthly number of employees (including executive directors)	2018 No.	2017 No.
By geographical area:		
UK	**10,538**	6,972
US	**18,682**	11,350
Rest of the World	**20,824**	10,709
	50,044	29,031

The average number of employees excludes contractors and employees of joint venture companies. The 2017 comparatives include employees of Amec Foster Wheeler for the last three months of the year.

Key management compensation	2018 $m	2017 $m
Salaries and short-term employee benefits	**8.5**	7.5
Amounts receivable under long-term incentive schemes	**2.1**	1.3
Social security costs	**1.2**	1.0
Post-employment benefits	**0.2**	0.2
Share based charges	**2.9**	1.7
	14.9	11.7

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 2018, key management held 0.1% of the voting rights of the company.

Directors	2018 $m	2017 $m
Aggregate emoluments	**3.5**	2.9
Aggregate amounts receivable under long-term incentive schemes	**0.8**	0.6
Aggregate gains made on the exercise of share options	**0.4**	0.7
Share based charges	**1.1**	0.6
	5.8	4.8

At 31 December 2018, two directors (2017: two) had retirement benefits accruing under a defined contribution pension plan and no directors (2017: none) had benefits accruing under a defined benefit pension scheme. Further details of directors' emoluments are provided in the Directors' Remuneration Report.

31 Retirement benefit schemes

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

At 31 December 2017, the three largest schemes were the Amec Foster Wheeler Pension Plan ('AFW Pension Plan') and the John Wood Group PLC Retirement Benefit Scheme ('JWG RBS') in the UK and the Foster Wheeler Inc Pension Plan in the US. During 2018, the Foster Wheeler Inc Pension Plan (now known as the FW Inc SERP) was restructured with an element of the defined benefit obligation being transferred into a new scheme, the Foster Wheeler Inc Pension Plan for Certain Employees (FW Inc PPCE).

The valuations used are based on the valuation of Amec Foster Wheeler Pension Plan as at 31 March 2017, the valuation of the John Wood Group PLC Retirement Benefit Scheme as at 5 April 2016 and the valuation of the Foster Wheeler Inc SERP/PPCE as at 1 January 2017. The scheme valuations have been updated by the schemes' actuaries for the requirement to assess the present value of the liabilities of the schemes as at 31 December 2018. The assets of the schemes are stated at their aggregate market value as at 31 December 2018.

Group 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 both the Amec Foster Wheeler Pension Plan and the John Wood Group PLC Retirement Benefit Scheme as 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 balance sheet date was as follows –

	2018 JWG PLC RBS	**2018 AFW Pension Plan**	**2018 FW Inc SERP**	**2018 FW Inc PPCE**	**2017 JWG PLC RBS**	**2017 AFW Pension Plan**	**2017 FW Inc Pension Plan**
Deferred members	**640**	**8,812**	**639**	**740**	689	9,766	1,570
Pensioner members	**441**	**9,689**	**2,453**	**777**	419	9,546	3,234

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

	2018 JWG PLC RBS %	**2018 AFW Pension Plan %**	**2018 FW Inc SERP %**	**2018 FW Inc PPCE %**	**2017 JWG PLC RBS %**	**2017 AFW Pension Plan %**	**2017 FW Inc Pension Plan %**
Discount rate	**2.9**	**2.9**	**4.1**	**4.1**	2.5	2.5	3.4
Rate of increase in pensions in payment and deferred pensions	**3.0**	**2.8**	**N/A**	**N/A**	3.2	2.7	N/A
Rate of retail price index inflation	**3.1**	**3.1**	**N/A**	**N/A**	3.3	3.1	N/A
Rate of consumer price index inflation	**2.1**	**N/A**	**N/A**	**N/A**	2.3	N/A	N/A

The mortality assumptions used to determine pension liabilities in the main schemes at 31 December 2018 were as follows –

Scheme	**Mortality assumption**
JWG PLC RBS	S2NA mortality tables with CMI 2017 projections and a long-term rate of improvement of 1.25% pa
AFW Pension Plan	Scheme specific table with CMI 2017 projections and a long-term rate of improvement of 1.25% pa
FW Inc SERP and FW Inc PPCE	RP-2014 Employee and Annuitant tables for males and females with generational projection using scale MMP-2018 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.

31 Retirement benefit schemes (continued)

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

	2018 JWG PLC RBS	**2018 AFW Pension Plan**	**2018 FW Inc SERP**	**2018 FW Inc PPCE**	**2017 JWG PLC RBS**	**2017 AFW Pension Plan**	**2017 FW Inc Pension Plan**
Life expectancy at age 65 of male aged 45	**23.6**	**23.9**	**22.2**	**21.8**	24.3	24.4	21.9
Life expectancy at age 65 of male aged 65	**22.2**	**22.6**	**20.6**	**20.5**	22.5	22.6	20.5
Life expectancy at age 65 of female aged 45	**25.7**	**25.6**	**24.1**	**23.6**	26.6	26.3	23.7
Life expectancy at age 65 of female aged 65	**24.2**	**24.1**	**22.5**	**22.4**	24.7	24.3	22.4

The amounts recognised in the income statement are as follows:

	2018 $m	2017 $m
Current service cost	**1.5**	0.2
Past service cost	**25.2**	-
Total included within operating profit	**26.7**	0.2
Interest cost	**109.4**	36.2
Interest income on scheme assets	**(109.9)**	(33.6)
Total included within finance (income)/expense	**(0.5)**	2.6

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

	2018 $m	2017 $m
Present value of funded obligations	**(3,808.1)**	(4,354.9)
Fair value of scheme assets	**4,050.8**	4,522.6
Net surplus	**242.7**	167.7

31 Retirement benefit schemes (continued)

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

	2018 $m	2017 $m
Present value of funded obligations at 1 January	**4,354.9**	246.3
Acquired	**-**	3,882.3
Current service cost	**1.5**	0.2
Past service cost	**25.2**	-
Interest cost	**109.4**	36.2
Contributions	**2.1**	-
Re-measurements:		
- actuarial (gains)/losses arising from changes in financial assumptions	**(234.0)**	90.3
- actuarial (gains)/losses arising from changes in demographic assumptions	**(21.6)**	15.3
- actuarial losses arising from changes in experience	**12.6**	15.4
Benefits paid	**(227.5)**	(83.1)
Settlement of unfunded liability	**-**	(8.5)
Exchange movements	**(214.5)**	160.5
Present value of funded obligations at 31 December	**3,808.1**	4,354.9

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

	2018 $m	2017 $m
Fair value of scheme assets at 1 January	**4,522.6**	239.3
Acquired	**-**	4,029.6
Interest income on scheme assets	**109.9**	33.6
Contributions	**14.5**	14.9
Benefits paid	**(226.3)**	(80.9)
Re-measurement gain on scheme assets	**(125.0)**	115.8
Actuarial movement arising from changes in financial assumptions	**-**	4.0
Expenses paid	**(6.2)**	(2.4)
Exchange movements	**(238.7)**	168.7
Fair value of scheme assets at 31 December	**4,050.8**	4,522.6

31 Retirement benefit schemes (continued)

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

	2018 $m	2017 $m
Surplus/(deficit) at 1 January	**167.7**	(7.0)
Acquired	**-**	147.3
Current service cost	**(1.5)**	(0.2)
Past service cost	**(25.2)**	-
Finance (income)/cost	**0.5**	(2.6)
Contributions	**12.4**	14.9
Re-measurement gains/(losses) recognised in the year	**118.0**	(1.2)
Benefits paid	**1.2**	2.2
Expenses paid	**(6.2)**	(2.4)
Settlement of unfunded liability	**-**	8.5
Exchange movements	**(24.2)**	8.2
Surplus at 31 December	**242.7**	167.7

The past service cost comprises $31.9m relating to the impact of GMP equalisation on the JWG PLC Retirement Benefit Scheme and the AFW Pension Plan less a $6.7m past service credit in respect of the Foster Wheeler Inc Pension Plan.

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

	2018 $m	2017 $m
JWG PLC Retirement Benefit Scheme	**35.5**	22.9
AFW Pension Plan	**369.4**	308.6
Retirement benefit scheme surplus	**404.9**	331.5
Foster Wheeler Inc SERP/PPCE	**(25.9)**	(80.6)
All other schemes	**(136.3)**	(83.2)
Retirement benefit scheme deficit	**(162.2)**	(163.8)
Net surplus	**242.7**	167.7

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

	2018 JWG PLC RBS %	2018 AFW Pension Plan %	2018 FW Inc SERP %	2018 FW Inc PPCE %	2017 JWG PLC RBS %	2017 AFW Pension Plan %	2017 FW Inc Pension Plan %
Deferred members of the scheme	**74.0**	**45.1**	**22.0**	**24.5**	75.3	48.0	24.7
Pensioner members of the scheme	**26.0**	**54.9**	**78.0**	**75.6**	24.7	52.0	75.3

31 Retirement benefit schemes (continued)

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

	2018 JWG PLC RBS years	2018 AFW Pension Plan years	2018 FW Inc SERP years	2018 FW Inc PPCE years	2017 JWG PLC RBS years	2017 AFW Pension Plan years	2017 FW Inc Pension Plan years
Duration of defined benefit obligation	**19.4**	**17.2**	**8.7**	**9.0**	20.0	17.8	9.7

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

	2018 JWG PLC RBS %	2018 AFW Pension Plan %	2018 FW Inc SERP %	2018 FW Inc PPCE %	2017 JWG PLC RBS %	2017 AFW Pension Plan %	2017 FW Inc Pension Plan %
Equities	**62.9**	**12.7**	**60.0**	**60.0**	66.9	34.3	60.0
Property	**8.0**	**8.4**	**-**	**-**	7.1	7.9	-
Bonds (including gilts)	**11.3**	**75.4**	**40.0**	**40.0**	10.9	52.7	40.0
Liability driven investments	**11.9**	**-**	**-**	**-**	11.3	-	-
Cash	**3.6**	**3.0**	**-**	**-**	1.5	4.1	-
Other	**2.3**	**0.5**	**-**	**-**	2.3	1.0	-
	100.0	**100.0**	**100.0**	**100.0**	100.0	100.0	100.0

A large proportion of equities, bonds, cash and liability driven investments have quoted prices in active markets.

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.

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.

31 Retirement benefit schemes (continued)

The JWG PLC RBS holds a small allocation of liability driven investments, the objective of which is to make use of derivatives to help the assets match the movement in the value of the liabilities caused by changes in the outlook for long-term interest rates and inflation, providing some protection against these risks.

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

Approximate impact on scheme liabilities	**JWG PLC RBS $m**	**AFW Pension Plan $m**	**FW Inc SERP $m**	**FW Inc PPCE $m**
Discount rate				
Plus 0.1%	**(3.8)**	**(53.7)**	**(0.9)**	**(1.8)**
Minus 0.1%	**4.0**	**55.0**	**0.9**	**1.9**
Inflation				
Plus 0.1%	**3.0**	**32.2**	**N/A**	**N/A**
Minus 0.1%	**(2.9)**	**(31.9)**	**N/A**	**N/A**
Life expectancy				
Plus 1 year	**5.4**	**112.1**	**3.7**	**7.5**
Minus 1 year	**(5.5)**	**(111.2)**	**(3.7)**	**(7.5)**

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

The contributions expected to be paid during the financial year ending 31 December 2019 amount to $17.8m.

Defined contribution plans
Pension costs for defined contribution plans were as follows:

	2018 $m	2017 $m
Defined contribution plans	**146.9**	76.1

There were no material contributions outstanding at 31 December 2018 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 $0.4m (2017: $0.6m) to the arrangement. Contributions are invested in a portfolio of US funds and the fair value of the funds at the balance sheet date are recognised by the Group in other investments. Investments held by the Group at 31 December amounted to $76.4m (2017: $83.8m) and will be used to pay benefits when employees retire. The corresponding liability is recorded in other non-current liabilities.

32 Operating lease commitments – minimum lease payments

	2018 $m	2017 $m
Amounts payable under non-cancellable operating leases due:		
Within one year	**160.1**	176.4
Later than one year and less than five years	**420.3**	461.1
After five years	**172.3**	225.8
	752.7	863.3

The Group leases various offices, facilities, vehicle and plant & equipment under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights. The new accounting standard for leases, IFRS 16 is effective for accounting periods beginning on or after 1 January 2019. The impact of IFRS 16 on the Group financial statements is explained in 'Accounting policies' under the heading 'Disclosure of impact of new and future accounting standards'.

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. 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.

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

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

Investigations
The Group has received voluntary requests for information from, and continues to cooperate with, the US Securities and Exchange Commission ("SEC") and the US Department of Justice ("DOJ") in connection with their ongoing investigations into Amec Foster Wheeler in relation to Unaoil and in relation to historical use of agents and certain other business counterparties by Amec Foster Wheeler and its legacy companies in various jurisdictions. Amec Foster Wheeler made a disclosure to the UK Serious Fraud Office ("SFO") about these matters and, in April 2017, in connection with the SFO's investigation into Unaoil, the SFO required Amec Foster Wheeler to produce information relating to any relationship of Amec Foster Wheeler with Unaoil or certain other third parties. In July 2017, the SFO opened an investigation into Amec Foster Wheeler, predecessor companies and associated persons. The investigation focuses on the past use of third parties and possible bribery and corruption and related offences and relates to various jurisdictions. The Group is co-operating with and assisting the SFO in relation to this investigation. Notifications of certain matters within the above investigations have also been made to the relevant authorities in Brazil (namely, the Federal Prosecution Service and the Office of the Comptroller General).

33 Contingent liabilities (continued)

Independently, the Group has conducted an internal investigation into the historical engagement of Unaoil by legacy Wood Group companies, reviewing information available to the Group in this context. This internal investigation confirmed that a legacy Wood Group joint venture engaged Unaoil and that the joint venture made payments to Unaoil under agency agreements. In September 2017, the Group informed the Crown Office and Procurator Fiscal Service ("COPFS"), the relevant authority in Scotland, of the findings of the internal investigation. The Group understands that COPFS and the SFO commenced a process to determine which authority would be responsible for the matter going forward, in line with the memorandum of understanding between them. This process has now completed, resulting in a decision that COPFS has jurisdiction. The Group intends to engage in a cooperative manner with COPFS regarding this matter.

Depending on the outcome of the above matters, the Group could face potential civil and criminal consequences, as well as other adverse consequences for its operations and business including financial penalties and restrictions from participating in public contracts. At this time, however, it is not possible to make a reliable estimate of the expected financial effect, if any, that may arise in relation to any of those matters and therefore no provision has been made for them in the financial statements.

Tax planning

The Group undertakes tax planning which is compliant with current legislation and accepted practice. Recent changes to the tax environment, including the OECD's project around Base Erosion and Profit Shifting have brought into question tax planning previously undertaken by multinational entities. There have been several recent high profile tax cases against tax authorities and large groups. The European Commission continues formal investigations to examine whether decisions by the tax authorities in certain European countries comply with European Union rules and has issued judgements in some cases which are being contested by the groups and the countries affected. The Group is monitoring the outcome of these cases in order to understand whether there is any risk to the Group. Specifically, the EC has challenged the UK Controlled Foreign Companies (CFC) rules in relation to an exemption for certain financing income. Based on the Group's current assessment of such issues including increased uncertainties around the UK's exit from the European Union, it is too early to speculate on the likelihood of liabilities arising, and as a result, it is not currently considered probable that there will be an outflow in respect of these issues and no provision has been made in the financial statements. The maximum potential exposure to the Group of the EC CFC challenge, including interest, is around $66m.

Mount Polley

During 2018, the contingent liability that existed at 31 December 2017 in relation to pollution at the Mount Polley dam in British Columbia in Canada was settled by the Group's insurers.

34 Capital and other financial commitments

	2018 $m	2017 $m
Contracts placed for future capital expenditure not provided in the financial statements	**8.3**	18.5

The capital expenditure above relates to property plant and equipment.

Finance lease and hire purchase commitments

The Group has finance leases and hire purchase contracts for various items of property and deferred payment arrangements which are similar to finance leases for software. These leases have terms of renewal, but no purchase options or escalation clauses. Renewals are at the option of the specific entity that holds the lease.

Future minimum lease payments under finance leases and hire purchase contracts together with the present value of future minimum lease payments are as follows:

		2018		2017
	Minimum payments $m	**Present value of payments $m**	Minimum payments $m	Present value of payments $m
Payments due:				
Within one year	**11.7**	**9.8**	20.9	18.6
Later than one year and less than five years	**27.8**	**25.2**	34.5	31.4
Total minimum lease payments	**39.5**	**35.0**	55.4	50.0
Less amounts representing finance charges	**(4.5)**	**-**	(5.4)	-
Present value of minimum lease payments	**35.0**	**35.0**	50.0	50.0

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.

	2018 $m	2017 $m
Sale of goods and services to joint ventures	**60.5**	9.5
Purchase of goods and services from joint ventures	**13.5**	8.1
Receivables from joint ventures	**97.2**	131.2
Payables to joint ventures	**3.1**	14.3

In addition, the Group made $15.2m (2017: $47.7m) of sales to a joint venture which acts only as a transactional entity between the Group and the Group's end customer (at nil gain or loss) and does not trade independently.

Key management compensation is disclosed in note 30.

The Group currently pays an annual fee of £15,000 (2017: £15,000) to Dunelm Energy, a company in which Ian Marchant, the Group Chairman, has an interest, for secretarial and administration services and the provision of office space.

36 Post balance sheet events

In December 2018, the Group signed a sale and purchase agreement for the disposal of its 52% interest in the Amec Foster Wheeler Power Machinery Company Limited, a fabrication and manufacturing facility in China. This disposal was completed in March 2019. In January 2019, the Group sold its 41.65% share in the Centro Energia Teverola S.r.l and Centro Energia Ferrara S.r.l combined cycle gas power plants in Italy. The businesses referred to in this note are part of the Investment Services business unit.

Notes to the financial statements
for the year to 31 December 2018

37 Subsidiaries and joint ventures

The Group's subsidiary and joint venture undertakings at 31 December 2018 are listed below. All subsidiaries are fully consolidated in the financial statements. Ownership interests noted in the table reflect holdings of ordinary shares.

Subsidiaries		
Company Name	**Registered Address**	**Ownership Interest %**
Algeria		
SARL Wood Group Algeria	Cite Zone Industrielle BP 504, Hassi Messaoud, Algeria	100
Wood Group Somias SPA	PO Box 67, Elmalaha Road (Route des Salines), Elbouni, Annaba, Algeria	55
Angola		
Production Services Network Angola Limited	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		
AGRA Argentina S.A.	25 de Mayo 596, piso 8º, C1002ABL, Buenos Aires, Argentina	100
Foster Wheeler E&C Argentina S.A.	Paraguay 1866, Buenos Aires, Argentina	100
ISI Mustang (Argentina) S.A.	Pedro Molina 714, Provincia de Mendoza, Ciudad de Mendoza, Argentina	100
Australia		
Altablue Australia Pty Ltd	Wood Group House, Level 1, 432 Murray Street, Perth, WA 6000, Australia	100
AMEC Australia Finance Company Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
Amec Foster Wheeler Australia Holding Company Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
Amec Foster Wheeler Australia Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
Amec Foster Wheeler BG Holdings Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
Amec Foster Wheeler Engineering Holdings Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
Amec Foster Wheeler Engineering Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
Amec Foster Wheeler Zektin Architecture Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
AMEC Zektin Group Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
Aus-Ops Pty Ltd	Wood Group House, Level 1, 432 Murray Street, Perth, WA 6000, Australia	100
Foster Wheeler (WA) Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
GRD Asia Holdings Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
GRD Investments Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
GRD New Zealand Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
GRD Pty Limited	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
GRD Renewables Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
Innofield Services Pty Ltd	Wood Group House, 432 Murray Street, Perth, WA 6000, Australia	100
Minproc Technology Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
Mustang Engineering Pty. Ltd.	Wood Group House, Level 6, 432 Murray Street, Perth, WA 6000, Australia	100
ODL Pty Ltd	Wood Group House, Level 6, 432 Murray Street, Perth, WA 6000, Australia	100
Qedi Completions & Commissioning Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
Rider Hunt International (WA) Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
S2V Consulting Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
SVT Holdings Pty Ltd	Wood Group House, Level 6, 432 Murray Street, Perth, WA 6000, Australia	100
Terra Nova Technologies Australia Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
WGPSN Queensland Pty Ltd	Level 20, 127 Creek Street, Brisbane, Queensland, 4000, Australia	100
Wood Group Australia PTY Ltd	Wood Group House, Level 6, 432 Murray Street, Perth, WA 6000, Australia	100
Wood Group Kenny Australia Pty Ltd	Wood Group House, Level 6, 432 Murray Street, Perth, WA 6000, Australia	100
Wood Group PSN Australia Pty Ltd	Level 3 , 171 Collins Street ,Melbourne, VIC, 3000, 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

Bahamas		
Montreal Engineering (Overseas) Limited	c/o 2020 Winston Park Drive, Suite 7000, Oakville, Ontario, Canada	100
Bermuda		
AMEC (Bermuda) Limited	Canon's Court, 22 Victoria Street, (PO Box HM 1179), Hamilton, HM EX, Bermuda	100
Atlantic Services Limited	Canon's Court, 22 Victoria Street, (PO Box HM 1179), Hamilton, HM EX, Bermuda	100
Foster Wheeler Ltd.	Clarendon House, 2 Church Street, Hamilton, HM-11, Bermuda	100
FW Management Operations, Ltd.	Clarendon House, 2 Church Street, P.O. Box HM 1022, Hamilton HM CX, Bermuda	100
Production Services Network International Limited	Canon's Court, 22 Victoria Street, Hamilton, HM12, Bermuda	100
Bolivia		
ISI Mustang Bolivia S.R.L.	Avenida San Martin Calle 6, Este, Equipetrol No. 5, Barrio, Santa Cruz, Bolivia	100
Brazil		
AMEC do Brasil Participações Ltda.	Rua Quitanda 50, 15th floor, Centro, Rio de Janeiro, CEP 20011-030, Brazil	100
Amec Foster Wheeler America Latina, Ltda.	Centro Empresarial Ribeirao Office Tower, Av. Braz Olaia Acosta, 727 - 18 andar - Sl. 1810, Cep. 14026-404 - Jd. California, Ribeirao Preto, Sao Paulo, Brazil	100
Amec Foster Wheeler Brasil S.A.	R. Nilo Peçanha, n.º 50, Sala 2912, Centro, Rio de Janeiro, 20020-100, Brazil	100
AMEC Petroleo e Gas Ltda.	Rua Quitanda 50, 15th floor, Centro, Rio de Janeiro, CEP 20011-030, Brazil	100
AMEC Projetos e Consultoria Ltda	Rua Professor Moraes No. 476, Loja 5, Sobreloja, Bairro Funcionarios, Belo Horizonte, Minas Gerais, 30150-370, Brazil	100
FW Industrial Power Brazil Ltda	Alameda Santos, 1293, Room 63, Cerqueira César, Sao Paulo, 01419-002, Brazil	100
Santos Barbosa Tecnica Comercio e Servicos Ltda.	Estrada Sao Jose do Mutum, 301 - Imboassica, Cidade de Macae, Rio de Janeiro, CEP 27973-030, 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
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
British Virgin Islands		
MDM Engineering Group Limited	Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands	100
Wood Group Engineering (Colombia) Ltd.	Geneva Place, 2nd Floor, 333 Waterfront Drive, PO Box 3339, Road Town, Tortola, British Virgin Islands	100
Wood Group PDE Limited	Geneva Place, 2nd Floor, 333 Waterfront Drive, PO Box 3339, Road Town, Tortola, British Virgin Islands	100
Brunei Darussalam		
Amec Foster Wheeler (B) SDN BHD	Unit No.s 406A-410A, Wisma Jaya, Jalan Pemancha, Bandar Seri Begawan BS8811, Brunei Darussalam	99
Bulgaria		
AMEC Minproc Bulgaria EOOD	7th Floor, 9-11 Maria Louisa Blvd, Vazrazhdane District, Sofia 1301, Bulgaria	100
Cameroon		
Amec Foster Wheeler Cameroon SARL	Cap Limboh, Limbe, BP1280, Cameroon	100
Canada		
AFW Canada Investments Limited	Suite 2400, 745 Thurlow Street, Vancouver, BC, V6E 0C5	100
AFW Canadian Holdco Inc.	Suite 2400, 745 Thurlow Street, Vancouver, BC, V6E 0C5	100
AMEC BDR Limited	900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada	100
AMEC Canada Holdings Inc.	Suite 2400, 745 Thurlow Street, Vancouver, BC, V6E 0C5	100
AMEC Earth & Environmental Limited	801, 900, 6th Avenue S.W., Calgary, AB, T2P 3W3, Canada	100
Amec Foster Wheeler Canada Ltd.	900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada	100
Amec Foster Wheeler Inc.	2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada	100
AMEC South America Limited	2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada	100

MASA Ventures Limited	900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada	100
QEDI Commissioning and Completions (Canada) Limited	Suite 2400, 745 Thurlow Street, Vancouver, BC, V6E 0C5	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	2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada	100
Wood Geomatics Limited	900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada	100
Wood Group Asset Integrity Solutions, Inc.	Borden Ladner Gervais LLP, Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., 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 Group E&PF (Canada) Limited	Borden Ladner GVervais LLP, Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, AB, T2P 0R3, Canada	100
Wood Group Kenny Canada Ltd.	Borden Ladner Gervais LLP, Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, AB, T2P 0R3, Canada	100
Wood Group Mustang (Canada) Construction Management Inc.	Borden Ladner Gervais LLP, Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, Alberta, T2P 0R3	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
Wood Group OTS International Inc.	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. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	100
AMEC Chile Ingeniería y Construcción Limitada	Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	100
Amec Foster Wheeler Iberia, Agencia en Chile	Evaristo Lillo 112, 3rd Floor, Las Condes, Santiago, Chile	100
Amec Foster Wheeler International Ingenieria y Construcción Limitada	Av. Apoquindo 3846, piso 15, Las Condes, Santiago, 7550123, Chile	100
Amec Foster Wheeler Talcahuano, Operaciones y Mantenciones Limitada	Camino A Ramuntcho 3230, Sector 4 Esquinas, Talcahuano, Chile	100
ISI Mustang Chile SpA	Calle Providencia 337, off. 7, Comuna de Providencia, Santiago, Chile	100
Terra Nova Technologies Chile Limitada	Av. Apoquindo 3846, piso 15, Las Condes, Santiago, 7550123, Chile	100
China		
AG Offshore Engineering (China) Ltd	Room A25, 3rd Floor,No 473 West Fute 1st Road, Shanghai, China	100
Amec Foster Wheeler Engineering & Construction Design (Shanghai) Co., Ltd.	Room 401, Floor 4, No, 120 Qixia Road, Pudong New Area, Shanghai, China	100
Amec Foster Wheeler Engineering & Consulting (Shanghai) Co., Ltd	Room 204, Building 1, No. 1287, Shangcheng Road, Pudong New District, Shanghai	100
Amec Foster Wheeler Power Machinery Company Limited	No.1, Fuhui Road, Xinhui District, Jiangmen City, Guangdong Province, China	52
Feng Neng Sgurr (Beijing) Renewable Energy Technology Co. Ltd	1217, No 5 Dongzhimen South Avenue, Dongcheng, China	100
Grenland Group (China) Limited	Room D2, 6th Floor,No 2446, Jin Qiao Road, Shanghai, Pudong, China	100
Colombia		
Amec Foster Wheeler Colombia SAS	Calle 110 No. 9-25, Offices 515 and 516, Bogotá, Colombia	100
Procesos y Disenos Energeticos S.A.S.	Carrera 11 A No. 96-51 5th floor, Bogota D.C., Colombia	100
Curaçao		
Harwat International Finance Corporation N.V.	Curado Trust, Penstraat 35, P.O. Box 4888, Curacao	100
Cyprus		
AMEC Overseas (Cyprus) Limited	1, Lampousas Street, 1095 Nicosia, Cyprus	100
J P Kenny Overseas Limited	Themistokli Dervi, 5, Elenion Building, 2nd Floor, P.C. 1005, Nicosia, Cyprus	100
WG International Services Limited	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia,CY-1310 Nicosia, PO Box 25549, 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 Engineering Services (North Africa) 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
Czech Republic		
Amec Foster Wheeler s.r.o.	Krenova 58, Brno, 60200, Czech Republic	100
Democratic Republic of Congo		
MDM Engineering SPRL	32 Avenue 3Z, Commune de Kasuku, Ville de Kindu, Democratic Republic of Congo	100
Egypt		
Foster Wheeler Petroleum Services S.A.E.	Al-Amerya General Free Zone, Alexandria, Egypt	100
Equatorial Guinea		
Baker Energy International Equatorial Guinea S.A.	Bioko, Island Region, Malabo	65
Hexagon Sociedad Anonima con Consejo de Administracion	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	60 rue de La Chaussee d'Antin, 75009, Paris, France	100
Wood Nuclear France SAS	Immeuble Horizon Sainte Victoire, Bâtiment A, 970 rue René Descartes, 13857 Aix-en-Provence cedex 3, France	100
Gabon		
Production Services Network Gabon SARL	Place of Independence, En face de la BVMAC, Libreville, BP 922, Gabon	100
Germany		
Amec Foster Wheeler E & I GmbH	Weserstrasse 4, Frankfurt am Main, 60329, Germany	100
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
Ghana		
Amec Foster Wheeler Operations Ghana Limited	3rd Floor Teachers Hall Complex, Education Loop, Off Barnes Road, PO Box 1632, Accra, Ghana	100
MDM Projects - Ghana Limited	2nd Floor Cedar House, 13 Samora Machel Road, Asylum Down, Accram, Ghana	100
Wood & BBS Ghana Limited	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*
Gibraltar		
Foster Wheeler (Gibraltar) Holdings Limited	Suite 1, Burns House, 19 Town Range, Gibraltar	100
Greece		
Amec Foster Wheeler Hellas Engineering and Construction Societe Anonyme	21 Elvetias Street, (First Floor), Agia Paraskevi, 153 42, Greece	100
Guatemala		
AMEC Guatemala Engineering and Consulting, Sociedad Anonima	Ciudad Guatemala, Guatemala	100
Guernsey		
AMEC Operations Limited	22 Havilland Street, St Peter Port, GY1 2QB, Guernsey	100
Garlan Insurance Limited	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	5008, 50th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	100
AMEC Engineering Limited	5008, 50th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	100

SgurrEnergy Hong Kong Limited	26/F Beautiful Group Tower, 77 Connaught Road Central, Hong Kong	100
Hungary		
FW Hungary Licensing Limited Liability Company	Krisztina korut 2-4. I. em. 17, Budapest, Hungary, 1122	100
India		
Amec Foster Wheeler India Private Limited	6th Floor, Zenith Building, Ascendas IT Park, CSIR Road, Taramani, Chennai 600 113, India	100
Ingenious Process Solutions Private Limited	307, Atlanta Estate, 3rd Floor, Hanuman Tekdil Road Vitbhatti, Off. W.E. Highway, Goregaon (East) Mumbai MH 400063	100
Mustang Engineering India Private Limited	R9, F -3 RD W: B, P-214, B- Wing, Laxmikant Apartment,Sitaram Keer Marg, Mahim, Mumbai, 400016, India	100
Wood Group Kenny India Private Limited	15th Floor Tower-B, Building No. 5, DLF Cyber City, ,HR, Phase III Gurgaon Gurgaon, 122002, India	100
Wood Group PSN India Private Limited	Floor 15, Building No 5, Tower B, Cyber Terraces, DLF Cyber City, Phase III,Haryana, Gurgaon - 122002, 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	85
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
PT Simons International Indonesia	c/o 2020 Winston Park Drive, Suite 7000, Oakville, Ontario, Canada	100
PT Wood Group Indonesia	Office 88 Tower, 20th - H Floor, Jl. Casablanca Kav 88, South Jakarta, Jakarta, 12870, Indonesia	90
Iran		
Wood Group Iran - Qeshm Company (pjs)	No 2564, Hafez Street, Toola Industrial Park,Qeshm Island, Annaba, Iran	97
Foster Wheeler Adibi Engineering	9th Floor Aluminumm Building, Avenue Shah, Tehran	45
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		
JWG Ireland CAD Unlimited Company	Second Floor, Blocks 4 and 5, Galway Technology Park, Parkmore, Galway, Ireland	100
JWG Ireland NOK Unlimited Company	Second Floor, Blocks 4 and 5,Galway Technology Park, Parkmore, Galway, Ireland	100
JWG Ireland USD 2 Unlimited Company	Second Floor, Blocks 4 and 5, Galway Technology Park, Parkmore, Galway, Ireland	100
JWG Ireland USD 3 Unlimited Company	Second Floor, Blocks 4 and 5, Galway Technology Park, Parkmore, Galway, Ireland	100
JWG Ireland USD Unlimited Company	Second Floor, Blocks 4 and 5, Galway Technology Park, Parkmore, Galway, Ireland	100
Wood Group Kenny Ireland Limited	c/o Matheson Ormsby Prentice, 70 Sir John Rogerson's Quay, Dublin 2, Ireland	100
Italy		
Amec Foster Wheeler Italiana S.r.l.	Via S. Caboto 15, Corsico, 20094, Italy	100
FW TURNA S.r.l.	Via S. Caboto 15, Corsico (Milano), 20094, Italy	100
Jamaica		
Monenco Jamaica Limited	c/o 2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada	100
Japan		
Amec Foster Wheeler Asia K.K.	Shiba International Law Offices, 1-3-4-5F Atago, Minatoku, Tokyo, 105-0002, Japan	100

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Jersey		
AltaBlue Limited	28 Esplanade, St Helier, JE2 3QA, Jersey	100
AMEC Nuclear Consultants International Limited	95/97 Halkett Place, St Helier, JE1 1BX, Jersey	100
GTS Power Solutions Limited	28 Esplanade, St Helier, JE2 3QA, Jersey	100
Wood Group Engineering Services (Middle East) Limited	28 Esplanade, St Helier, JE2 3QA, Jersey	100
Wood Group Production Facilities Limited	28 Esplanade, St Helier, JE2 3QA, Jersey	100
Kazakhstan		
AMEC Limited Liability Partnership	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	55 Ablai Khan Ave., Room #112/114, Almaty, 050004, Kazakhstan	100
Yeskertkish Kyzmet Kazakhstan LLP	Building 70A, Street No12, microdistrict Samal, Atyrau city, 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		
AFW Luxembourg 1 S.a.r.l.	5, rue Guillaume Kroll, Luxembourg, L-1882	100
AFW Luxembourg 2 S.a.r.l.	5, rue Guillaume Kroll, Luxembourg, L-1882	100
Financial Services S.à r.l.	15, Boulevard Friedrich Wilhelm Raiffeisen, L-2411, Luxembourg	100
FW Investment Holdings S.à r.l.	5, rue Guillaume Kroll, Luxembourg, L-1882	100
Malaysia		
AMEC (Malaysia) Sdn Bhd	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, Kuala Lumpur, 50100, Malaysia	100
Amec Foster Wheeler OPE Sdn Bhd	12th Floor, West Block, Wisma Selangor Dredging, 142-C Jalan Ampang, Kuala Lumpur, 50450, Malaysia	100
AMEC Holdings (Malaysia) Sdn Bhd	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, Kuala Lumpur, 50100, Malaysia	100
AMEC Oil Gas and Process Sdn Bhd	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, Kuala Lumpur, 50100, Malaysia	100
AMEC Process & Energy Sdn Bhd	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, Kuala Lumpur, 50100, Malaysia	100
BMA Engineering SDN. BHD.	Unit C-12-4, Level 12, Block C, Megan Avenue II, Wilayah Persekutuan,Wilayah Persekutuan, Kuala Lumpur, 50450, Malaysia	100
Foster Wheeler (Malaysia) Sdn. Bhd.	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, Kuala Lumpur, 50100, Malaysia	100
Foster Wheeler E&C (Malaysia) Sdn. Bhd.	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, Kuala Lumpur, 50100, Malaysia	70
Mustang Malaysia Sdn. Bhd.	Level 7, Menara Milenium,Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights,Wilayah Persekutuan,Wilayah Persekutuan, Kuala Lumpur, 50490, Malaysia	100
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, Damansa, 50490, Malaysia	0*
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
Wood Group Production Facilities (Malaysia) Sdn. Bhd.	Lot 1-3, Level 5, Block G (South), Pusat Bandar Damansara, 50490 Kuala Lumpur, Kuala Lumpur, Malaysia	48*

Mauritius		
MDM Engineering Investments Ltd	1st Floor, Felix House, 24 Dr Joseph Street, Port Louis, Mauritius	100
MDM Engineering Projects Ltd	1st Floor, Felix House, 24 Dr Joseph Street, Port Louis, Mauritius	100
P.E. Consultants, Inc.	St James Court-Suite 308, St Denis Street, Port Louis, Mauritius	100
QED International Ltd	c/o Estera Management (Mauritius) Ltd, 11th Floor, Medine Mews, La Chaussée Street, Port Louis, 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.	c/o Carlos Salazar, 2333 Oriente, Col. Obrera, Monterrrey, Nuevo Leon, 64010, Mexico	100
AYMEC de Mexico S.A. de C.V.	453 Planta Alta Del Valle, San Pedro Garza Garcia, Nuevo Leon 66220, Mexico	100
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
Exergy Engineering Services, S.A. de C.V.	David Alfaro Siqueiros 104 piso 2, Col. Valle Oriente, San Pedro Garza Garcia, Nuevo Leon, CP. 66269, Mexico	100
Exergy Engineering, S.A. de C.V.	David Alfaro Siqueiros 104 piso 2, Col. Valle Oriente, San Pedro Garza Garcia, Nuevo Leon, CP. 66269, Mexico	100
Foster Wheeler Constructors de Mexico, S de R.L. de C.V.	699 15th Street, 6th Avenue, Agua Prieta, Sonora, Mexico	100
Global Mining Projects and Engineering, S.A. de C.V.	Calle Coronado 124, Zona Centro, Chihuahau, Chihuahau, 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.	Blvd. Manuel Avila Camacho 40 - 1801, Lomas de Cahpultepec, Delgacion Miguel Hidalgo, Mexico, D.F. 11000	100
Wood Group Management Services de Mexico, S.A. de C.V.	Blvd. Manuel Avila Camacho 40 - 1801, Lomas de Cahpultepec, Delgacion Miguel Hidalgo, Mexico, D.F. 11000	100
Mongolia		
AMEC LLC	Suite 403, 4th Floor New Century Plaza, Chinggis Avenue, Sukhbaatar District, Ulaanbaatar, Mongolia	100
Mozambique		
Amec Foster Wheeler Mozambique Limitada	Mocambique, Maputo Cidade, Distrito Urbano 1, Bairro 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.	Prins Bernhardplein 200, 1097 JB, Amsterdam, Netherlands	100
AMEC Investments B.V.	Prins Bernhardplein 200, 1097 JB, Amsterdam, Netherlands	100
Foster Wheeler Continental B.V.	Naritaweg 165, 1043 BW Amsterdam, Netherlands	100
Foster Wheeler Europe B.V.	Naritaweg 165, 1043 BW Amsterdam, Netherlands	100
John Wood Group B.V.	C/O Centralis Netherlands BV, Zuidplein 126, WTC, Toren H 15e, Amsterdam, 1077XV, Netherlands	100
John Wood Group Holdings B.V.	C/O Centralis Netherlands BV, Zuidplein 126, WTC, Toren H 15e, Amsterdam, 1077XV, Netherlands	100
New Zealand		
AMEC New Zealand Limited	c/o KPMG, 18 Viaduct Harbour Avenue, Maritime Square, Auckland, New Zealand	100
M&O Pacific Limited	28 Manadon Street, New Plymouth, New Zealand	100
Nicaragua		
MACTEC Engineering and Consulting, Sociedad Anonima (Nicaragua)	Del Hospital Militar, 1 Cuadra al Lago, Managua, Nicaragua	98
Nigeria		

AMEC Contractors (W/A) Limited	13A AJ Marinho Drive, Victoria Island, Lagos, Nigeria	100
AMEC King Wilkinson (Nigeria) Limited	No 3, Hospital Road, PO Box 9289, Lagos, Nigeria	100
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	49*
Monenco Nigeria Limited	Ebani House (Marina side), 62 Marina, Lagos, Nigeria	60
Overseas Technical Services Nigeria Limited	No 13 Sumbo Jibowu Street, Ikoyi, Lagos, Nigeria	93
Norway		
Erbus AS	Fokserodveien 12, Sandefjord, 3241, Norway	100
Wood Group Kenny Norge AS	Lkkeveien 99, Stavanger, 4008, Norway	100
Wood Group Norway AS	Fokserodveien 12, Sandefjord, 3241, Norway	100
Wood Group Norway Holdings AS	Fokserodveien 12, Sandefjord, 3241, Norway	100
Wood Group Norway Operations AS	Kanalsletta 2, 4033 Stavanger, 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 Group PNG Limited	Dentons PNG, Level 5, Bsp Haus, Harbour City, Port Moreseby,Papau New Guinea, National Capital District, Papua New Guinea	100
Peru		
Amec Foster Wheeler Perú S.A.	Calle Las Begonias 441, Piso 8, San Isidro, Lima, 27, Peru	100
ISI Mustang Peru S.A.C.	Calle Martir Olaya 201, off. 801 Miraflores, Lima, 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 Manilla, Bonifacio Global City, 1634, Philippines	40*
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		
AMEC E&E Caribe, LLP	14th Floor, 250 Munoz Rivera Avenue, American International Plaza, San Juan, 00918, Puerto Rico	98
MACTEC Engineering and Consulting - Caribe, P.S.C.	BBVA Tower Suite P1, 254 Munoz Rivera Ave., San Juan, 00918, Puerto Rico	0*
Qatar		
Production Services Network Qatar LLC	PO Box 2515, Doha, Qatar	49*
Romania		
AMEC Environment & Infrastructure SRL	Piata Charles de Gaulle, nr 15, Et. 3, Charles de Gaulle Plaza, Sector 1, Bucharest, Romania	100
AMEC Operations S.R.L	Rooms 1 and 2, 2nd Floor, No. 59 Strada Grigore Alexandrescu, Sector 1, Bucharest 010623, Romania	100
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		
AMEC Eurasia Limited	Novy Arbat, 11 bld., 1 Moscow, Russian Federation	100

OOO Amec Foster Wheeler	Office E-100, Park Place, 113/1, Leninsky Prospekt, 117198, Moscow, Russian Federation	100
Production Services Network Eurasia LLC	Tverskaya St. 16/3, Moscow, Moscow, 125009, Russian Federation	50*
Production Services Network Sakhalin LLC	2-6 Floors,88 Amurskaya, Yuzhno-Sakhalinsk, 693020, Russian Federation	50*
Sakhalin Technical Services Network LLC	Suite 417, Kommunistichesy Prospekt 32, Yuzhno-Sakhalinsk, Sakhalin, Russian Federation	40*
Saudi Arabia		
Amec Foster Wheeler Energy and Partners Engineering Company	Karawan Towers, South Block, King Faisal Road, Al-Khobar, Saudi Arabia	75
Mustang and Faisal Jamil Al-Hejailan Consulting Engineering Company	PO Box 9175, Riyadh, 11413, Saudi Arabia	70
Mustang Saudi Arabia Co. Ltd.	P.O. Box 17411, Riyadh, 11484, 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
AMEC Global Services Pte Ltd	991E Alexandra Road, #01 - 25, 119973, Singapore	100
Australian Skills Training Pte. Ltd.	991E, Alexandra Road, #01-25, Singapore, 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.	#27-01 Millenia Tower, 1 Temasek Ave, Singapore, 039192	100
Wood Group Engineering Pte. Limited	Shaw Tower #28-09, 100 Beach Road, Singapore, 189702	100
Wood Group International Services Pte. Ltd.	Shaw Tower #28-09, 100 Beach Road, Singapore, 189702	100
Slovakia		
The Automated Technology Group (Slovakia) s.r.o.	Hviezdoslavovo namestie 13, Mestska cast Stare Mesto, Bratislava, 811 02, Slovakia	100
Wood Nuclear Slovakia s.r.o.	Piestanska 3, Trnava, 917 01, Slovakia	100
South Africa		
Amec Foster Wheeler Properties (Pty) Limited	Second Road, Halfway House, P. O. Box 76, Midrand 1685, South Africa	100
AMEC Minproc (Proprietary) Limited	2 Eglin Road, Sunninghill, 2157, South Africa	100
MDM Technical Africa (Pty) Ltd	Zeelie Office Park, 381 Ontdekkers Road, Floida Park Ext 3, Roodepoort, 1709, South Africa	100
Mossel Bay Energy IPP (proprietary) Limited (RF)	2nd Road Halfway House, Midrand, South Africa	90
Nuclear Consultants International (Proprietary) Limited	Nr 5, 5th Ave, Melkbos Strand, Cape Town, 7441, South Africa	100
Wood BEE Holdings (Proprietary) Ltd	88, 2nd Street, Halfway House, Midrand, Gauteng, 1685, South Africa	58
Wood Group (South Africa) Pty Ltd	25 Frederick Street, Observatory Ext, Gauteng, Johannesburg, 2198, South Africa	48*
Wood South Africa (PTY) Ltd	88, 2nd Street, Halfway House, Midrand, Gauteng, 1685, South Africa	70
South Korea		
AMEC Korea Limited	KT Building 11F, 14 Yeouidaero, Youngdeungpo-gu, Seoul 07320	100
Spain		
Amec Foster Wheeler Energia, S.L.U.	Calle Gabriel Garcia Marquez, no 2, Parque Empresarial Madrid, Las Rozas, 28232 Las Rozas, Madrid, Spain	100
Amec Foster Wheeler Iberia S.L.U.	Calle Gabriel Garcia Marquez, no 2, Parque Empresarial Madrid - Las Rozas, 28230 Las Rozas, Madrid, Spain	100
Conequip, S.A.	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, Alpenstrasse 15, 6300, Zug, Zug, Switzerland	100
Amec Foster Wheeler Engineering AG	Lohweg 6, 4054 Basel, Switzerland	100
FW Financial Holdings GmbH	c/o BDS Consulting AG, Freier Platz 10, Schaffhausen, 8200, Switzerland	100
Tanzania		

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MDM Projects-Tanzania Limited	Plot No. 18, Rukwa Street, Masaki Kinondoni Municipality, PO Box 38192, Dar es Salaam, Tanzania	100
Thailand		
Amec Foster Wheeler Holding (Thailand) Limited	1st Floor Talaythong Tower, 53 Moo 9, Sukhumvit Road, Thungsukla, Sriracha, Chonburi, 20230, Thailand	100
Foster Wheeler (Thailand) Limited	53 Talaythong Tower, 1st Floor, Moo 9, Sukhumvit Road, Tambol Tungsukhla, Amphur Sriracha, Chonburi, 20230, Thailand	100
SIE Siam Limited	91/17 Soi Wattananivet 4, Suthisarnvinijchai Road, Khwaeng Samsennok, Khet Huaykwang, Bangkok Metropolis, Thailand	100
Simons International Engineering Ltd.	91/17 Soi Wattananivet 4, Suthisarnvinijchai Road, Khwaeng Samsennok, Khet Huaykwang, Bangkok Metropolis, Thailand	100
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
United Arab Emirates		
AMEC Growth Regions Support FZ LLC	Dubai Internet City, Building One, Office 315, Dubai, United Arab Emirates	100
PSN Overseas Holding Company Limited	The MAZE Tower, 15th Floor, Sheikh Zayed Road, PO Box 9275, Dubai, United Arab Emirates	100
QED International FZ LLC	Knowledge Village, Alsufouh Road, Dubai, United Arab Emirates	100
Production Services Network Emirates LLC	Floor 5, International Tower,Capital Centre, 24th (Karama) Street, P.O. Box 105828, Abu Dhabi, United Arab Emirates	49*
United Kingdom		
AFW E&C Holdings Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AFW Finance 2 Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AFW Finance 3 Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AFW Hungary Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AFW Investments Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC (AGL) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC (BCS) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC (F.C.G.) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC (MH1992) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC (MHL) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC (WSL) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC BKW Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Bravo Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Building Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Canada Limited	KPMG LLP, 15 Canada Square, Canary Wharf, London, E14 5GL	100
AMEC Capital Projects Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Civil Engineering Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Construction Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Engineering Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Facilities Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Amec Foster Wheeler (Holdings) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Amec Foster Wheeler Earth and Environmental (UK) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Amec Foster Wheeler Energy Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Amec Foster Wheeler Finance Asia Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Amec Foster Wheeler Finance Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Amec Foster Wheeler Group Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Amec Foster Wheeler International Holdings Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100

Amec Foster Wheeler International Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Amec Foster Wheeler Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Amec Foster Wheeler Nuclear International Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Amec Foster Wheeler Property and Overseas Investments Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Investments Europe Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Kazakhstan Holdings Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Manufacturing and Services Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Mechanical and Electrical Services Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Mining Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Nominees Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Nuclear M & O Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Nuclear Overseas Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC 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 Finance Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC USA Holdings Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC USA Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Utilities Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Wind Developments Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Applied Environmental Research Centre Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Attric Ltd	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Automated Technology Group Holdings Limited	Compass Point,79-87 Kingston Road, Staines, TW18 1DT, England, United Kingdom	100
East Mediterranean Energy Services Limited	c/o Ledingham Chalmers LLP, 3rd Floor, 68-70 George Street, Edinburgh, EH2 2LR, United Kingdom	100
Energy, Safety and Risk Consultants (UK) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Entec Holdings Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Entec Investments Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler (G.B.) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler (London) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler (Process Plants) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler E&C Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler Environmental (UK) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler Europe	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler Management Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler World Services Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
FW Chile Holdings 2 Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
FW Investments Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
HFA Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Integrated Maintenance Services Limited	Compass Point,79-87 Kingston Road, Staines, TW18 1DT, England, United Kingdom	100
JWG Trustees Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
James Scott Engineering Group Limited	Ground Floor, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland	100
James Scott Limited	Ground Floor, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland	100
John Wood Group US Company	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	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
MDM UK Finance Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Metal and Pipeline Endurance Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Mustang Engineering Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
National Nuclear Corporation Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Offshore Design 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 Industries Agency Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Process Plants Suppliers Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Production Services Network (UK) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Production Services Network Bangladesh Limited	Compass Point,79-87 Kingston Road, Staines, TW18 1DT, England, United Kingdom	100
PSJ Fabrications Ltd	Compass Point,79-87 Kingston Road, Staines, TW18 1DT, England, United Kingdom	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
Pyeroy Limited	Compass Point,79-87 Kingston Road, Staines, TW18 1DT, England, United Kingdom	100
QED International (UK) Limited	Ground Floor, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland	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
SD FortyFive Limited	Compass Point,79-87 Kingston Road, Staines, TW18 1DT, England, United Kingdom	100
SgurrEnergy Limited	St Vincent Plaza, 319 St Vincent Street, Glasgow, G2 5LP, Scotland, United Kingdom	100
SgurrControl Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	51
Sigma 2 AFW Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Sigma Financial Facilities Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
The Automated Technology Group Limited	Compass Point,79-87 Kingston Road, Staines, TW18 1DT, England, United Kingdom	100
WG Intetech Holdings Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
WGD023 Limited	Ground Floor, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, United Kingdom	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 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 Engineering Contractors Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Gas Turbine Services Holdings 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 Industrial Services Limited	Compass Point,79-87 Kingston Road, Staines, TW18 1DT, England, United Kingdom	100
Wood Group Intetech Limited	Compass Point,79-87 Kingston Road, Staines, TW18 1DT, England, United Kingdom	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	Compass Point,79-87 Kingston Road, Staines, TW18 1DT, England, United Kingdom	100
Wood Group Kenny UK Limited	Compass Point,79-87 Kingston Road, Staines, TW18 1DT, England, United Kingdom	100
Wood Group Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Management Services 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
Wood Group Properties Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group UK Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group/OTS Limited	Compass Point,79-87 Kingston Road, Staines, TW18 1DT, England, United Kingdom	100
Wood International Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Nuclear Holdings Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Nuclear 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
United States		
4900 Singleton, L.P.	400 North St. Paul, Dallas, TX, 75201	100
AGRA Foundations, Inc.	United Agent Group Inc., 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
AGRA Holdings, Inc.	701 S. Carson Street, Suite 200, Carson City, NV, 89701, United States	100
Altablue Inc.	United Agent Group Inc., 8275 South Eastern Av., #200, Las Vegas, NV, 89123, United States	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 Developments, Inc.	1209, Orange Street, Wilmington, DE, 19801, United States	100
AMEC E&C Services 1, PC	2 Office Park Court, Suite 103, Columbia, SC, 29223, United States	0*
AMEC E&E, P.C.	600 N 2nd Street, Suite 401, Harrisburg, PA, 17101-1071, United States	0*
AMEC Earth & Environmental LLP	1209, Orange Street, Wilmington, DE, 19801, United States	100
AMEC Engineering and Consulting of Michigan, Inc.	46850 Magellan, Suite 190, Novi, MI, 48377, United States	100
Amec Foster Wheeler Arabia Ltd.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Amec Foster Wheeler Constructors, Inc.	United Agent Group Inc., 3260 N. Hayden Road #210, Scottsdale, AZ, 85251	100
Amec Foster Wheeler Design, LLC	1075 Big Shanty Rd NW, Ste. 100, Kennesaw, GA, 30144, United States	0*
Amec Foster Wheeler E&C Services, Inc.	1979 Lakeside Parkway, Suite 400, Tucker, GA, 30084, 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.	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle, DE, 19801	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 Oil & Gas, Inc.	17325 Park Row, Houston, TX, 77084, 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 Programs, Inc.	2475 Northwinds Parkway, #200-260, Alpharetta, GA, 30009, United States	100
Amec Foster Wheeler USA Corporation	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
Amec Foster Wheeler Ventures, Inc.	1979 Lakeside Parkway, Suite 400, Tucker, GA, 30084, 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 Massachusetts, Inc.	Suite 700, 155 Federal Street, Boston, MA, 02110, United States	100
AMEC Michigan, Inc.	40600 Ann Arbor Road E, Suite 201, Plymouth, MI, 48170-4675, United States	100
AMEC Newco LLC	1209, Orange Street, Wilmington, DE, 19801, 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
AMEC USA Holdco LLC	1209, Orange Street, Wilmington, DE, 19801, United States	100
AMEC USA Holdings, Inc.	United Agent Group Inc., 3260 N. Hayden Road #210, Scottsdale, AZ, 85251	100
AMEC USA Investments LLC	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
Camden County Energy Recovery Corp.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Cape Software, Inc.	25211 Grogans Mill Road, Suite 313, The Woodlands, TX, 77380, United States	100
Energia Holdings, LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Equipment Consultants, Inc.	Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler Andes, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler Asia Limited	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler Avon, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler Development Corporation	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler Energy Corporation	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler Energy Manufacturing, Inc.	Perryville Corporate Park, 53 Frontage Road, PO Box 9000, Hampton, NJ, 08827-9000, United States	100
Foster Wheeler Environmental Corporation	1999 Bryan Street, Ste. 900, Dallas, TX, 75201-3136, United States	100
Foster Wheeler Hydrox, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler Inc.	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
Foster Wheeler Intercontinental Corporation	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler International LLC	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler LLC	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
Foster Wheeler Maintenance, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler Operations, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler Real Estate Development Corp.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler Realty Services, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100

Foster Wheeler Santiago, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler US Power Group Inc.	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler Zack, Inc.	United Agent Group Inc., 3260 N. Hayden Road #210, Scottsdale, AZ, 85251	100
FWPS Specialty Products, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Global Performance, LLC	United Agent Group Inc., 6650 Rivers Avenue, North Charleston, SC, 29406, United States	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.	17325 Park Row, Suite 500, Houston, TX, 77084, 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 and 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
MASA Ventures, Inc.	1675, 1200, Broadway, Denver, CO, 80202, United States	100
McCullough Associates Inc.	2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada	100
MDIC Inc.	2730, Suite 100, Gateway Oaks Drive, Sacramento, Sacramento, CA, 95833, United States	100
Mustang Engineering (North Carolina) PC	United States Corporation Company, 327 Hillsborough Street, Raleigh, NC, 27603, United States	0*
Mustang Engineering Florida, Inc.	United Agent Group Inc. ,11380 Prosperity Farms Road #221E, Palm Beach Gardens, FL, 33410, United States	100
Mustang International, Inc.	United Agent Group, 2425 W Loop South #200, Houston, TX, 77027, United States	100
Mustang of New Jersey, Inc.	Corporation Service Company, 830 Bear Tavern Road, West Trenton, NJ, 08628, United States	100
Mustang Process and Industrial Inc.	United Agent Group Inc., 6650 Rivers Avenue, North Charleston, SC, 29406, United States	100
NDT Systems, Inc.	United Agent Group, 2425 W Loop South #200, Houston, TX, 77027, United States	100
Onshore Pipeline Engineering D.P.C.	Sarah B. Biser, Esq., McCarter & English, LLP, 245 Park Avenue, New York, NY, 10167, United States	0*
Operations Analysis, Inc.	300 East Pine Street, Seattle, WA, 98122, United States	100
Perryville Corporate Park Condominium Association, Inc.	Corporation Service Company, 830 Bear Tavern Road, West Trenton, Mercer, NJ, 08628	67
Process Consultants, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
QED International LLC	1999 Bryan Street, Ste. 900, Dallas, TX, 75201-3136, United States	100
Rider Hunt International (USA) Inc.	1999 Bryan Street, Ste. 900, Dallas, TX, 75201-3136, United States	100
Sehold, Inc.	1979 Lakeside Parkway, Suite 400, Tucker, GA, 30084, 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
Terra Nova Technologies, Inc.	818 West Seventh Street, Ste. 930, Los Angeles, CA, 90017, United States	100
Thelco Co.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Tray, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100

Wood Environment & Infrastructure Solutions, Inc.	1105 Lakewood Parkway, Suite 300, Alpharetta, GA, 30009, United States	100
Wood Group Alaska, LLC	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE, 19808, United States	100
Wood Group E & PF Holdings, Inc.	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.	United Agent Group Inc., 8275 South Eastern Av., #200, Las Vegas, NV, 89123, 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.	United Agent Group, 2425 W Loop South #200, Houston, Harris County, TX, 77027, United States	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.

Notes to the financial statements
for the year to 31 December 2018

Joint Ventures		
Company Name	**Registered Address**	**Ownership Interest %**
Australia		
Clough AMEC Pty Ltd[1]	Level 2, 18-32 Parliament Place, West Perth, WA, WA 6005, Australia	50
Azerbaijan		
Socar-Foster Wheeler Engineering LLC	88A Zardaby Avenue,Baku, Azerbaijan	35
Brazil		
COPEL-AMEC S/C Ltda[1]	Rua Carneiro Lobo, No. 468, conjuntos 1301 a 1303, Centro Empresarial Champs Elysees, Curitiba, State of Parana, Brazil	48
Canada		
ABV Consultants Ltd[1]	Suite 2300, Bentall 5, 550 Burrard Street, Vancouver, BC, V6C 2B5, Canada	50
AMEC Black & McDonald Limited[1]	11 Frazee Avenue, Dartmouth, NS, B3B 1Z4, Canada	50
ODL Canada Limited	689 Water Street, Newfoundland, St. John's, NL, A1E 1B5, Canada	50
SSBV Consultants Inc.	1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC, V6C 3L6, Canada	33
Teshmont Consultants Inc.	1190 Waverley Street, Winnipeg, MB, R3T 0P4, Canada	50
TransCanada Turbines Limited	TransCanada PipeLines Tower, 111 Fifth Avenue S.W., P.O. Box 1000, Station M, Calgary, AB, T2P 4KE, 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 Chile	50
Consorcio Consultor Systra / Cade Idepe / Geoconsult Limitada	Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	40
Consorcio de Ingenieria 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 Ingenieria Transporte Systra Cade Idepe Consultores Limitada	Jose Domingo Cañas 2640, Ñuñoa, Santiago Chile	50
Consorcio TNT Vial y Vives D Chile Limitada	Ave. Santa Maria 2810, Providencia, Santiago, Chile	50
Construcciòn e Ingenierìa Chile FI Limitada	Avenida Andrés Bello 2711, Piso 22 - Comuna Las Condens, Santiago, Chile	50
Construcciòn e Ingenieria FIM Chile,Limitada	Avenida Santa Maria 2810, Comuna de Providencia, Santiago, Chile	33
China		
Foster Wheeler (Hebei) Engineering Design Co., Ltd.	CEFOC Information Mansion, Zhongshan West Road No. 356, Shijiazhuang, China	49
SZPE Amec Foster Wheeler Engineering 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
France		
Momentum SNC	70 Boulevard de Courcelles, 75017 Paris, France	33
India		
SgurrEnergy India Pvt. Ltd	2 Kausar Baugh, Off NIBM Road, Kondhwa, Maharashtra, Pune, 411048, India	50
Italy		
Centro Energia Ferrara S.r.l.	Via Andrea Doria 41/G, Rome, 00192, Italy	42
Centro Energia Teverola S.r.l.	Via Andrea Doria 41/G, Roma, 00192, Italy	42
Kazakhstan		
PSN KazStroy JSC	Satpayev str. 46, Atyrau, 060011, Kazakhstan	50
Malaysia		
AMEC Larastia Sdn. Bhd.	No.8.03, 8th Floor, Plaza First Nationwide, 161, Jalan Tun H.S.Lee, 50000 Kuala Lumpur, Malaysia	49

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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 Ingenieria 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		
AJS v.o.f.	Verkeerstorenweg 3, 1786 PN Den Helder, Netherlands	50
Wood Group Azerbaijan B.V.	C/O Centralis Netherlands BV, Zuidplein 126, WTC, Toren H 15e, Amsterdam, 1077XV, Netherlands	51
New Zealand		
Beca AMEC Limited	Ground Floor, Beca House, 21 Pitt Street, Auckland, 1010, New Zealand	50
Qatar		
AMEC Black Cat LLC	5th Floor Al Aqaria Tower, Building No. 34, Museum Street, Old Salata Area, Street 970, Zone 18, P.O Box No. 24523 Doha, Qatar	49
Saudi Arabia		
AMEC BKW Arabia Limited[1]	Al Rushaid Petroleum Investment Co. Building, Prince Hamoud Street, PO Box 31685 – Al Khobar 31952, Saudi Arabia	50
South Korea		
AMEC Partners Korea Limited[1]	KT Building 11F, 14 Yeouidaero, Youngdeungpo-gu, Seoul 07320, Korea, Republic of	54
Spain		
Isolux Monenco Medio Ambiente S.A.	Calle Juan Bravo, 3-C, Madrid, 28006, Spain	49
Trinidad and Tobago		
Massy Wood Group Ltd.	4th Floor, 6A Queens Park West, Victoria Avenue, Port of Spain, Trinidad and Tobago	50
United Arab Emirates		
Foster Wheeler Kentz Energy Services DMCC	PO Box 26593, Unit 3601, Tiffany Tower, Cluster W, Jumeirah Lakes Towers, Dubai, United Arab Emirates	50
Foster Wheeler Kentz Oil & Gas Services DMCC	Unit No: 2H-05-230 Jewellery & Gemplex 2, Plot No: DMCC-PH2-J&GPlexS Jewellery & Gemplex, Dubai, United Arab Emirates	50
United Kingdom		
ACM Health Solutions Limited	Crown House Birch Street, Wolverhampton, WV1 4JX, England	33
EthosEnergy Group Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	51
F. & N.E. Limited	Croft Road, Crossflatts, Bingley, West Yorkshire, BD16 2UA	50
F.& N.E. (1990) Limited	Croft Road, Crossflatts, Bingley, West Yorkshire, BD16 2UA	50
Lewis Wind Power Holdings Limited	EDF Energy, GSO Business Park, East Kilbride, G74 5PG, Scotland	50
Fast Reactor Technology Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	51
Nuclear Management Partners Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	36
PWR Power Projects Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	50
RWG (Repair & Overhauls) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	50
Ship Support Services Limited	Drayton Hall, Church Road, West Drayton, UB7 7PS, England, United Kingdom	50
South Kensington Developments Limited	Portland House, Bickenhill Lane, Solihull, Birmingham, B37 7BQ, England, United Kingdom	50
Stornoway Wind Farm Limited	EDF Energy, GSO Business Park, East Kilbride, G74 5PG, Scotland	50
Sulzer Wood Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	49
Uisenis Power Limited	EDF Energy, GSO Business Park, East Kilbride, G74 5PG, Scotland	50
UK Nuclear Restoration Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	50
United States		
AMEC - SAI Joint Venture, LLC[1]	701 S. Carson Street, Suite 200, Carson City, NV, 89701, United States	50
Boldt AMEC LLC[1]	2525 North Roemer Road, Appleton, WI, 54912, United States	40

Core Tech LLC[1]	Suite 180, 751 Arbor Way, Blue Bell, PA, 19422-1951, United States	50
Energy Logistics, Inc.	818 Town & Country Blvd, Suite 200, Houston, TX 77024, United States	33
Flour AMEC II, LLC	100 Fluor Daniel Drive, Greenville, SC, 29607-2770, United States	45
Fluor AMEC, LLC[1]	1105 Lakewood Parkway, Suite 300, Alpharetta, GA, 30009, United States	49
Nan - Amec Foster Wheeler, LLC	98-1238 Kaahumanu St., Suite 400, Pearl City, HI, 96782, United States	50
Venezuela		
OTEPI FW, S.A.	Zona Rental Universidad Metropolitana, Edificio Otepi, Terrazas del Avila, Caracas 1070, Edo Miranda, VE	50

[1]Entities are consolidated as joint operations on the basis of control.

Associates		
Company Name	**Registered Address**	**Ownership Interest %**
Canada		
Teshmont Consultants LP	1190 Waverley Street, Winnipeg, MB, R3T 0P4, Canada	30
Teshmont GP Inc.	1190 Waverley Street, Winnipeg, Manitoba, R3T 0P4, Canada	30
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

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.

The Group will be exempting the following companies from an audit in 2018 under Section 479A of the Companies Act 2006. All of these companies are fully consolidated in the Group Financial Statements.

AFW E&C Holdings Limited (Registered number 9861564)
AFW Hungary Limited (Registered number 9861581)
AFW Investments Limited (Registered number 9861566)
Amec Foster Wheeler Finance Asia Limited (Registered number 6205760)
Amec Foster Wheeler Property and Overseas Investments Limited (Registered number 01580678)
Amec Kazakhstan Holdings Limited (Registered number 4530056)
Amec Nuclear M&O Limited (Registered number 5664844)
Amec USA Finance Limited (Registered number 5299446)
Amec USA Holdings Limited (Registered number 4041261)
Amec USA Limited (Registered number 4044800)
Amec Wind Developments Limited (Registered number 8781332)
Automated Technology Group Holdings Limited (Registered number 07871655)
Entec Holdings Limited (Registered number 5447706)
FW Chile Holdings 2 Limited (Registered number 9861563)
FW Investments Limited (Registered number 6933416)
HFA Limited (Registered number SC129298)
JWG Investments Limited (Registered number SC484872)
JWGUSA Holdings Limited (Registered number SC178512)
Kelwat Investments Limited (Registered number SC203212)
Production Services Network Bangladesh Limited (Registered number 02214332)
PSN (Angola) Limited (Registered number SC311500)
PSN Asia Limited (Registered number SC317111)
PSN (Philippines) Limited (Registered number SC345547)
PSN Overseas Limited (Registered number SC319469)
Sandiway Solutions (No 3) Limited (Registered number 5318249)
SD FortyFive Limited (Registered number 2342469)
Sigma Financial Facilities Limited (Registered number 3863449)
Sigma 2 AFW Limited (Registered number 9925112)

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WGPSN Eurasia Limited (Registered number SC470501)
Wood Group Engineering and Operations Support Limited (Registered number SC159149)
Wood Group Engineering Contractors Limited (Registered number SC056559)
Wood Group Engineering (North Sea) Limited (Registered number SC030715)
Wood Group Investments Limited (Registered number SC301983)
Wood Group Kenny Corporate Limited (Registered number SC147353)
Wood Group Management Services Limited (Registered number SC178510)
Wood Group Properties Limited (Registered number SC178511)
Wood Group/OTS Limited (Registered number 1579234)

Shareholder information

Payment of dividends

The Company declares its dividends in US dollars. As a result of the shareholders being mainly UK based, dividends will be paid in sterling, but if you would like to receive your dividend in US dollars please contact the Registrars at the address below. All shareholders will receive dividends in sterling unless requested. If you are a UK based shareholder, the Company encourages you to have your dividends paid through the BACS (Banker's Automated Clearing Services) system. The benefit of the BACS payment method is that the Registrars post the tax vouchers directly to the shareholders, whilst the dividend is credited on the payment date to the shareholder's Bank or Building Society account. UK shareholders who have not yet arranged for their dividends to be paid direct to their Bank or Building Society account and wish to benefit from this service should contact the Registrars at the address below. Sterling dividends will be translated at the closing mid-point spot rate on 26 April 2019 as published in the Financial Times on 27 April 2019.

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 Auditors
KPMG LLP
Chartered Accountants and Statutory Auditors
37 Albyn Place
Aberdeen

Company Solicitors
Slaughter and May

Financial calendar

Results announced	19 March 2019
Ex-dividend date	25 April 2019
Dividend record date	26 April 2019
Annual General Meeting	9 May 2019
Dividend payment date	16 May 2019

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