



News Release

16 March 2021

This announcement contains inside information
John Wood Group PLC ('Company')
LEI: 549300PLYY6I10B6S323

Full year results for year ended 31 December 2020

Resilient performance from strategic broadening across Energy and Built Environment markets

Actions to reduce cost, protect the balance sheet & generate strong cashflow enabled margin protection and net debt reduction. Financial focus in 2021 on margins and cash generation

Wood, the global consulting and engineering company, today announces its results for the year ended 31 December 2020:

Year ended 31 December 2020	2020	2019	
	\$m	\$m	Movement %
Revenue	7,564	9,890	(23.5)%
Revenue (on a like-for-like basis) ¹	7,488	9,386	(20.2)%
Adjusted EBITDA ²	630	855	(26.3)%
Adjusted EBITDA Margin	8.3%	8.6%	(0.3)%
Adjusted EBITDA (on a like-for-like basis) ¹	616	795	(22.5)%
Adjusted EBITDA margin (on a like-for-like basis)	8.2%	8.5%	(0.3)%
Operating profit before exceptional items	214	411	(47.9)%
Operating (loss)/profit	(33)	303	n/a
(Loss)/profit for the year	(228)	73	n/a
Basic EPS	(34.1)c	10.7c	n/a
Adjusted diluted EPS ³	23.2c	46.0c	(49.6)%
Total dividend	-	35.3c	n/a
Net debt excluding leases ⁴	1,014	1,424	(28.8)%
Order book ⁵	6,524	7,898	(17.4)%

"Our resilient financial performance in 2020 was underpinned by our strategic positioning across broad end markets and flexible business model. We saw growth in renewables activity, strength in the built environment and relatively robust revenue in process & chemicals and we continued to win work, against the challenging backdrop of Covid-19 and oil price volatility. Our decisive actions, focused on the health & safety of our people, delivering for our clients, reducing cost, protecting the balance sheet and generating strong cashflow, underpinned delivery of strong margins and a significant reduction in net debt. Looking ahead, we are pleased to be nearing resolution of the legacy investigations so that we will be able to draw a line under them and while near-term headwinds remain in 2021, we saw improving momentum in awards in late Q4 and are encouraged by the medium-term outlook for our markets. To ensure our business is fit for the accelerating pace of energy transition and the drive towards more sustainable infrastructure, we are today announcing programmes to unlock stronger medium-term growth, deliver efficiency and create value." - Robin Watson, Chief Executive

Highlights

Strategic broadening benefitting revenue resilience

- Resilient performance in unprecedented trading conditions underpinned by breadth of exposure across Energy and Built Environment markets
- Revenue of \$7.6bn down 23.5% (Revenue on a like for like basis of \$7.5bn, down 20.2%)
- Significant reduction in conventional energy activity mitigated by strength in built environment, growth in renewables and relatively robust revenues in process & chemicals

Successfully protected margin through early action on cost

- Strong EBITDA margin delivery; adjusted EBITDA margin 8.3% (2019: 8.6%) reflecting strong operational delivery in ASEAAA and TCS offset by substantially lower margins in ASA
- Leveraged flexible model to take early and decisive action to protect margin; improved operational utilisation and delivered c\$230m overhead savings with an exceptional cost to achieve of c\$100m
- Adjusted EBITDA of \$630m and operating profit before exceptions of \$214m in line with January trading update

Delivering a significant reduction in net debt

- Net debt excluding leases reduced by \$410m to \$1.01bn at 31 December 2020 (31 December 2019: \$1.42bn and 30 June 2020: \$1.22bn), benefitting from disposal proceeds from portfolio optimisation, steps taken to protect cashflow and improved working capital performance
- Net debt excluding leases : adjusted EBITDA (excluding IFRS 16) of 2.1x⁴ (31 December 2019: 2.0x and 30 June 2020: 2.0x). Covenants at 3.5x
- Considerable financial headroom: undrawn facilities of \$1.74bn and revolving credit facility extended to May 2023
- Prioritising balance sheet strength; no dividends proposed in respect of FY 2020

Differentiated ESG and sustainability approach to maintain sector leading position

- Committed to maintaining our position as leaders in our field on ESG matters
- New targets announced for the delivery of our purpose, sustainability, inclusion & diversity, fair working practices and community and environmental impact
- Committed to reduce scope 1 and 2 emissions by 40% by 2030, on our journey to net zero
- Strong third-party recognition: awarded AA "Leader" rating from MSCI for sixth consecutive year
- Delivering innovative solutions for energy transition and sustainable infrastructure: recently awarded evaluation scopes for the decarbonisation of industrial clusters and the supply of domestic hydrogen
- Leadership incentivisation aligned to delivery of future ESG & sustainability targets

Accelerating our medium-term strategy: the Future Fit programme

- 18 month programme of initiatives to unlock stronger medium-term growth, deliver efficiency and create value
- Optimising our operating model - simplifying to three global business units; Consulting, Projects and Operations
- Efficiency savings of c\$40m in 2021, with costs to deliver of c\$30m
- Organising our business to deliver solutions for a net zero future and a more sustainable, resilient and livable world

- New Chief Operating Officer role, established to drive consistent global predictable execution outcomes, commercial innovation and digital delivery

Approaching resolution on legacy investigations

- Discussions concerning the resolution of investigations by the SFO and authorities in the US, Brazil & Scotland are at an advanced stage
- Anticipation that all matters will be settled at an aggregate cost of \$197m, including \$46m provided in 2019. Additional provision of \$151m booked in 2020. Cash settlement expected over the period of 2021-2024

Outlook

Order book reflects macro conditions & tendering approach with improving award momentum in late Q4

- Order book at 31 December \$6.5bn; 67% to be delivered in 2021, typical at this point in the year
- Order book down c17% on 2019 reflecting macro conditions and discerning bidder approach
- Progression in order book reflects expectations of strength in built environment, robustness in renewables and lower project awards in conventional energy and process & chemicals
- Improving momentum in new awards in late Q4 2020; December order book up c5% on November
- Short cycle order book combined with opportunity pipeline at pre-Covid 19 levels, supporting expectation of swift acceleration in awards as markets recover

Order book evolution; evolving towards lower risk, higher margin consultancy

- Strategic positioning, differentiation and strong customer relationships key to winning work
- Increasing proportion of order book from consultancy work, particularly in built environment

2021 financial focus: EBITDA margin improvement & cashflow

- Expectation of lower activity and a continued focus on improving margin
- Margin improvement will be driven by maintaining high utilisation, improved project execution and operational and efficiency improvements, including \$40m from Future Fit, to offset lower activity. Reversal of temporary savings will be offset by the FY impact of 2020 savings. Business mix more orientated towards consultancy will also benefit margin
- Cash generation to benefit from unwind of customer advances not repeating, partly offset by some investigation settlements and increased capex related to investment in digitalisation

Notes:

1. *Revenue on a like-for-like basis is calculated as revenue less revenue from disposals executed in 2020 and adjusted EBITDA on a like-for-like basis is calculated as adjusted EBITDA less the adjusted EBITDA from those disposals. In 2020 executed disposals consisted of our nuclear and industrial services businesses, YKK and our interest in TransCanada Turbines. Comparative figures also exclude revenue and adjusted EBITDA from the disposal of TNT, completed in 2019. These amounts are presented as a measure of underlying business performance excluding businesses disposed. These disposals accounted for \$76m of revenue in 2020 (2019: \$504m) and Adjusted EBITDA of \$14m (2019: \$60m).*
2. *A reconciliation of adjusted EBITDA to operating profit (pre-exceptional items) is shown in note 1 to the financial statements.*
3. *A reconciliation of adjusted diluted earnings per share to basic earnings per share is shown in note 8 to the financial statements.*

4. *Net debt excluding leases is total group borrowings, offset by cash and cash equivalents. Borrowings comprise loans drawn on the Group's revolving credit facility, term loans, overdrafts and unsecured senior loan notes issued in the US private placement market. Borrowings do not include obligations relating to leases. Cash and cash equivalents include cash at bank and in hand and short term bank deposits. Borrowings, cash and cash equivalents contained within assets classified as held for sale are also included in net debt. The net debt: adjusted EBITDA ratio is calculated on the existing basis prior to the adoption of IFRS 16 in 2019 and is based on net debt excluding leases. These measures are presented as they closely aligned to the measure used in our financing covenants. A reconciliation of net debt excluding leases to net debt including leases is show in note 29 to the financial statements.*
5. *Order book comprises revenue that is supported by a signed contract or written purchase order for work secured under a single contract award or frame agreements. Work under multi-year agreements is recognised in order book according to anticipated activity supported by purchase orders, customer plans or management estimates. Where contracts have optional extension periods, only the confirmed term is included. Order book disclosure is aligned with the IFRS definition of revenue and does not include Wood's proportional share of joint venture order book. Order book is presented as an indicator of the visibility of future revenue.*

Wood is a global leader in consulting, projects and operations solutions in energy and the built environment.
www.woodplc.com

Wood

Andrew Rose – President, Investor Relations	01224 532 716
Ellie Dixon – Vice President, Investor Relations	01224 851 369

Citigate Dewe Rogerson

Kevin Smith	020 7638 9571
Chris Barrie	

There will be an analyst and investor presentation webcast today at 9:00am, immediately followed by a live Q&A conference call. Replay facilities will be available later in the day. The webcast can be accessed using the following link: <https://edge.media-server.com/mmc/p/5s68dpt8>

If you wish to ask a question during the Q&A session, or are unable to listen to the presentation via the webcast, please dial in to the audio conference call using the details below. Please note that questions may be submitted via the conference call only and it is recommended that you dial in at the start of the webcast.

UK / international: +44 2071 928 338

US: +1 646 741 3167

Conference passcode: 5046826

Notification authorised by:

Martin J McIntyre
 Group General Counsel and Company Secretary

Chair's statement

During 2020 the global engineering and consultancy market faced unique and unparalleled challenges from Covid-19 and volatility in oil prices.

Wood entered 2020 with a clear strategic focus to deliver longer term growth from positioning as a premium, differentiated, high margin business, with the right capabilities and broad end market exposures to unlock solutions for the energy transition and the drive towards sustainable infrastructure. The executive and leadership team continued to deliver the strategy whilst also responding to the impact of the challenges and uncertainty created by the global pandemic. The Board supported the executive and leadership team by providing oversight of Wood's response to the Covid-19 pandemic, with a focus on ensuring the safety and wellbeing of employees, continued client delivery, reducing cost and protecting the balance sheet.

The full year results reflect the strong strategic, financial and operational focus of the leadership team in an unprecedented trading environment. Revenue resilience reflects the benefits of Wood's broad end market exposure and adjusted EBITDA margin was successfully protected. Actions taken to protect cashflows and ensure balance sheet strength, including voluntary salary reductions by the Board, executive directors and senior leaders, and the withdrawal of dividend payments, together with progress on portfolio optimisation, have delivered a significant reduction in net debt.

While the enduring impacts of Covid-19 continue to be uncertain, Wood's focus on balance sheet strength remains and this is fully supported by the Board. In line with our approach at the interim results, the Board considers it prudent not to pay a 2020 final dividend. The Board recognises the importance of dividends to shareholders and is committed to reviewing the future policy once there is greater clarity on the longer-term impact of Covid-19 and increased end market stability.

As the pace of the energy transition and the drive towards sustainable infrastructure accelerates, Wood is well positioned to deliver solutions for a net zero future and to advance the efforts for a more sustainable, resilient and liveable world. The next phase in the delivery of the medium-term strategy outlined in 2019 will be underpinned by a focus on unlocking growth opportunities; creating value through digitalisation and investment in future skills, and delivering efficiency through execution excellence. Alongside this, our goal of continued leadership in our field in ESG matters will be delivered through our measurable sustainability programme that is embedded in our leadership incentivisation plans.

Wood is committed to maintaining a strong ethical culture, with a focus on continuous improvement. During 2020, the Board continued to provide oversight to the investigations by the relevant authorities into the historic use of agents and is pleased with the progress made towards reaching agreements that would represent resolution of all of these matters.

Whilst short-term challenges remain in some of our markets, looking further ahead there is a positive outlook as the global economy recovers. The Board is confident in the Group's ability to accelerate delivery of the strategy and unlock stronger medium term growth opportunities.

Chief Executive Review

Overview

In 2020, we benefitted from the delivery of our strategy to broaden our consulting, projects and operations business across diverse energy and built environment markets, against the backdrop of unprecedented trading conditions due to the impacts of Covid-19 and oil price volatility. As a result of our clear strategic focus, differentiated capabilities and strong customer relationships we continued to win and execute work across our broad end markets. The flexibility of our business model and our focus on controlling what we can control enabled us to take early and decisive actions in response to dynamic market conditions which focused on the health and safety of our people, delivering for our clients, reducing cost, protecting the balance sheet and margins and generating strong cashflows. The results of our actions are reflected in our resilient financial performance for the year.

Financial performance: revenue resilience, strong margin delivery, significant net debt reduction

Our 2020 full year results reflect relative revenue resilience in the c65% of our portfolio focused on the built environment; renewables & other energy; and process & chemicals. Through our proven ability to leverage our asset light model, we successfully protected our margin, delivering an adjusted EBITDA margin of 8.3%, broadly in line with the 2019 level. Our actions to protect cashflows and ensure balance sheet strength, together with excellent progress on our portfolio optimisation strategy during the year, are reflected in the delivery of a significant reduction in net debt and the maintenance of strong liquidity levels.

Leading in our field on sustainability and ESG

During the year we have focused on maintaining our position as leaders in our field in environmental, social and governance matters and sustainability. Our progress in this area has been recognised by the leading rating agencies with MSCI recently awarding Wood an AA "Leader" rating for a sixth consecutive year.

The health, safety and wellbeing of our people has been a key focus throughout the year. By the start of April we had over 40,000 of our people successfully working remotely and we implemented a number of resources to ensure our leaders had the appropriate tools and guidance to stay connected with their teams. Our success in ensuring the wellbeing of our people was recognised in extensive positive feedback from our employees. Whilst we delivered an improved safety performance with Total Recordable Case Frequency (TRCF) down compared to 2019 and 31% fewer injuries, regrettably there were two fatalities in 2020 and independent investigations have been carried out to establish root causes and organisational learnings from these tragic events.

During the year, we established targets to enable the measurement of the stakeholder benefits of our clear purpose and strategy aligned to unlocking solutions for the energy transition and drive for sustainable infrastructure. In addition, to formalise our accountability we have established targets for inclusion and diversity, fair working practices and for our impact on communities and the environment. Reflecting the importance of our ESG & sustainability programme, delivery against these targets is embedded in bonus and long-term incentive plans for our leadership team.

Our targets include:

- Consistently maintaining our top quartile ESG investment ratings in our sector
- Doubling client support aligned to the energy transition and drive for sustainable infrastructure by 2030
- Improving our gender balance with 40% female representation in senior leadership roles by 2030

- A commitment to a 40% reduction in our scope 1 and 2 carbon emissions by 2030, on our journey to net zero
- Strengthening our human rights governance following the issue of our Modern Slavery and Human Trafficking 2020 statement. Our target is to embed fair working practices through our business partnership, with 100% of our labour suppliers signing up to and complying with the principles of Building Responsibly by 2025
- Impacting positively on the communities we operate in by contributing \$10m to our Global Cause, quality education, by 2030 through giving our time, energy and resources

By establishing measurable sustainability goals we continue to differentiate ourselves from our peers and ensure we maintain our position as leaders in our field.

Our commitment to maintaining a strong ethical culture underpins the way we do business. We have progressed discussions for the possible resolution of the investigations by the SFO and by the authorities in the US, Brazil and Scotland to a point where we believe it is likely to be able to settle all the relevant matters, so that we will be able to draw a line under these legacy issues. We will take forward any learnings through our continuous improvement approach to ethics and compliance.

Accelerating our medium term strategy: the Future Fit programme

In 2019 we set out our strategy to be a premium, differentiated, high margin business, delivering exceptional returns for our stakeholders aligned to our purpose of unlocking solutions to the world's most critical challenges. It is clear that the events of 2020 have acted as a catalyst that will accelerate global priorities on energy transition and sustainable infrastructure as industries and governments seek to 'build back better'. As we enter 2021, we are organising our business for the delivery, at pace, of solutions for a net zero future and to advance the efforts for a more sustainable, resilient and liveable world. We will do this through our Future Fit programme which is an 18 month programme to accelerate our strategy and is underpinned by initiatives to unlock stronger medium-term growth, deliver efficiency and create value.

Unlocking growth: We are optimising our operating model, moving to three global business units; Consulting, Projects and Operations. This simplified model is aligned to our service offering and emphasises to our clients, our full "green-to-green" asset lifecycle solutions. Organising ourselves in this way will unlock growth opportunities across our business globally, in markets where we are differentiated by our solutions and capabilities, by removing internal barriers and complexities to give us the agility to be more responsive to our clients' needs. This organisational change will be reflected in our business unit reporting for the 2021 financial year.

Delivering efficiency: As a diversified business, ensuring consistent, best in class delivery for our clients is key to achieving our strategic objectives. We have created an Operating Committee led by Dave Stewart in a new Chief Operating Officer (COO) role focussed on excellence in delivery, operational assurance and achieving consistent operational outcomes. Driving consistency and standardising our operations will enable us to leverage efficiencies including increased utilisation of our High Value Engineering centres and will provide the foundation to embed digital ways of working.

Creating value: Leveraging our established partnerships, we will invest in solutions to enhance our digital capabilities and digitalise the way we work. This will enable commercial innovation that focuses on the value we deliver to clients rather than traditional commercial models and transform our delivery by bringing greater efficiency and reducing risk. By investing in future skills planning and accelerating our approach to employee development, we will ensure the right people are in the right roles for today and tomorrow, creating value for

our people, clients and wider stakeholders. This means a focus on talent retention and attraction, developing a high-performance culture and promoting inclusion and diversity in our workforce.

With our medium-term margin target of 9.6% at its core, we expect Future Fit to generate structural improvements. Although the majority of the benefits will be in 2022, these include a \$40m in year benefit in 2021 from efficiency savings, with anticipated costs to deliver of c\$30m and capital expenditure relating to investment in digitalisation. Further details of additional benefits will be shared as the programme progresses.

I am excited by the potential in this acceleration of our strategy and the opportunities to unlock stronger medium-term growth, create value and deliver efficiency.

Business Review

Year ended 31 December 2020	2020 \$m	2019 \$m	Movement %
Revenue	7,564	9,890	(23.5)%
Revenue (on a like-for-like basis) ¹	7,488	9,386	(20.2)%
Adjusted EBITDA ²	630	855	(26.3)%
Adjusted EBITDA Margin	8.3%	8.6%	(0.3)%
Adjusted EBITDA (on a like-for-like basis) ¹	616	795	(22.5)%
Adjusted EBITDA margin (on a like-for-like basis)	8.2%	8.5%	(0.3)%
Operating profit before exceptional items	214	411	(47.9)%
Operating (loss)/profit	(33)	303	n/a
(Loss)/profit for the year	(228)	73	n/a
Basic EPS	(34.1)c	10.7c	n/a
Adjusted diluted EPS ³	23.2c	46.0c	(49.6)%
Total dividend	-	35.3c	n/a
Net debt excluding leases ⁴	1,014	1,424	(28.8)%
Order book ⁵	6,524	7,898	(17.4)%

Trading performance

Breadth of Energy and Built Environment market exposure delivering relative resilience in revenue

Our 2020 full year results demonstrate the benefits of our strategy to broaden our capabilities across diverse energy and built environment markets and our ability to leverage our asset light operating model. We have seen relative resilience in the c65% of our end market revenue which is derived from renewables & other energy (c25%), process & chemicals (c20%) and the built environment (c20%). Conventional energy markets represented c35% of revenue (2019: c40% on a like for like basis) and were very challenging.

Revenue of \$7.6bn was down c24% on 2019. On a like for like basis, adjusting for the disposals of the nuclear and industrial services businesses in Q1 2020, revenue was down 20%. This reflects significantly reduced revenue in conventional energy which accounted for 70% of the 20% reduction, partly offset by strength in the built environment, growth in renewables revenue which doubled to c\$520m, and relatively robust revenue in process & chemicals.

Successfully protecting margin: flexible model enabling early and decisive action on cost

We delivered adjusted EBTIDA of \$630m in line with guidance and successfully protected margin. Adjusted EBITDA margin of 8.3% (2019: 8.6%) was driven by strong operational delivery and significantly improved margins in ASEAAA and TCS. Margin performance in ASEAAA and TCS reflects the benefit of improving operational utilisation and the delivery of overhead reductions, including the acceleration of strategic margin improvement initiatives committed to in our Capital Markets presentation in 2019. This was partially offset by cost overruns and delays, including those as a result of Covid-19, on a small portfolio of energy projects in our Process and Energy business which led to substantially lower margins in ASA.

Operating profit before exceptional items of \$214m is stated after depreciation of \$180m and amortisation of \$228m (2019: \$244m).

The impact of exceptional costs net of tax of \$283m (2019: \$127m) has generated an operating loss of \$33m, largely driven by an additional provision of \$151m in respect of possible settlement of investigations. Exceptional costs also include \$101m of redundancy and restructuring costs related to our actions to deliver overhead savings, a \$20m impairment charge mainly related to a non-core business now disposed, together with non-cash costs in respect of asbestos of \$20m as a result of lower bond rates significantly reducing discount rates. These were partly offset by gains on disposal of the nuclear and industrial services businesses of \$59m. Further details of exceptional items, including asbestos, are included in the Financial Review.

Delivering significant overhead reductions at pace

In line with the timing of the macro challenges of Covid-19 and volatility in the oil price, we took swift action to reduce overhead costs at the start of Q2 with many of the actions required to deliver the savings complete by the end of H1. As a result of these actions, and the acceleration of strategic margin improvement initiatives, we have delivered c\$230m in overhead savings. The exceptional cost of achieving these savings was \$101m. The majority of these were recognised in H2 contributing to a stronger second half margin performance. The actions taken in H1 to deliver cost savings comprise a combination of temporary measures and more structural adjustments, such as headcount reductions, and include:

- Voluntary Salary Reductions. The Board, executive directors, senior leaders and others elected to take a temporary 10% reduction in base salary effective from 1 April 2020 for 9 months.
- Headcount reductions, temporary furloughing, reduced working hours, unpaid leave, lower bonus costs and operational salary reductions.
- Other overhead cost reductions including the stoppage of discretionary spend, travel costs and increased utilisation of shared service centres and high value engineering centres.

Salaries have been re-instated to previous levels with effect from 1 January 2021, as anticipated. Overall, we expect around two-thirds of the \$230m of overhead savings are structural and will endure into 2021, with the full year impact of actions taken in 2020 largely offsetting the reversal of temporary savings.

Net debt and cashflow

Delivering a significant reduction in net debt: portfolio optimisation and commitment to target leverage

Net debt excluding leases reduced by \$410m to \$1.01bn at 31 December 2020. This compares to net debt excluding leases at 31 December 2019 of \$1.42bn and \$1.22bn at 30 June 2019. The ratio of net debt excluding leases to adjusted EBITDA (pre IFRS 16) at 31 December 2020 was 2.1x (31 December 2019: 2.0x).

We made excellent progress on our portfolio optimisation strategy during the year. The reduction in net debt includes the benefit of disposal proceeds in respect of our industrial services and nuclear businesses, and our interest in TransCanada Turbines, which totaled \$455m.

Our actions to protect cashflows and ensure balance sheet strength included the withdrawal of dividend payments and the implementation of capex reductions and reduced discretionary spend.

Our strong focus on working capital management delivered an improved performance, offset by the expected impact of the unwind of advance payments of \$277m. Cash generation in the year also benefitted from lower cash outflows on provisions of \$45m (2019: \$216m) and the temporary benefit of government payment deferral schemes.

Cash exceptional costs of \$115m (2019: \$74m) consist of redundancy and restructuring costs of \$80m, utilisation of pre-IFRS 16 onerous lease provisions ("onerous leases") of \$21m and investigation support costs of \$11m. Cash generated from operations (excluding the impact of leases) was \$181m (2019: \$591m) reflecting the impact of the movement in advance payments.

We remain committed to a strong balance sheet and achieving our target leverage of below 1.5x net debt to adjusted EBITDA on a pre-IFRS 16 basis.

Strong liquidity and significant financial headroom

We have considerable levels of financial headroom and liquidity. At 31 December 2020 undrawn facilities were \$1.74bn compared to total financing facilities of over \$3bn. Facilities include bilateral term loans of \$300m, a revolving credit facility of \$1.75bn and US private placement debt of c\$880m. The bilateral facilities have a maturity date of May 2022. In October 2020 we extended the maturity of our main revolving credit facility to May 2023, the current \$1.75bn facility will step down to \$1.5bn in May 2022 in light of our lower debt requirement. The US private placement debt has a variety of maturity dates between 2021 and 2031 with first maturity of \$77m in late 2021 and the majority weighted to later dates. Covenants are set at 3.5x pre-IFRS 16 EBITDA.

Update on investigations

Discussions concerning the possible resolution of the investigation by the UK Serious Fraud Office (SFO) and by the authorities in the US, Brazil and Scotland have progressed to the point where the Group now believes that it is likely to be able to settle all of the relevant matters at an aggregate cost of \$197m. This amount, which includes the amount of \$46m provided for in 2019, has been reflected as a provision in the financial statements (see note 20 and contingent liability note 33). We anticipate that an agreement with the Scottish authorities will be finalised shortly and that the settlement of the other investigations will be finalised, subject to court approvals, during Q2 2021. It is expected that approximately \$70m of the settlement amounts will be payable in 2021, with the balance payable in instalments in 2022, 2023 and 2024.

Outlook

Order book progression and visibility

Order book at the end of December was \$6.5bn, with 67% due to be delivered in 2021, which is typical at this point in the year. Reflecting our measured risk appetite, c75% of order book is reimbursable. The shape of our order book also reflects the short cycle nature of our business with workscopes booked and executed on a monthly basis. Our short cycle model combined with our opportunity pipeline that has returned to pre-Covid 19 levels, supports our expectation of a swift acceleration in awards and bidding activity as markets recover.

The progression of our order book, down 17% from December 2019, reflects macro conditions in our end markets. Despite improving commodity pricing we have seen delays to larger conventional energy awards and deferral of investment decisions in process & chemicals being partly offset by strength in the built environment and robustness in renewables. Although the enduring impacts of Covid-19 remain uncertain, we have seen some signs of markets stabilising in the second half of 2020 and improving momentum in awards at the end of the year; order book at December is up c5% on November. Recent awards include engineering, procurement and construction (EPC) work for an ethylene expansion project in China, late life asset solutions for a UK gas field and engineering and project management support for onshore assets in Iraq.

Order book evolution: increasing proportion from lower risk, higher margin consultancy

Our strategic positioning for the energy transition and sustainable infrastructure, combined with our differentiation and strong customer relationships is evident in the profile of our order book. In 2020, we secured new work including EPC work for GSK, onshore wind and solar EPC awards in the US, an LNG renewal in Asia Pacific, three new oil & gas scopes with Equinor, an evaluation of the decarbonisation of industrial clusters in Scotland, utilising carbon capture and storage and hydrogen technologies, and a study for the supply of domestic hydrogen in Australia. As a result, our order book is evolving with an increasing proportion from lower risk, higher margin consultancy work, particularly in the built environment.

Financial focus in 2021: EBITDA margin improvement and free cash flow

Overall, we expect lower activity in 2021. In Consulting we expect robust activity levels driven by continued strength in built environment activity, particularly in the US. Activity in Projects will be down driven by the larger YCI and GCGV contracts in process & chemicals rolling off and new awards in process & chemicals and conventional energy being limited to smaller, early stage scopes, offset in part by resilience in renewables. We expect strength in Operations work driven by robust demand in conventional energy and growth in process & chemicals. Details of 2020 revenue and adjusted EBITDA recalculated as if the new operating model were in place from 1 January 2020 are included in the Financial Review for illustration purposes.

Our financial objective in 2021 will continue to be improving EBITDA margin towards our medium-term objective of a 100bps improvement compared to the 2019 level of 8.6%.

Margin improvement will be driven by maintaining high utilisation, improved project execution and operational and efficiency improvements to offset lower activity. Our Future Fit initiative will contribute efficiency savings of \$40m. The reversal of temporary savings will be offset by the full year impact of 2020 savings. Our business mix more orientated towards consultancy will also benefit margin.

Cash generation in 2021 will benefit from reductions in restructuring and reorganisation costs in exceptional items and the impact of the unwind of advance payments rolling off, offset in part by an anticipated outflow in respect of some investigation settlements and the reversal of the temporary benefit of government payment deferral schemes. Capital expenditure is expected to increase as we invest in digitalising the way we work as part of the Future Fit programme. Overall, we expect good operational cash generation in 2021.

Asset Solutions Americas ("ASA") (c40% of Revenue)

(End markets: Renewables & other energy c40%, process & chemicals c30%, conventional energy c30%)

	2020 \$m	2019 \$m	%
Revenue	2,902	3,894	(25.5)%
Revenue (on a like for like basis) ¹	n/a	n/a	n/a
Adjusted EBITDA	92	238	(61.3)%
<i>Adjusted EBITDA Margin</i>	3.2%	6.1%	(2.9)%
Adjusted EBITDA (on a like for like basis) ¹	n/a	n/a	n/a
<i>Adjusted EBITDA margin (on a like for like basis)</i>	n/a	n/a	n/a
People	11,200	16,300	(31.3)%
Order book ⁴	1,447	2,468	(41.4)%

Revenues are down around 26% on 2019 reflecting relative strength in capital projects activity in process & chemicals and higher renewables activity in both solar and wind work, being more than offset by challenging market conditions in conventional energy. While adjusted EBITDA margins benefitted from improved utilisation and cost reduction initiatives, they are significantly down on 2019. This was due to further operational challenges and delayed delivery on a small portfolio of energy projects in our Process and Energy business, due in part to Covid-19 and unfavourable weather. Results within Process and Energy are around \$50m lower than 2019. The delayed Process and Energy projects are expected to complete in the first half of 2021.

Order book

Order book is \$1.4bn with \$1.1bn due to be delivered in 2021. Order book is down c41% compared to December 2019 and down c27% compared to H1 2020 reflecting the progression towards completion on larger process & chemicals capital projects in 2020 and lower conventional energy activity, partially offset by resilience in renewables.

Asset Solutions Europe, Africa, Asia and Australia ("ASEAAA") (c30% of Revenue)

(End markets: Renewables & other energy c5%, process & chemicals c30%, conventional energy c60%, Built environment c5%)

	2020 \$m	2019 \$m	%
Revenue	2,463	3,148	(21.8)%
Revenue (on a like for like basis) ¹	2,450	2,960	(17.2)%
Adjusted EBITDA	327	353	(7.4)%
<i>Adjusted EBITDA Margin</i>	13.3%	11.2%	2.1%
Adjusted EBITDA (on a like for like basis) ¹	319	324	(1.5)%
<i>Adjusted EBITDA margin (on a like for like basis)</i>	13.0%	10.9%	2.1%
People	16,100	23,900	(32.6)%
Order book ⁴	3,052	3,709	(17.7)%

Revenue was down around 22%. On a like for like basis, adjusting for the disposal of the industrial services business, revenue was down c17% on 2019 reflecting lower activity on conventional energy and process & chemicals projects. Like for like adjusted EBITDA, excluding the impact of the disposal of the industrial services business and our interest in TransCanada Turbines, is broadly in line with 2019 despite lower revenues. Excellent operational execution, the benefits of our focus on utilisation and our swift actions on overhead cost reduction combined to deliver a very strong adjusted EBITDA margin performance, up 210 bps on 2019. Adjusted EBITDA on a like for like basis in our turbine joint ventures also improved.

Order book

Order book is \$3.1bn with \$1.8bn due to be delivered in 2021. Order book is down c18% compared to December 2019 reflecting the work-off of existing awards, partly offset by new awards including engineering, procurement and construction work for GSK, EPCm work in Iraq and an LNG renewal in Asia Pacific. While order book is down c11% compared to H1 2020 we saw improving momentum in awards in late Q4 including EPC work for an ethylene expansion project in China, late life asset solutions for a UK gas field and engineering and project management support for onshore assets in Iraq.

Technical Consulting Solutions ("TCS") (c30% of Revenue)

(End markets: Renewables & other energy c30%, process & chemicals c5%, conventional energy c10%, Built environment c55%)

	2020 \$m	2019 \$m	%
Revenue	2,061	2,779	(25.8)%
Revenue (on a like for like basis) ¹	1,998	2,388*	(16.3)%
Adjusted EBITDA	268	300	(10.7)%
<i>Adjusted EBITDA Margin</i>	13.0%	10.8%	2.2%
Adjusted EBITDA (on a like for like basis) ¹	262	267	(1.9)%
<i>Adjusted EBITDA margin (on a like for like basis)</i>	13.1%	11.2%	1.9%
People	12,000	15,400	(22.1)%
Order book ⁴	1,910	1,640	16.5%

* Adjusted to reflect 2019 revenue of \$75m on the Aegis contract now reported in Investment Services

In Q4 2019 we brought together the capabilities of Specialist Technical Solutions ("STS") and Environment and Infrastructure Solutions ("E&IS") into a more efficient global and industry leading consulting offering.

Revenue is down c26% compared to 2019. On a like for like basis revenue, adjusting for the disposal of the nuclear business, is down around 16%, benefitting from relative strength in the built environment market, which accounted for around 55% of activity. The reduction in revenue reflects our decision not to pursue higher risk and lower margin construction contracts, the expected roll-off of automation work on TCO and some project delays due to Covid-19. Despite reduced revenues, like for like adjusted EBITDA was in line with 2019 and adjusted EBITDA margin improved strongly, benefitting from our strategic margin focus, the synergy delivery initiatives which started in Q4 2019 and maintaining strong operational utilisation.

Order book

Order book is \$1.9bn with \$1.4bn due to be delivered in 2021. Order book is up 16% compared to 2019 driven by strength in built environment awards more than offsetting progress on larger projects including the TCO automation contract.

Investment Services

A number of legacy activities and liabilities are managed in Investment Services. Investment Services generated revenue of \$139m (2019: \$144m*) and adjusted EBITDA of \$13m (2019: \$37m) largely reflecting lower provision releases related to legacy liabilities.

Financial Review

Trading performance

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

	Full Year 2020 \$m	Full Year 2019 \$m
Revenue	7,564.3	9,890.4
Adjusted EBITDA	630.4	855.4
Adjusted EBITDA margin %	8.3%	8.6%
Depreciation (PPE)	(45.4)	(53.6)
Depreciation (right of use asset)	(134.6)	(128.4)
Amortisation - software and system development	(102.0)	(99.5)
Amortisation - intangible assets from acquisitions	(125.7)	(144.2)
Adjusted EBIT	222.7	429.7
Tax and interest charges on joint ventures included within operating profit but not in adjusted EBITDA	(8.3)	(18.7)
Operating profit before exceptional items	214.4	411.0
Exceptional items	(247.3)	(107.6)
Operating (loss)/profit	(32.9)	303.4
Net finance expense	(86.7)	(126.5)
Interest charge on lease liability	(29.0)	(28.2)
(Loss)/profit before tax	(148.6)	148.7
Taxation	(79.5)	(75.9)
(Loss)/profit for the period	(228.1)	72.8
Basic EPS (cents)	(34.1c)	10.7c
Adjusted diluted EPS (cents)	23.2c	46.0c

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

Adjusted EBITDA decreased by \$225.0m to \$630.4m as a result of the impacts of the Covid-19 pandemic and oil price volatility. The Group's flexible business model enabled it to take early and decisive action to reduce costs and protect margins, delivering c\$230m in overhead savings. As a result, Adjusted EBITDA margin has reduced to 8.3% from 8.6% in 2019.

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

New operating model

Reporting for the 2021 financial year going forward will reflect our new operating model consisting of three global business units; Consulting, Projects and Operations. To enable comparison going forward we recalculated 2020 revenue and adjusted EBITDA under both the existing and new operating model. This is presented in the table below as if it had been in place from 1 January 2020.

Current operating model	ASA \$m	ASEAAA \$m	TCS \$m	Investment Services \$m	Central Costs \$m	Total \$m	2019 \$m
Revenue:							
Renewables & other energy	1,203.8	96.3	561.9	88.2	-	1,950.2	2,461.6
Process & chemicals	859.1	716.0	87.6	-	-	1,662.7	2,271.2
Conventional energy	804.3	1,431.2	265.5	-	-	2,501.0	3,763.2
Built environment	34.4	219.3	1,146.3	50.4	-	1,450.4	1,394.4
	2,901.6	2,462.8	2,061.3	138.6	-	7,564.3	9,890.4
Adjusted EBITDA							
Adjusted EBITDA margin	92.4	327.1	267.6	12.8	(69.5)	630.4	855.4
Order Book	1,447.0	3,052.0	1,910.0	115.0	-	6,524.0	7,898.0

New operating model (unaudited)	Consulting \$m	Projects \$m	Operations \$m	Investment Services \$m	Central Costs \$m	Total \$m
Revenue:						
Renewables & other energy	323.5	1,358.2	180.3	88.2	-	1,950.2
Process & chemicals	87.6	1,320.9	254.2	-	-	1,662.7
Conventional energy	265.5	699.8	1,535.7	-	-	2,501.0
Built environment	1,146.3	190.7	63.0	50.4	-	1,450.4
	1,822.9	3,569.6	2,033.2	138.6	-	7,564.3
Adjusted EBITDA						
Adjusted EBITDA margin	224.3	207.9	253.9	12.5	(68.2)	630.4
Order book	1,759.0	1,855.0	2,795.0	115.0	-	6,524.0

Amortisation and depreciation

Total amortisation for 2020 of \$227.7m (2019: \$243.7m) includes \$107.9m for Amec Foster Wheeler ("AFW") (2019: \$123.4m) and \$17.8m (2019: \$20.8m) of amortisation relating to intangible assets arising from prior year acquisitions. Amortisation in respect of software and development costs was \$102.0m (2019: \$99.5m) and this largely relates to engineering software and ERP system development. Included in the amortisation charge for the year above is \$2.2m (2019: \$1.3m) in respect of joint ventures.

The total depreciation charge in 2020 amounted to \$180.0m (2019: \$182.0m) and includes depreciation on right of use assets of \$134.6m (2019: \$128.4m).

Net finance expense and debt

Net finance expense is analysed below.

	Full year 2020 \$m	Full year 2019 \$m
Interest on bank borrowings	33.3	63.0
Interest on US Private Placement debt	38.0	28.5
Discounting relating to asbestos, deferred consideration and other liabilities	8.6	12.3
Interest charge on lease liability	30.1	28.2
Other interest, fees and charges	19.1	32.3
Net finance charges in respect of joint ventures	3.5	5.9
Total finance expense including joint ventures	132.6	170.2
Finance income relating to defined benefit pension schemes	(3.8)	(5.7)
Interest on uncertain tax provisions	(4.9)	-
Other finance income	(3.6)	(3.9)
Lease interest on lease investment	(1.1)	-
Net finance expense including joint ventures	119.2	160.6

Interest cover⁴ was 5.5 times (2019: 5.6 times).

Net finance expense of \$86.7m (2019: \$126.5m) is made up of net finance expense including joint ventures of \$119.2m (2019: \$160.6m) excluding the net interest charge on leases of \$29.0m (2019: \$28.2m) and joint venture interest of \$3.5m (2019: \$5.9m).

At 31 December 2020, total bank borrowings amounted to \$500.0m, including \$200.0m of drawdowns under the Group's \$1.75bn Revolving Credit Facility and term loans of \$300.0m. Of the term loans, \$100m was repayable in September 2021, however, following the exercise of the banks' options to extend the maturity of this term loan the total of \$300.0m is now repayable in May 2022. The Revolving Credit Facility comprises of \$236.0m maturing in May 2022 and the remaining \$1,514.0m matures in May 2023. A further \$3.4m of funding has been drawn under the Group's other short-term facilities.

Interest on bank borrowings reduced by \$29.7m to \$33.3m as a result of lower net debt resulting from proceeds from disposals of \$455.2m. In addition, LIBOR rates have reduced during 2020.

The Group also has \$880.5m of unsecured loan notes issued in the US private placement market which mature at varying dates between 2021 and 2031, of which \$77.0m matures between August and November 2021 with the remainder weighted to later dates. Interest is payable at an average rate of 4.13% on these loan notes.

The increase in interest on US Private Placement debt of \$9.5m to \$38.0m reflects the full year charge on additional drawdowns during 2019.

In total the Group has undrawn facilities of \$1,738.8m at 31 December 2020.

The Group recognised interest costs in relation to lease liabilities of \$30.1m (2019: \$28.2m) which relates to the unwinding of discount on the lease liability.

The unwinding of discount on the asbestos provision is \$8.0m and includes the unwinding of discount on long-term asbestos receivables. This is now shown within exceptional items, in line with the Group's updated policy. The 2019 charge of \$9.7m is shown in total finance expense.

Net debt excluding leases to adjusted EBITDA (excluding impact of IFRS 16) at 31 December was 2.1 times (2019: 2.0 times) against our covenant of 3.5 times. This is calculated pre IFRS 16 as our covenants are calculated on a frozen GAAP basis.

Exceptional items

	Full Year 2020 \$m	Full year 2019 \$m
(Gain)/Loss on divestment of business	(59.1)	9.4
Impairment losses on non-core business	20.1	-
Redundancy, restructuring and integration costs	100.8	41.7
Investigation support costs and provisions	161.6	56.5
Asbestos yield curve and fees	19.8	-
Guaranteed Minimum Pension equalisation	4.1	-
Continuing exceptional items, net of interest and tax	247.3	107.6
Unwinding of discount on asbestos provision	8.0	-
Tax charge in relation to exceptional items	0.7	19.5
Derecognition of deferred tax assets due to UK pension actuarial loss	27.3	-
Continuing exceptional items, net of tax	283.3	127.1

The gain on sale of business relates to the disposals of the nuclear, industrial services and YKK businesses and our interest in the TransCanada Turbines joint venture totalling \$59.1m.

A gain of \$56.7m has been recognised on completion of the sale of Wood's nuclear business. Proceeds of \$292.5m (net of cash disposed) were received compared to the net book value of \$232.2m which included an allocation of goodwill and intangible assets arising on the AFW acquisition of \$233.9m, and costs relating to the disposal of \$3.0m. In addition, as the nuclear business was a GBP functional currency entity, a cumulative foreign currency translation loss of \$0.6m has been recognised through the income statement.

A gain of \$1.7m has been recognised in relation to the sale of Wood's industrial services business. Proceeds of \$101.8m (net of cash disposed) were received compared to the net book value of \$76.1m which included goodwill and intangible assets arising on the original acquisition of the business in 2013 of \$26.6m. In addition, as the industrial services business was a GBP functional currency entity, a cumulative foreign currency translation loss of \$16.7m has been recognised through the income statement as required by IAS 21. Costs of \$2.7m relating to the disposal were incurred and a provision of \$4.6m has been made for future obligations.

The remaining gain of \$0.7m mainly relates to the disposal of our interest in the TransCanada Turbines joint venture.

Impairment losses recognised during the year mainly relate to the Group's strategic decision to exit YKK, our Kazakh provider of training and related services. The net asset value, including goodwill, was written down in the first half by \$16.0m to \$1.5m to match the anticipated net proceeds from the disposal. The disposal was completed in the second half with no further impact.

During the year to 31 December 2020, \$100.8m (including \$8.0m by joint ventures) was incurred in relation to redundancy, restructuring and integration. These costs relate to the restructuring work which commenced during 2019 with the creation of the TCS business unit and the margin improvement programmes to achieve the Group's medium term strategic objective to deliver 100 basis points margin improvement. These initiatives were already in progress prior to the impact of the Covid-19 pandemic and volatility in oil price to reduce the Group's cost base, improve operational efficiency and drive improved margins. Some of the actions have been amplified in response to the pandemic and the lower oil price environment but the costs taken as exceptional are incurred to bring about sustainable improvements in the Group's cost base. The broader impact of Covid-19 and oil price volatility on activity levels are reflected in the Group's operating performance. In 2021,

exceptional costs are anticipated to include c\$30m of costs related to the acceleration of our strategy through the delivery of our Future Fit programme, with a further c\$15m anticipated in capital expenditure.

During the year to 31 December 2020, \$161.6m was charged in relation to investigation support costs and provisions. The provision was increased to \$196.7m from \$46.0m. In addition, costs of \$10.9m were incurred in relation to legal and other support costs associated with the ongoing investigations. Discussions concerning the possible resolution of the investigations by the UK Serious Fraud Office (SFO) and by the authorities in the US, Brazil and Scotland have progressed to the point where the Group now believes that it is likely to be able to settle all of the relevant matters at an aggregate cost of \$196.7m. This amount, which includes the amount provided for in 2019, has been reflected as a provision in the financial statements (see note 20 and contingent liability note 33). We anticipate that an agreement with the Scottish authorities will be finalised shortly and that the settlement of the other investigations will be finalised, subject to court approvals, during Q2 2021. It is expected that approximately \$70m of the settlement amounts will be payable in 2021, with the balance payable in instalments in 2022, 2023 and 2024.

Since the acquisition of AFW, asbestos related costs have not always been treated as exceptional items, with a judgement made on individual elements based on materiality. Going forward, all asbestos costs are treated as exceptional on the basis that movements in the provision are non-trading and can be large and driven by market conditions which are outwith the Group's control. Excluding these charges from the trading results will improve the understandability of the underlying trading performance of the Group. The total charge of \$27.8m in 2020 mainly relates to a \$17.9m (2019: \$8.9m) yield curve charge, \$8.0m (2019: \$9.7m) of interest costs which relate to the unwinding of discount on the asbestos provision and \$1.9m (2019: \$0.9m) of charges in relation to managing the claims. The 2019 yield curve charge and claims management fees were included in EBITDA and the 2019 interest cost was included within finance expenses. The extreme market conditions seen in 2020 have led to unprecedented reductions in US treasury yields. The 30-year US Treasury rate, has reduced to 1.65% from 2.39% at the end of December 2019 and led to the income statement charge of \$17.9m above.

A court judgement passed in November 2020, provided further clarity in respect of Guaranteed Minimum Pension ('GMP') equalisation in relation to UK defined benefit pension schemes, following an original court ruling in October 2018. The Court ruled in favour of uplifting historical transfer values to include those who transferred out of the scheme between May 1990 and April 1997. Consequently, the Group has recognised a \$4.1m exceptional charge in the year representing the increase in its UK defined benefit scheme liabilities arising from the case which is in addition to a charge of \$31.9m recorded in 2018 as a result of the original court ruling.

An exceptional tax charge of \$28.0m (2019: \$19.5m) has been recorded in the period reflecting the impairment of deferred tax assets (\$27.3m) in the income statement as a result of the reduction in deferred tax assets through other comprehensive income due to the UK pension actuarial loss and charges of \$0.7m on pre-tax exceptional items.

Taxation

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

	Full year 2020 \$m	Full year 2019 \$m
(Loss)/profit from continuing operations before tax, exceptional items and amortisation	(148.6)	148.7
Tax charge in relation to joint ventures (note 12)	4.8	12.8
Joint venture exceptional items (note 12)	8.0	1.3
Amortisation (note 9)	225.5	242.4
Exceptional items	247.3	107.6
Profit from continuing operations before tax, exceptional items and amortisation	337.0	512.8
Effective tax rate on continuing operations (excluding tax on exceptional items and amortisation)	23.68%	23.89%
Tax charge (excluding tax on exceptional items and amortisation)	79.8	122.5
Tax charge in relation to joint ventures	(4.8)	(12.8)
Tax charge in relation to exceptional items	0.7	19.5
Derecognition of deferred tax assets due to UK pension actuarial loss	27.3	-
Tax credit in relation to amortisation	(23.5)	(53.3)
Tax charge per income statement	79.5	75.9

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 2020 are the derecognition of deferred tax assets and current year deferred tax assets not recognised primarily in relation to the US, offset by the ability to recover \$14.5m of alternative minimum tax in the US as a result of Covid-19 related tax measures, a reassessment of the liability to the US base erosion tax and the release of provisions in relation to uncertain tax positions. Despite challenges in relation to interest deductibility and the sensitivity of the tax rate to US deferred tax asset recognition, we currently anticipate a rate of 23-24% in 2021.

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

In February 2021, HM Revenue and Customs concluded that the Group had not benefitted from State Aid in relation to the UK controlled foreign company finance exemption. As a result, this matter is no longer disclosed as contingent liability.

Earnings per share

The calculation of basic earnings per share is based on the earnings attributable to owners of the parent divided by the weighted average number of ordinary shares in issue during the year excluding shares held by the Group's employee share trusts. For the calculation of adjusted diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of dilutive potential ordinary shares, only when there is a profit per share. Adjusted diluted earnings per share is disclosed to show the results excluding the impact of exceptional items and amortisation related to acquisitions, net of tax.

	2020			2019		
	Earnings 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	(229.5)	672.5	(34.1)	72.0	670.9	10.7
Effect of dilutive ordinary shares	-	-	-	-	15.8	(0.2)
 Diluted	 (229.5)	 672.5	 (34.1)	 72.0	 686.7	 10.5
Exceptional items, net of tax	283.3	-	42.1	127.1	-	18.5
Amortisation related to acquisitions, net of tax	102.2	-	15.2	117.1	-	17.0
 Adjusted diluted	 156.0	 672.5	 23.2	 316.2	 686.7	 46.0

Basic loss per share for the year was 34.1 cents per share (2019: earnings 10.7 cents). The loss for the year attributable to owners of the parent of \$229.5m is lower than the \$72.0m profit reported in 2019 mainly due to an increase in exceptional items, net of tax, lower operating profit caused by the impacts of Covid-19 and the oil price volatility and was partially offset by a lower net finance expense due to reduced borrowings in the year.

Dividend

The uncertainties caused by the Covid-19 pandemic led to the Board withdrawing its recommendation for payment of the 2019 final dividend and not declaring an interim or final 2020 dividend in order to protect cash flows and ensure balance sheet strength. The Board recognises the importance of dividends to shareholders and is committed to reviewing the future policy once there is greater clarity on the longer- term impact of Covid-19 and increased market stability. Any decision to resume payment of a dividend will consider the Group's future profitability, cash requirements and focus on preserving long term value.

Cash flow and net debt

The cash flow for the year is set out below:

	Excluding leases 2020 \$m	Leases 2020 \$m	Full year 2020 \$m	Restated* Full year 2019 \$m
Adjusted EBITDA	479.2	151.2	630.4	855.4
Less JV EBITDA and add back JV dividends	(30.5)	(7.7)	(38.2)	(37.7)
Decrease in provisions	(45.4)	-	(45.4)	(216.1)
Other	6.7	-	6.7	3.9
Cash flow generated from operations pre working capital	410.0	143.5	553.5	605.5
Decrease in receivables	504.2	-	504.2	200.2
Decrease in payables	(342.3)	-	(342.3)	(132.5)
(Decrease)/increase in advance payments	(276.8)	-	(276.8)	127.9
Decrease/(increase) in inventory	0.9	-	0.9	(2.8)
Working capital movements	(114.0)	-	(114.0)	192.8
Cash exceptional	(114.6)	21.3	(93.3)	(52.1)
Cash generated from operations	181.4	164.8	346.2	746.2
Divestments/acquisitions	455.2	-	455.2	43.1
Capex and intangibles	(81.6)	-	(81.6)	(127.2)
Free cash flow	555.0	164.8	719.8	662.1
Tax, interest, dividends and other	(145.3)	23.6	(121.7)	(407.2)
Non-cash movement in leases	-	(146.5)	(146.5)	(145.0)
Decrease in net debt	409.7	41.9	451.6	109.9
Opening net debt	(1,424.0)	(583.3)	(2,007.3)	(2,117.2)
Closing net debt	(1,014.3)	(541.4)	(1,555.7)	(2,007.3)

*details of the restated 2019 balance sheet are set out in note 1 to the Group financial statements

Closing net debt at 31 December 2020 including leases was \$1,555.7m (2019: \$2,007.3m). The reduction in net debt of \$451.6m is mainly due to the increase in net proceeds from divestments and acquisitions and the Boards decision to temporarily suspend the dividend and was partially offset by a reduction in cash generated from operations.

Included within closing net debt is the IFRS 16 lease liability which is the net present value of the lease payments that are not paid at the commencement date of the lease and subsequently increased by the interest cost and reduced by the lease payment made. The lease liability as at 31 December 2020 was \$541.4m (2019: \$583.3m). All covenants on the debt facilities are measured on a frozen GAAP basis and therefore exclude the impact of IFRS 16.

Cash generated from operations pre-working capital decreased by \$52.0m to \$553.5m primarily as a result of the reduction in EBITDA, partially offset by the movement in provisions. The movement in provisions of \$170.7m is mainly due to a decrease of \$106.3m in utilisations of provisions to \$75.2m, reflecting the close out of legacy issues and includes the receipt of insurance proceeds in respect of ongoing litigation.

There was a working capital outflow of \$114.0m (2019: inflow \$192.8m). During 2019, the Group received a significant cash advance which has unwound during 2020 as the projects approach completion. The outflow caused by advances of \$276.8m was partially offset by the decrease in receivables and payables due to lower activity in 2020 compared with 2019 and this led to a net cash inflow of \$161.9m in 2020.

Cash exceptionals have increased by \$41.2m to \$93.3m in 2020 which mainly relate to increased redundancy, restructuring and integration costs.

Payments for capex and intangible assets were \$81.6m (2019: \$127.2m) and included software licences and expenditure on ERP systems across the Group. The reduction is mainly due to the pause in the implementation of the ERP system and other discretionary capital expenditure as a result of current market conditions.

Net cash from divestments of \$455.2m mainly relates to the disposal of the nuclear and industrial services businesses and our interest in TransCanada Turbines.

Tax, interest, dividends and other has reduced from \$407.2m in 2019 to \$121.7m in 2020. The reduction of \$285.5m is mainly due to the withdrawal of the dividend which led to a cash saving of \$235.5m in 2020 and a reduction in financing costs of \$34.7m.

Cash conversion, calculated as cash generated from operations as a percentage of adjusted EBITDA (less JV EBITDA) reduced to 61.5% (2019: 96.5%) primarily due to the outflow on advances.

Sources and uses of cash

The decrease in cash generated from operations in 2020 to \$346.2m from \$746.2m was primarily due to the impacts of Covid-19 and oil price volatility which led to a challenging trading environment for the Group.

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

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

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

- Servicing and repayment of our debt facilities;
- Maintenance of our progressive dividend policy;
- Organic capex; and
- Acquisitions.

Summary Balance Sheet

	Full year 2020 \$m	Restated* Full year 2019 \$m
Goodwill and intangible assets	6,216.2	6,299.0
Right of use assets	408.9	412.1
Other non-current assets	831.1	964.8
Trade and other receivables	1,698.6	2,306.0
Net held for sale assets and liabilities	-	412.9
Trade and other payables	(2,019.7)	(2,619.6)
Net debt excluding leases	(1,014.3)	(1,424.0)
Lease liabilities	(541.4)	(583.3)
Provisions	(942.6)	(792.2)
Other net liabilities	(464.0)	(551.4)
Net assets	4,172.8	4,424.3
 Net current liabilities	 (457.93)	 (224.1)

At 31 December 2020, the Group had net current liabilities of \$457.3m (2019: \$224.1m).

Goodwill and intangible assets include \$4,372.7m (2019: \$4,645.0m) of goodwill and intangibles relating to the acquisition of Amec Foster Wheeler. The balance has decreased during the year primarily because of the disposal of the Nuclear business and the amortisation of intangible assets.

Right of use assets and lease liabilities amount to \$408.9m (2019: \$412.1m) and \$541.4m (2019: \$583.3m) respectively.

The reduction in trade receivables is primarily due to reduced activities caused by the impacts of Covid-19 and oil price volatility. There have been no instances of material default by our customers as a result of the current market conditions.

Trade and other payables have reduced by \$599.9m since December 2019 and this is partly due to a reduction in gross amounts due to customers of \$277.3m. During 2019, the Group received a significant advance which has unwound during 2020 as the projects approach completion.

The provisions balance increased by \$150.4m to \$942.6m. The increase in provisions is mainly driven by the income statement charge of \$279.4m, reclassifications of \$33.0m and FX of \$3.5m partially offset by utilisations and releases totalling \$165.5m. The expected movement related to provisions in 2021 is approximately \$60m.

The income statement charge of \$279.4m mainly related to the ongoing investigation. Discussions concerning the possible resolution of the investigations by the UK Serious Fraud Office (SFO) and by the authorities in the US, Brazil and Scotland have progressed to the point where the Group now believes that it is likely to be able to settle all of the relevant matters at an aggregate cost of \$196.7m. This amount has been reflected as a provision in the financial statements as described in note 20 and includes the amount provided for in 2019.

Provisions utilised during the year amounted to \$75.2m, which mainly related to asbestos and Aegis. Provisions released to the income statement amounted to \$90.3m and was mainly related to a number of historic project related provisions which are no longer necessary following resolution of disputes or the underlying risk.

Contract assets and liabilities

	Dec 2020 \$m	Dec 2019 \$m
Trade receivables	646.9	943.5
Non-current contract assets	111.3	-
Amounts due from customers	638.6	962.8
Amounts due to customers	(203.2)	(480.5)
	1,193.6	1,425.8

The reduction in trade receivables and amounts due from customers is due to reduced activity caused by the impact of Covid-19 and oil price volatility. There have been no instances of material default by our customers as a result of the current market conditions. The decrease in gross amounts due to customers relates to the unwinding of advance payments from a major contract in the ASA business during 2020.

Non-current contract assets of \$111.3m include \$94.1m of gross amounts due from customers and \$17.2m of trade receivables in relation to the Aegis contract. Refer to note 20 for further details.

Asbestos related obligations

Largely as a result of the acquisition of AFW, the Group is subject to claims by individuals who allege that they have suffered personal injury from exposure to asbestos primarily in connection with equipment allegedly manufactured by certain subsidiaries during the 1970s or earlier. The overwhelming majority of claims that have been made and are expected to be made are in the United States. At 31 December 2020, the Group has net asbestos related liabilities of \$380.9m (2019: \$379.6m).

The Group expects to have net cash outflows of around \$33m as a result of asbestos liability indemnity and defence payments in excess of insurance proceeds during 2021. The estimate assumes no additional settlements with insurance companies and no elections to fund additional payments. The Group has worked with its independent asbestos valuation experts to estimate the amount of asbestos related indemnity and defence costs at each year end based on a forecast to 2050.

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

Pensions

The Group operates a number of defined benefit pension schemes in the UK and US and a number of defined contribution plans. At 31 December 2020, the schemes had a net surplus of \$64.4m (2019: \$241.0m). In assessing the potential liabilities, judgement is required to determine the assumptions for inflation, discount rate and member longevity. The assumptions at 31 December 2020 showed a reduction in the discount rate which results in higher scheme liabilities and lower RPI inflation rates, thereby reducing the surplus compared to 2019. Full details of pension assets and liabilities are provided in note 32 to the Group financial statements.

Contingent liabilities

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

Divestments

During 2020 the Group disposed of its nuclear and industrial services businesses and our interest in TransCanada Turbines. Each of these were classified as held for sale as at 31 December 2019. In addition, the Group disposed of its Kazakh provider of training and related services, YKK, and an additional investment in a non-core joint venture.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2020 or 2019 but is derived from those accounts. Statutory accounts for 2019 have been delivered to the registrar of companies, and those for 2020 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Footnotes

1. *Adjusted EBITDA represents operating loss of \$32.9m (2019: profit \$303.4m) before the deduction of depreciation of \$180.0m (2019: \$182.0m), amortisation of \$227.7m (2019: \$243.7m), exceptional items of \$247.3m (2019: \$107.6m) and joint venture interest and tax of \$8.3m (2019: \$18.7m) 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 relating to acquisitions, 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. In 2020, AEPS was not (2019: was) adjusted to assume conversion of all potentially dilutive ordinary shares because the unadjusted result is a loss (2019: profit).*
3. *Number of people includes both employees and contractors at 31 December 2020.*
4. *Interest cover is adjusted EBITDA excluding IFRS 16 of \$479.2m (2019: \$704.4m) divided by the net finance expense, which excludes net finance expense from joint ventures of \$3.5m (2019: \$5.9m) and the impact of IFRS 16 of \$29.0m (2019: \$28.2m)*

JOHN WOOD GROUP PLC

GROUP FINANCIAL STATEMENTS

FOR THE YEAR TO 31 DECEMBER 2020

Company Registration Number SC036219

Consolidated income statement

for the year to 31 December 2020

		2020			2019		
	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	7,564.3	-	7,564.3	9,890.4	-	9,890.4
Cost of sales		(6,836.6)	-	(6,836.6)	(8,768.5)	-	(8,768.5)
Gross profit		727.7	-	727.7	1,121.9	-	1,121.9
Administrative expenses	5	(554.9)	(239.3)	(794.2)	(760.4)	(106.3)	(866.7)
Share of post-tax profit/(loss) from joint ventures	5,12	41.6	(8.0)	33.6	49.5	(1.3)	48.2
Operating profit/(loss)	1	214.4	(247.3)	(32.9)	411.0	(107.6)	303.4
Finance income	3	13.4	-	13.4	9.6	-	9.6
Finance expense	3,5	(121.1)	(8.0)	(129.1)	(164.3)	-	(164.3)
Profit/(loss) before taxation from continuing operations	4,5	106.7	(255.3)	(148.6)	256.3	(107.6)	148.7
Taxation	5,6	(51.5)	(28.0)	(79.5)	(56.4)	(19.5)	(75.9)
Profit/(loss) for the year from continuing operations		55.2	(283.3)	(228.1)	199.9	(127.1)	72.8
Profit/(loss) attributable to							
Owners of the parent		53.8	(283.3)	(229.5)	199.1	(127.1)	72.0
Non-controlling interests	28	1.4	-	1.4	0.8	-	0.8
		55.2	(283.3)	(228.1)	199.9	(127.1)	72.8
Earnings per share (expressed in cents per share)							
Basic		8		(34.1)			10.7
Diluted		8		(34.1)			10.5

The notes on pages 33 to 115 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income/expense

for the year to 31 December 2020

	Note	2020 \$m	2019 \$m
(Loss)/profit for the year		(228.1)	72.8
Other comprehensive (expense)/income			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement losses on retirement benefit obligations	32	(178.7)	(56.1)
Movement in deferred tax relating to retirement benefit obligations	6	36.8	6.8
Total items that will not be reclassified to profit or loss		(141.9)	(49.3)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Cash flow hedges	27	(8.0)	(5.3)
Tax on derivative financial instruments	6	1.6	1.4
Exchange movements on retranslation of foreign operations	27	92.9	83.4
Total items that may be reclassified subsequently to profit or loss		86.5	79.5
Other comprehensive (expense)/income for the year, net of tax		(55.4)	30.2
Total comprehensive (expense)/income for the year		(283.5)	103.0
Total comprehensive (expense)/income for the year is attributable to:			
Owners of the parent		(284.9)	102.2
Non-controlling interests		1.4	0.8
		(283.5)	103.0

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

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

The notes on pages 33 to 115 are an integral part of these consolidated financial statements.

Consolidated balance sheet

as at 31 December 2020

		2020 Note	2019 (\$m)	(Restated*) (\$m)
Assets				
Non-current assets				
Goodwill and other intangible assets	9	6,216.2	6,299.0	
Property plant and equipment	10	126.4	164.3	
Right of use assets	11	408.9	412.1	
Investment in joint ventures	12	168.7	168.3	
Other investments	12	79.8	81.4	
Long term receivables	14	187.0	95.7	
Retirement benefit scheme surplus	32	188.8	368.0	
Deferred tax assets	21	80.4	87.1	
		7,456.2	7,675.9	
Current assets				
Inventories	13	11.9	14.5	
Trade and other receivables	14	1,698.6	2,306.0	
Financial assets	14	20.7	10.1	
Income tax receivable		50.6	39.8	
Assets held for sale	30	-	518.9	
Cash and cash equivalents	15	585.0	1,847.0	
		2,366.8	4,736.3	
Total assets		9,823.0	12,412.2	
Liabilities				
Current liabilities				
Borrowings	17	315.3	1,752.7	
Trade and other payables	16	2,019.7	2,619.6	
Income tax liabilities		183.2	199.5	
Lease liabilities	11	133.4	142.0	
Provisions	20	172.5	140.6	
Liabilities held for sale	30	-	106.0	
		2,824.1	4,960.4	
Net current liabilities		(457.3)	(224.1)	
Non-current liabilities				
Borrowings	17	1,296.5	1,573.2	
Deferred tax liabilities	21	89.0	88.4	
Retirement benefit scheme deficit	32	124.4	127.0	
Lease liabilities	11	408.0	441.3	
Other non-current liabilities	18	138.1	146.0	
Provisions	20	770.1	651.6	
		2,826.1	3,027.5	
Total liabilities		5,650.2	7,987.9	
Net assets		4,172.8	4,424.3	
Equity attributable to owners of the parent				
Share capital	23	41.1	40.9	
Share premium	24	63.9	63.9	
Retained earnings	25	1,455.2	1,806.4	
Merger reserve	26	2,540.8	2,540.8	
Other reserves	27	69.0	(33.2)	
Total equity attributable to owners of the parent		4,170.0	4,418.8	
Non-controlling interests	28	2.8	5.5	
Total equity		4,172.8	4,424.3	

* the 2019 balance sheet has been restated to correct differences identified on the adoption of IFRS 16 on 1 January 2019. See note 1 for details.

The financial statements on pages 28 to 115 were approved by the board of directors on 15 March 2021 and signed on its behalf by:

Robin Watson, Director

David Kemp, Director

The notes on pages 33 to 115 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

for the year to 31 December 2020

		Share capital Note	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 2019		40.7	63.9	1,806.7	2,790.8	(111.3)	4,590.8	19.0	4,609.8
Adjustment on initial application of IFRS 16 (net of tax)		-	-	(33.9)	-	-	(33.9)	-	(33.9)
Prior year adjustment on application of IFRS 16 (net of tax)	1	-	-	(21.3)	-	-	(21.3)	-	(21.3)
*Restated balance at 1 January 2019		40.7	63.9	1,751.5	2,790.8	(111.3)	4,535.6	19.0	4,554.6
Profit for the year		-	-	72.0	-	-	72.0	0.8	72.8
Other comprehensive income/(expense):									
Re-measurement losses on retirement benefit scheme	32	-	-	(56.1)	-	-	(56.1)	-	(56.1)
Movement in deferred tax relating to retirement benefit scheme	6	-	-	6.8	-	-	6.8	-	6.8
Cash flow hedges	27	-	-	-	-	(5.3)	(5.3)	-	(5.3)
Tax on derivative financial instruments	6	-	-	1.4	-	-	1.4	-	1.4
Net exchange movements on retranslation of foreign operations	27,28	-	-	-	-	83.4	83.4	-	83.4
Total comprehensive income/(expense) for the year		-	-	24.1	-	78.1	102.2	0.8	103.0
Transactions with owners:									
Dividends paid	7,28	-	-	(235.5)	-	-	(235.5)	(1.2)	(236.7)
Credit relating to share based charges	22	-	-	23.4	-	-	23.4	-	23.4
Tax relating to share option schemes	6	-	-	(4.1)	-	-	(4.1)	-	(4.1)
Deferred tax impact of rate change in equity	6	-	-	0.3	-	-	0.3	-	0.3
Other tax movements in equity	6	-	-	0.7	-	-	0.7	-	0.7
Shares allocated to employee share trusts	25	0.2	-	(0.2)	-	-	-	-	-
Shares issued by employee share trusts to satisfy option exercises	25	-	-	0.4	-	-	0.4	-	0.4
Exchange movements in respect of shares held by employee share trusts	25	-	-	(4.2)	-	-	(4.2)	-	(4.2)
Transactions with non-controlling interests	25	-	-	-	-	-	-	(13.1)	(13.1)
Transfer from merger reserve to retained earnings	26	-	-	250.0	(250.0)	-	-	-	-
At 31 December 2019 (as restated)		40.9	63.9	1,806.4	2,540.8	(33.2)	4,418.8	5.5	4,424.3
(Loss)/Profit for the year		-	-	(229.5)	-	-	(229.5)	1.4	(228.1)
Other comprehensive income/(expense):									
Re-measurement losses on retirement benefit scheme	32	-	-	(178.7)	-	-	(178.7)	-	(178.7)
Movement in deferred tax relating to retirement benefit scheme	6	-	-	36.8	-	-	36.8	-	36.8
Cash flow hedges	27	-	-	-	-	(8.0)	(8.0)	-	(8.0)
Tax on derivative financial instruments	6	-	-	1.6	-	-	1.6	-	1.6
Net exchange movements on retranslation of foreign operations	27	-	-	-	-	92.9	92.9	-	92.9
Total comprehensive (expense)/income for the year		-	-	(369.8)	-	84.9	(284.9)	1.4	(283.5)
Transactions with owners:									
Dividends paid	7,28	-	-	-	-	-	-	(4.9)	(4.9)
Credit relating to share based charges	22	-	-	24.3	-	-	24.3	-	24.3
Deferred tax impact of rate change in equity	6	-	-	(1.3)	-	-	(1.3)	-	(1.3)
Other tax movements in equity	6	-	-	(0.7)	-	-	(0.7)	-	(0.7)
Shares allocated to employee share trusts	25	0.2	-	(0.2)	-	-	-	-	-
Exchange movements in respect of shares held by employee share trusts	25	-	-	(3.5)	-	-	(3.5)	-	(3.5)
Net exchange movements on disposal of foreign currency operations	30	-	-	-	-	17.3	17.3	-	17.3
Transactions with non-controlling interests	25	-	-	-	-	-	-	0.8	0.8
At 31 December 2020		41.1	63.9	1,455.2	2,540.8	69.0	4,170.0	2.8	4,172.8

The notes on pages 33 to 115 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

for the year to 31 December 2020

	Note	2020 \$m	2019 \$m
Cash generated from operations	29	346.2	746.2
Tax paid		(43.2)	(84.3)
Net cash generated from operating activities		303.0	661.9
Cash flows from investing activities			
Acquisition of subsidiaries (cash acquired less consideration paid)	30	(21.0)	(5.6)
Disposal of businesses (net of cash disposed)	30	455.2	43.1
Purchase of property plant and equipment	10	(15.0)	(52.0)
Proceeds from sale of property plant and equipment		6.8	19.4
Purchase of intangible assets	9	(73.4)	(94.6)
Interest received		3.6	3.9
Cash from short term investments and restricted cash	29	(12.5)	11.7
Investment in joint ventures	12	-	(0.8)
Repayment of loans from joint ventures		4.5	30.0
Net cash generated from/(used in) investing activities		348.2	(44.9)
Cash flows from financing activities			
(Repayment of)/proceeds from short-term borrowings	29	(1,438.4)	770.9
Repayment of long-term borrowings	29	(277.5)	(348.2)
Payment of lease liabilities	29	(188.4)	(165.6)
Proceeds from disposal of shares by employee share trusts	25	-	0.4
Interest paid		(86.5)	(121.2)
Dividends paid to shareholders	7	-	(235.5)
Dividends paid to non-controlling interests	28	(4.9)	(1.2)
Net cash used in financing activities		(1,995.7)	(100.4)
Net (decrease)/increase in cash and cash equivalents	29	(1,344.5)	516.6
Effect of exchange rate changes on cash and cash equivalents	29	27.6	8.4
Opening cash and cash equivalents		1,901.9	1,376.9
Closing cash and cash equivalents	15	585.0	1,901.9

Closing cash and cash equivalents includes \$nil (2019: \$54.9m) presented in assets held for sale on the Group balance sheet (see note 30).

The repayment of long-term borrowings of \$277.5m includes \$400.5m of repayments offset by proceeds from \$200.0m of new bilateral loan facilities and the impact of \$77.0m of senior loan notes, now falling due within one year, being reclassified from long-term to short-term borrowings.

The notes on pages 33 to 115 are an integral part of these consolidated financial statements.

General information

John Wood Group PLC, its subsidiaries and joint ventures, ('the Group') delivers comprehensive services to support its customers across the complete lifecycle of their assets, from concept to decommissioning, across a range of energy, industrial and utility markets. Details of the Group's activities during the year are provided in the Strategic Report. John Wood Group PLC is a public limited company, incorporated and domiciled in the United Kingdom and listed on the London Stock Exchange. Copies of the Group financial statements are available from the Company's registered office at 15 Justice Mill Lane, Aberdeen AB11 6EQ.

Accounting Policies

Basis of preparation

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No: 1606/2002 as it applies to the European Union. The Group financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through the income statement.

Going concern

Despite the challenges of the Covid-19 pandemic and a low oil price environment our broad end market exposure and flexible business model has delivered a resilient financial performance in 2020 with good cash flow and a further reduction in net debt. We expect that these near term headwinds will continue into 2021 and, whilst forecasting activity levels in an uncertain economic environment remains challenging, we expect that our relative resilience will continue and we see significant opportunities from the accelerating pace of Energy Transition. The directors have undertaken a rigorous assessment of going concern and liquidity over a period of at least 12 months from the date of approval of these financial statements (the going concern period), as well as preparing financial forecasts up to the end of 2022 to reflect reasonably possible downsides.

During 2020, the directors undertook a number of actions to significantly adjust the cost base of the Group, leading to savings of \$230m which were mainly achieved by temporary and permanent overhead savings, reductions in discretionary spend and capital expenditure, and the use of Government support schemes. Included within these savings were temporary furlough schemes in the UK, Canada and Italy. Deferrals of social security and pension contributions in line with the US Coronavirus Aid, Relief and Economic Security (CARES) Act (refer to the Government grants policy) amounted to approximately \$50m. These deferred payments are to be paid between January 2021 and December 2022, and the financial forecasts include all deferred cash flows payable on their revised due dates. To the extent that temporary measures are reversed in 2021 and beyond, we are confident that they will not have any material impact on the business' ability to operate as a going concern.

The directors withdrew their proposed 2019 final dividend payment and did not declare an interim or final 2020 dividend in order to protect cashflows and preserve long term value. No dividends were included in the going concern assessment. Any decision to resume payment of a dividend will consider the Group's future profitability and cash requirements.

The completed disposals of the Nuclear, Industrial Services and TCT businesses in 2020, which generated proceeds of \$455.2m (net of cash disposed and transaction costs) were used to pay down the term loan which was due to be repaid in October 2020. The Group has also secured a one-year extension for \$1,514.0m of its revolving credit facility to May 2023, which extends the maturity profile of the Group's debt facilities.

In assessing the basis of preparation of the financial statements for the year ended 31 December 2020, the directors have considered the principles of the Financial Reporting Council's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, 2014'; namely assessing the applicability of the going concern basis, the review period and disclosures. In addition, the directors have considered supplementary guidance issued in December 2020 by the Financial Reporting Council in relation to Covid-19.

In order to satisfy themselves that they have adequate resources for the 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. As of 31 December 2020, the Group's principal debt facilities comprise a \$1,750.0m revolving credit facility of which \$236.0m matures in May 2022 and the remaining \$1,514.0m in May 2023; \$300.0m of bilateral term loans maturing in May 2022 and \$880.5m of US private placement debt repayable in various tranches between August 2021 and July 2031, with over 85% due in 2023 or later. At 31 December 2020, the Group had headroom of \$1,550.0m under its main facilities and a further \$181.8m of other undrawn borrowing facilities. The Group's key financial covenants are set at a ratio of 3.5x for both net debt/ maximum rolling 12 month EBITDA and minimum interest cover. These covenants are measured on a semi-annual basis and excludes the impact of IFRS 16. There are no indications from the scenarios modelled that any of these covenants will be breached in the period assessed.

At 31 December 2020, the Group had net current liabilities of \$457.3m and this largely reflects the ability of the Group to effectively manage its short-term working capital cycle including the receipt of advance payments, management of payables and improvements in Days Sales Outstanding (DSO). The cash flow forecasts show that the Group will have sufficient funds to meet its liabilities as they fall due.

Accounting Policies (continued)

The directors have considered a range of scenarios, including the impact of Covid-19 on the Group's future financial performance and cash flows. These scenarios reflect our experience of the how the pandemic impacted our business in 2020 and the steps taken to adapt to working in a different environment, and also take into account the Group's Order Book. The majority of our businesses were able to continue to operate either by home working or, for field-based operations, reconfiguring to operate in a post Covid-19 environment with relatively short periods of disruption. The base case scenario therefore assumes that whilst there will be new lockdown periods in 2021, no material impact incremental to what was experienced in 2020 is expected. The upstream oil and gas focused elements of our business, which makes up around 35% of revenue, were impacted by the sharp reduction in oil prices in Q1 2020. We have since seen an increase to around \$60 per barrel. Although producers remain cautious on longer term oil prices, analysts predict that increased industrial and transport demand, following the roll out of vaccinations globally during 2021, will support oil prices above \$50 per barrel. The non-upstream parts of our business which make up the other 65% of revenue have been less impacted and we would expect this to continue to be the case. The main drivers for this part of the business include global GDP growth, demand for chemicals and refined products, infrastructure spend, demand for renewables projects and metal prices.

The directors have considered severe, but plausible downside scenarios. The most severe of these reflect further material reductions in revenue and EBITDA from the base case scenario. This could result from a worsening economic climate and a significantly reduced oil price. The downside case also modelled the impact of unexpected working capital outflows and other significant unforeseen cash payments. In each of the scenarios modelled, the financial covenants were comfortably met with significant facility headroom remaining available.

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

Significant accounting policies

The Group's significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

Critical accounting judgements and estimates

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. These estimates and judgements are based on management's best knowledge of the amount, event or actions and actual results ultimately may differ from those estimates. Group management believe that the estimates and assumptions listed below have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities.

(a) Impairment of goodwill (estimate)

The Group carries out impairment reviews whenever events or changes in circumstance indicate that the carrying value of goodwill may not be recoverable. In addition, the Group carries out an annual impairment review. Management expectations are formed in line with performance to date and experience, as well as available external market data. Future cash flow projections have remained a key source of estimation uncertainty during the year given the unprecedented uncertainty created by Covid-19.

An impairment loss is recognised when the recoverable amount of goodwill is less than the carrying amount. The impairment tests are carried out by CGU ('Cash Generating Unit') and reflect the latest Group budgets and forecasts as approved by the Board. The budgets and forecasts are based on various assumptions relating to the Group's businesses including assumptions relating to market outlook, resource utilisation, contract awards and contract margins. The outlook for the Group is discussed in the Chief Executive's Review. Pre-tax discount rates of between 10.4% and 11.3% have been used to discount the CGU cash flows and a terminal value is applied using long term growth rates of between 2.4% and 2.8%. A sensitivity analysis has been performed allowing for possible changes to the discount rate, the long-term growth rate and the short-term EBITDA growth rate.

The headroom on Asset Solutions EAAA based on the assumptions above was \$222.0m. A sensitivity analysis has been performed assuming the impact of reasonably possible changes to the assumptions used in the impairment review. A 0.75% reduction in the long term growth rate or a 0.8% increase in the discount rate would result in headroom being reduced to \$nil.

The headroom on Asset Solutions Americas based on the assumptions above was \$218.0m. A sensitivity analysis has been performed assuming the impact of reasonably possible changes to the assumptions used in the impairment review. A 0.25% reduction in the long term growth rate or a 0.6% increase in the discount rate would result in headroom being reduced to \$nil.

See note 9 for further details.

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

The Group has a 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. Lump sum revenue amounted to \$2,501.8m in 2020 (2019: \$2,922.9m).

Accounting Policies (continued)

Uncertainties include the estimation of:

Forecast costs to complete the contract

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

Recognition of revenue from variation orders ("VOs")

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

On the Aegis contract, the assessment of the amount of variable consideration that is considered to be highly probable is based on an estimate that takes into account the risks and likelihood of recovery of unapproved change orders raised under the contract. The amount of this variable consideration is material and is included within the \$111.3m of long-term contract assets. See note 20 for further details.

Liquidated damages ("LDs")

Management make an assessment of the value of LDs to be provided at reporting date such that it is considered highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the LD is subsequently resolved. This initial assessment is reconsidered at each reporting date. The assessment is based on a best estimate of the monetary amount of LDs payable which involves a number of management assumptions and judgements including discussions with the customer, contractual entitlement, prior experience of the customer, prior experience of similar contracts with other customers and other forms of documentary evidence. At 31 December 2020, the Group's individually most significant LDs amounted to \$18.0m (2019: \$16.0m) and this is included within provisions on the balance sheet. See note 20 for further details.

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

See note 2 for further details.

(c) Provisions and contingent liabilities (judgement and estimate)

The Group records provisions where it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the obligation can be made. Where the outcome is less than probable, but more than remote, or a reliable estimate cannot be made, no provision is recorded but a contingent liability is disclosed in the financial statements, if material. The recording of provisions is an area which requires the exercise of management judgement relating to the nature, timing and probability of the liability and typically the Group's balance sheet includes contract provisions and provisions for pending legal issues.

As a result of the acquisition of Amec Foster Wheeler ("AFW") in 2017, the Group has acquired a significant asbestos related liability. Some of AFW's legacy US and UK subsidiaries are defendants in asbestos related lawsuits and there are out of court informal claims pending in both jurisdictions. Plaintiffs claim damages for personal injury alleged to have arisen from exposure to the use of asbestos in connection with work allegedly performed by subsidiary companies in the 1970s and earlier. The provision for asbestos liabilities is the Group's best estimate of the obligation required to settle claims up until 2050. Group policy is to record annual changes to the underlying gross estimates where they move by more than 5%.

The critical assumptions applied in determining the asbestos provision include: indemnity settlement amount, forecasted number of new claims, estimated defence costs and the discount rate. The Group uses a 30 year US Treasury bond rate to discount its asbestos liabilities. The extreme market conditions seen in 2020 have led to unprecedented reductions in US Treasury rates. The 30 year US Treasury rate, has reduced to 1.65% from 2.39% at the end of December 2019. This has resulted in a charge of \$17.9m being recognised through the income statement and has been treated as exceptional due to being outwith the control of the Group.

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

Discussions concerning the possible resolution of the investigations by the UK Serious Fraud Office (SFO) and by the authorities in the US, Brazil and Scotland have progressed to the point where the Group now believes that it is likely to be able to settle all of the relevant matters at an aggregate cost of \$196.7m. This amount, which includes the amount provided for in 2019, has been reflected as a provision in the financial statements (see notes 20 and contingent liability note 33). We anticipate that an agreement with the Scottish authorities will be finalised shortly

Accounting Policies (continued)

and that the settlement of the other investigations will be finalised, subject to court approvals, during Q2 2021. It is expected that approximately \$70m of the settlement amounts will be payable in 2021, with the balance payable in instalments in 2022, 2023 and 2024.

(d) Income taxes (estimate)

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

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

See note 6 and 21 for details.

(e) Retirement benefit schemes (estimate)

The value of the Group's retirement benefit schemes surplus/deficit is determined on an actuarial basis using several assumptions. Changes in these assumptions will impact the carrying value of the surplus/deficit. A sensitivity analysis showing the impact of changes to these assumptions is provided in note 32. The principal assumptions that impact the carrying value are the discount rate, the inflation rate and life expectancy. The Group determines the appropriate assumptions to be used in the actuarial valuations at the end of each financial year following consultation with the retirement benefit schemes' actuaries. In determining the discount rate, consideration is given to the interest rates of high-quality corporate bonds in the currency in which the benefits will be paid and that have terms to maturity similar to those of the related retirement benefit obligation. The inflation rate is derived from the yield curve used in deriving the discount rate and adjusted by an agreed risk premium. Assumptions regarding future mortality are based on published statistics and the latest available mortality tables. The tax rate applied to the surplus of the UK scheme is 19%, on the basis that the scheme is in a technical funding deficit with commitments for future contributions and there is no expectation that the manner of any future recovery would be in the form of a refund, which would be taxed at 35%.

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

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

(f) Lease liability (judgement)

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee and the contract includes renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or terminated).

For leases of property, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate);
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate);
- Otherwise the Group considers other factors including historical lease durations, the costs and business disruption to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonably certainty is only revised if a significant event or change in circumstances occurs, which affects this assessment and that is within the control of the lessee.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's incremental borrowing rate ("IBR") is used. The IBR is obtained from various external financing sources and makes adjustments to reflect the terms of the lease and the type of asset leased.

Accounting Policies (continued)

Basis of consolidation

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

Joint ventures and joint operations

A joint venture is a type of joint arrangement where the parties to the arrangement share rights to its net assets. A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

The Group's interests in joint ventures are accounted for using equity accounting. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture from the acquisition date. The results of the joint ventures are included in the consolidated financial statements from the date the joint control commences until the date that it ceases. The Group includes its share of joint venture profit on the line 'Share of post-tax profit from joint ventures' in the Group income statement and its share of joint venture net assets in the 'investment in joint ventures' line in the Group balance sheet.

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

Presentational currency

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

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

	2020	2019
Average rate £1 = \$	1.2844	1.2773
Closing rate £1 = \$	1.3669	1.3247

Foreign currencies

In each individual entity, transactions in foreign currencies are translated into the relevant functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the balance sheet date. Any exchange differences are taken to the income statement.

Income statements of entities whose functional currency is not the US dollar are translated into US dollars at average rates of exchange for the period and assets and liabilities are translated into US dollars at the rates of exchange ruling at the balance sheet date. Exchange differences arising on translation of net assets in such entities held at the beginning of the year, together with those differences resulting from the restatement of profits and losses from average to year end rates, are taken to the currency translation reserve.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate ruling at the balance sheet date with any exchange differences taken to the currency translation reserve.

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

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to the foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss. The directors consider it appropriate to record sterling denominated equity share capital in the financial statements of John Wood Group PLC at the exchange rate ruling on the date it was raised.

Accounting Policies (continued)

Revenue recognition

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

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

Cost reimbursable projects

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

Lump sum or fixed price contracts

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

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 material revenue being recognised in respect of claims.

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

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

Details of the services provided by the Group are provided under the 'Segmental Reporting' heading.

Exceptional items

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Group's financial performance. Transactions which may give rise to material exceptional items include gains and losses on divestment of businesses, write downs or impairments of assets including goodwill, restructuring or regulatory costs or provisions, litigation settlements, tax provisions or payments, provisions for onerous contracts and acquisition and divestment costs and asbestos related income and charges. 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, IFRS 16 lease liabilities and asbestos liabilities is included in finance expense. Interest expense and interest income on scheme assets relating to the Group's retirement benefit schemes are also included in finance income/expense. See note 3 for further details.

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

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

Dividends payable

Dividends to the Group's shareholders are recognised as a liability in the period in which the dividends are approved by shareholders. Interim dividends are recognised when paid. See note 7 for further details.

Accounting Policies (continued)

Business combinations

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

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. Goodwill is carried at cost less accumulated impairment losses. Goodwill is not amortised.

Intangible assets

Intangible assets are carried at cost less accumulated amortisation. Intangible assets are recognised if it is probable that there will be future economic benefits attributable to the asset, the cost of the asset can be measured reliably, the asset is separately identifiable and there is control over the use of the asset. Where the Group acquires a business, intangible assets on acquisition are identified and evaluated to determine the carrying value on the acquisition balance sheet. Intangible assets are amortised over their estimated useful lives on a straight-line basis, as follows:

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

Property plant and equipment

Property plant and equipment (PP&E) is stated at cost less accumulated depreciation and impairment. No depreciation is charged with respect to freehold land and assets in the course of construction.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the assets:

Freehold buildings	25-50 years
Leasehold improvements	period of lease
Plant and equipment	3-10 years

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

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

Impairment

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

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

For the purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ("CGUs"). Goodwill arising from a business combination is allocated to the appropriate CGU or groups of CGUs that are expected to benefit from the synergies of the combination. The CGUs are aligned to the structure the Group uses to manage its business. Cash flows are discounted in determining the value in use.

See note 9 for further details of goodwill impairment testing and note 12 for details of impairment of investment in joint ventures.

Accounting Policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand and other short-term bank deposits with original maturities of three months or less. Bank overdrafts are included within borrowings in current liabilities. The Group presents balances that are part of a pooling arrangement with no right of offset on a gross basis in both cash and short-term borrowings.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are typically classified as Held to Collect.

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

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

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

Asbestos related receivables

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

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method.

Deferred and contingent consideration

Where deferred or contingent consideration is payable on the acquisition of a business based on an earn out arrangement, an estimate of the amount payable is made at the date of acquisition and reviewed regularly thereafter, with any change in the estimated liability being reflected in the income statement. Where the change in liability is considered material, it is disclosed as an exceptional item in the income statement. Where deferred consideration is payable after more than one year, the estimated liability is discounted using an appropriate rate of interest. Deferred consideration is initially recognised at fair value and subsequently measured at amortised cost. Contingent consideration is recognised at fair value.

Taxation

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

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

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

Accounting Policies (continued)

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

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

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

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

Accounting for derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently re-measured at fair value. Where hedging is to be undertaken, the Group documents the relationship between the hedging instrument and the hedged item at the inception of the transaction, as well as the risk management objective and strategy for undertaking the hedge transaction. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of the hedged items.

Fair value measurement

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

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

The fair value of interest rate swaps is calculated as the present value of their estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward foreign exchange market rates at the balance sheet date. The fair values of all derivative financial instruments are verified by comparison to valuations provided by financial institutions.

The carrying values of trade receivables and payables approximate to their fair values.

The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Leases

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

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

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

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

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

Accounting Policies (continued)

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

Retirement benefit scheme surplus/deficit

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

The defined benefit schemes' assets are measured using fair values. Pension scheme liabilities are measured annually by an independent actuary using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the Group's defined benefit schemes expected to arise from employee service in the period is charged to operating profit. The interest income on scheme assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are netted and included in finance income/expense. Re-measurement gains and losses are recognised in the statement of comprehensive income in full in the period in which they occur. The defined benefit schemes surplus or deficit is recognised in full and presented on the face of the Group balance sheet.

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

The Group's contributions to defined contribution schemes are charged to the income statement in the period to which the contributions relate.

The Group operates a SERP pension arrangement in the US for certain employees. Contributions are paid into a separate investment vehicle and invested in a portfolio of US funds that are recognised by the Group in other investments with a corresponding liability in other non-current liabilities. Investments are carried at fair value. The fair value of listed equity investments and mutual funds is based on quoted market prices and so the fair value measurement can be categorised in Level 1 of the fair value hierarchy.

Provisions

Provisions are recognised where the Group is deemed to have a legal or constructive obligation, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate of the obligation can be made. Where amounts provided are payable after more than one year the estimated liability is discounted using an appropriate rate of interest.

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

See note 20 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'). 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.

Accounting Policies (continued)

Share capital

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

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

Merger reserve

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

Segmental reporting

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

Asset Solutions is focused on increasing production, improving efficiency, reducing cost and extending asset life across industrial markets and provides initial design, construction, operations, maintenance and decommissioning services. TCS is a single global, multi-sector specialist technical consultancy providing innovative thinking needed to maximise value at every stage of the asset life cycle. Investment Services manages a range of legacy or non-core businesses and investments with a view to generating value via remediation and restructuring prior to their eventual disposal.

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

From 1 January 2021 our financial reporting segments will reflect the revised operating model, which consists of three global business units: Consulting, Projects and Operations. Further details are provided in the Financial Review.

Assets and liabilities held for sale

Disposal groups are classified as assets and liabilities held for sale if it is highly probable that they will be recovered primarily through sale rather than continuing use. Disposal groups are measured at the lower of carrying value and fair value less costs to sell and their assets and liabilities are presented separately from other assets and liabilities on the balance sheet.

Research and development government credits

The Group claims research and development government credits 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.

Government grants

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

During 2020, the Group generated cash savings through the use of temporary furlough schemes in the UK, Canada and Italy and deferred social security and pension payments in the US under the Coronavirus Aid, Relief and Economic Security (CARES) Act for the period March 2020 to December 2020. The deferrals of social security and pension payments amounted to approximately \$50m and will be repaid over the period January 2021 to December 2022.

The Disclosure of impact of new and future accounting standards

There have been no new standards that have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2020. Amendments to existing standards do not have a material impact on the financial statements.

Accounting Policies (continued)

Restatement of December 2019 balance sheet

The Group adopted IFRS 16 on 1 January 2019 using the modified retrospective approach. During 2020, immaterial calculation and classification differences were identified that led to adjustments on the transition balances. The differences impacted the opening right-of-use asset, short and long-term lease liabilities and onerous lease liabilities. These differences have been corrected at 1 January 2019 and the balance sheet has been restated. The impact on the statement of comprehensive income for the year to 31 December 2019 is not material and it has not been restated. The table below reconciles the amounts on the reported balance sheet to the restated figures now included as comparatives. As a result of the calculation differences identified, an additional \$21.3m was recorded through retained earnings.

	Reported Balance Sheet 1 January	2019	\$m	Prior year adjustment	Reclassification	Restated Balance Sheet 1 January	2019 \$m
				2019			
				\$m			
Right of use assets		450.6		(9.9)		-	440.7
Lease investment (included within right of use assets)		-		4.1		-	4.1
Total non-current assets	7,720.6			(5.8)		-	7,714.8
Current assets	4,032.7			-		-	4,032.7
Current Lease liabilities		(141.0)		(2.2)		20.1	(123.1)
Current liabilities	(3,870.1)			(2.2)		20.1	(3,852.2)
Net current assets	162.6			(2.2)		20.1	180.5
Non-current Lease Liabilities		(428.0)		(6.8)		(20.1)	(454.9)
Onerous lease liabilities (included within other non-current liabilities)		(70.7)		(6.5)		-	(77.2)
Non-current liabilities	(3,273.4)			(13.3)		(20.1)	(3,306.8)
Equity adjustment on initial application of IFRS 16		(33.9)		-		-	(33.9)
Net assets	4,575.9			(21.3)		-	4,554.6

1 Segmental reporting

The Group operates through four segments, Asset Solutions EAAA ('AS EAAA'), Asset Solutions Americas ('AS Americas'), Technical Consulting Solutions ('TCS') and Investment Services ('IS'). Under IFRS 11 'Joint arrangements', the Group is required to account for joint ventures using equity accounting.

Adjusted EBITDA as shown in the table below includes our share of joint venture profits and excludes exceptional items, which is consistent with the way management review the performance of the business units. Revenue is reported on an equity accounting basis and therefore revenue figures exclude joint venture revenue.

The segment information provided to the Group's Chief Executive for the operating segments for the year ended 31 December 2020 includes the following:

Reportable operating segments	Revenue ⁽³⁾		Adjusted EBITDA⁽¹⁾		Operating profit before exceptions	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	\$m	\$m	\$m	\$m	\$m	\$m
Asset Solutions EAAA	2,462.8	3,147.6	327.1	352.7	143.2	164.7
Asset Solutions Americas	2,901.6	3,894.5	92.4	238.0	(25.6)	107.5
Technical Consulting Solutions	2,061.3	2,779.1	267.6	299.6	168.0	183.8
Investment Services	138.6	69.2	12.8	36.3	7.7	35.5
Central costs ⁽²⁾	-	-	(69.5)	(71.2)	(78.9)	(80.5)
Total	7,564.3	9,890.4	630.4	855.4	214.4	411.0
Exceptional items					(247.3)	(107.6)
Operating (loss)/profit					(32.9)	303.4
Finance income					13.4	9.6
Finance expense					(129.1)	(164.3)
(Loss)/profit before taxation from continuing operations					(148.6)	148.7
Taxation					(79.5)	(75.9)
(Loss)/profit for the year from continuing operations					(228.1)	72.8

Notes

1. A reconciliation of operating (loss)/profit to Adjusted EBITDA is provided in the table below. Adjusted EBITDA is provided as it is a unit of measurement used by the Group in the management of its business. Adjusted EBITDA is stated before exceptional items (see note 5).
2. Central includes the costs of certain 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.

1 Segmental reporting (continued)

Reconciliation of Alternative Performance Measures

	2020	2019
	\$m	\$m
Operating (loss)/profit per income statement	(32.9)	303.4
Exceptional items (note 5)	247.3	107.6
Operating profit before exceptionals	214.4	411.0

Operating (loss)/profit per income statement	(32.9)	303.4
Share of joint venture finance expense and tax (note 12)	8.3	18.7
Exceptional items (note 5)	247.3	107.6
Amortisation (including joint ventures)	227.7	243.7
Depreciation (including joint ventures)	45.4	53.6
Depreciation of right of use assets	134.6	128.4
Adjusted EBITDA	630.4	855.4

Analysis of joint venture profits by segment	Adjusted EBITDA(1)		Operating profit	
	Year ended	Year ended	Year ended	Year ended
	31 Dec	31 Dec	31 Dec	31 Dec
	2020	2019	2020	2019
	\$m	\$m	\$m	\$m
Asset Solutions EAAA	60.1	74.7	35.7	60.1
Asset Solutions Americas	7.7	9.2	6.2	8.7
Technical Consulting Solutions	-	0.9	-	0.9
Investment Services	-	(2.8)	-	(2.8)
Total	67.8	82.0	41.9	66.9

1 Segmental reporting (continued)

Other segment items

At 31 December 2020	Asset Solutions EAAA \$m	Asset Solutions Americas \$m	Technical Consulting Solutions \$m	Investment Services \$m	Unallocated \$m	Total \$m
Capital expenditure						
PP&E	3.2	14.7	3.7	-	0.6	22.2
Intangible assets	27.4	24.5	22.5	-	2.7	77.1
Non-cash expense						
Depreciation	10.2	18.5	7.8	-	2.4	38.9
Depreciation of right of use assets	42.7	26.6	44.6	5.1	6.4	125.4
Amortisation	107.0	70.3	47.2	-	1.0	225.5
Exceptional items (non-cash element)	12.2	7.8	1.4	-	183.7	205.1

At 31 December 2019	Asset Solutions EAAA \$m	Asset Solutions Americas \$m	Technical Consulting Solutions \$m	Investment Services \$m	Unallocated \$m	Total \$m
Capital expenditure						
PP&E	22.0	26.8	9.9	-	-	58.7
Intangible assets	52.3	32.0	11.2	-	1.7	97.2
Non-cash expense						
Depreciation	14.5	20.2	9.2	0.3	2.3	46.5
Depreciation of right of use assets	44.2	30.4	47.5	0.5	0.4	123.0
Amortisation	100.0	76.9	58.9	-	6.6	242.4
Exceptional items (non-cash element)	5.0	2.9	15.3	-	46.7	69.9

The figures in the tables above are prepared on an equity accounting basis and therefore exclude the share of joint ventures.

Depreciation in respect of joint ventures totals \$6.5m (2019: \$7.1m), depreciation in respect of joint venture right of use assets totals \$9.2m (2019: \$5.4m) and joint venture amortisation amounts to \$2.2m (2019: \$1.3m).

Geographical segments	Non-current assets		Revenue	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
United Kingdom	864.9	1,132.0	714.8	1,156.2
United States of America	3,868.8	3,632.9	3,585.5	4,602.5
Canada	742.7	754.7	534.0	638.6
Australia	182.1	168.9	345.1	491.6
Kuwait	164.7	166.9	211.4	273.1
Kazakhstan	19.5	32.5	83.4	163.6
Saudi Arabia	90.6	98.8	142.7	235.7
Rest of the world	1,066.7	1,138.4	1,947.4	2,329.1
	7,000.0	7,125.1	7,564.3	9,890.4

Non-current assets includes goodwill and other intangible assets, property plant and equipment, right of use assets, 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.

Primary geographical market	AS EAAA		AS Americas		TCS		IS		Total 2020	Total 2019
	2020 \$m	2019 \$m	2020 \$m	2019 \$m	2020 \$m	2019 \$m	2020 \$m	2019 \$m	\$m	\$m
USA	-	-	2,561.0	3,403.6	988.3	1,180.9	36.2	18.0	3,585.5	4,602.5
Europe	916.7	1,194.4	-	-	329.0	640.8	84.0	25.9	1,329.7	1,861.1
Rest of the world	1,546.1	1,953.2	340.6	490.9	744.0	957.4	18.4	25.3	2,649.1	3,426.8
Revenue	2,462.8	3,147.6	2,901.6	3,894.5	2,061.3	2,779.1	138.6	69.2	7,564.3	9,890.4

Major service lines										
Renewables & other energy	96.3	548.4	1,203.8	1,009.2	561.9	834.8	88.2	69.2	1,950.2	2,461.6
Process & chemicals	716.0	935.4	859.1	1,197.1	87.6	138.7	-	-	1,662.7	2,271.2
Conventional	1,431.2	1,663.8	804.3	1,688.2	265.5	411.2	-	-	2,501.0	3,763.2
Built Environment	219.3	-	34.4	-	1,146.3	1,394.4	50.4	-	1,450.4	1,394.4
Revenue	2,462.8	3,147.6	2,901.6	3,894.5	2,061.3	2,779.1	138.6	69.2	7,564.3	9,890.4

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

Revenue in 2020 included \$5,062.5m (67%) (2019: \$6,967.5m, 70%) from reimbursable contracts and \$2,501.8m (33%) (2019: \$2,922.9m, 30%) from lump sum contracts. The calculation of revenue from lump sum contracts is based on estimates 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.

	2020 \$m	2019 \$m
Trade receivables	646.9	943.5
Non-current contract assets	111.3	-
Gross amounts due from customers	638.6	962.8
Gross amounts due to customers	(203.2)	(480.5)
	1,193.6	1,425.8

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.

The reduction in trade receivables is due to reduced activity caused by the impact of Covid-19 and oil price volatility. There have been no instances of material default by our customers as a result of the current market conditions. The decrease in gross amounts due to customers relates to the unwinding of advance payments from a major contract in the ASA business during 2020.

Non-current contract assets of \$111.3m includes \$94.1m of gross amounts due from customers and \$17.2m of trade receivables in relation to the Aegis contract as at 31 December 2020. The corresponding balances as at 31 December 2019 amounted to \$61.5m and were deemed to be current and therefore included in current trade receivables (\$12.7m) and gross amounts due from customers (\$48.8m). The increase in the non-current contract assets is mainly due to progress on the Aegis Poland contract and the process of quantifying and submitting change orders for approval. The Group's current estimate is that these will not be settled until 2023 at the earliest. Refer to note 20 for further details of the estimation resulting in this balance.

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

John Wood Group PLC

Notes to the financial statements
For the year ended 31 December 2020

2 Revenue (continued)

Revenue recognised in 2020 which was included in gross amounts due to customers at the beginning of the year of \$480.5m represents amounts included within contract liabilities at 1 January 2020. Revenue recognised from performance obligations satisfied in previous periods of \$41.1m represents revenue recognised in 2020 for performance obligations which were considered operationally complete at 31 December 2019.

Transaction price allocated to the remaining performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2020 was as follows:

\$m	Year 1	Year 2	Total
Revenue	2,985.5	1,470.4	4,455.9

The Group has not adopted the practical expedients permitted by IFRS 15, therefore all contracts which have an original expected duration of one year or less have been included in the table above. The estimate of the transaction price does not include any amounts of variable consideration which are constrained.

3 Finance expense/(income)

	2020 \$m	2019 \$m
Interest payable on senior loan notes	38.0	28.5
Interest payable on borrowings	33.3	63.0
Amortisation of bank facility fees	3.9	3.9
Unwinding of discount on deferred and contingent consideration liabilities (note 19)	0.2	0.4
Unwinding of discount on asbestos provision	-	9.7
Unwinding of discount on other liabilities	0.4	2.2
Lease interest (note 11)	30.1	28.2
Other interest expense	15.2	28.4
 Finance expense – continuing operations	 121.1	 164.3
Unwinding of discount on asbestos provision (note 5)	8.0	-
 Finance expense - total	 129.1	 164.3
Interest on uncertain tax provisions	(4.9)	-
Interest receivable	(3.6)	(3.9)
Interest income – retirement benefit obligations (note 32)	(3.8)	(5.7)
Lease interest on lease investment	(1.1)	-
 Finance income	 (13.4)	 (9.6)
 Finance expense – total – net	 115.7	 154.7

Net interest expense of \$3.5m (2019: \$5.9m) has been deducted in arriving at the share of post-tax profit from joint ventures.

The unwinding of discount on the asbestos provision is \$8.0m (2019: \$9.7m) and includes the unwinding of discount on long-term asbestos receivables (note 20). This is presented within exceptional items in line with the Group's updated policy. The 2019 charge is shown in Finance expense from continuing operations.

4 Profit before taxation

	2020 \$m	2019 \$m
The following items have been charged/(credited) in arriving at profit before taxation :		
Employee benefits expense (note 31)	3,399.9	4,441.9
Amortisation of intangible assets (note 9)	225.5	242.4
Depreciation of property plant and equipment (note 10)	38.9	46.5
Depreciation of right of use assets (note 11)	125.4	123.0
(Loss)/gain on disposal of property plant and equipment	8.0	(1.9)
Foreign exchange losses	4.0	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:

	2020 \$m	2019 \$m
Fees payable to the Group's auditors and its associate firms for		
Audit of parent company and consolidated financial statements	4.8	4.4
Audit of financial statements of subsidiaries of the company	1.7	2.3
Audit related assurance services	0.5	0.4
Tax and other services	0.1	0.1
	7.1	7.2

The ratio of audit related services to other non-audit services is 1: 0.09.

5 Exceptional items

	2020 \$m	2019 \$m
Exceptional items included in continuing operations		
(Gain)/loss on sale of business (see note 30)	(59.1)	9.4
Impairment losses on non-core business	20.1	-
Redundancy, restructuring and integration costs	100.8	41.7
Investigation support costs and provisions	161.6	56.5
Asbestos yield curve and fees	19.8	-
GMP equalisation	4.1	-
Continuing operations exceptional items, before interest and tax	247.3	107.6
Unwinding of discount on asbestos provision	8.0	-
Tax charge in relation to exceptional items	0.7	19.5
Derecognition of deferred tax assets due to UK pension actuarial loss	27.3	-
Continuing operations exceptional items, net of interest and tax	283.3	127.1

The gain on sale of business mainly relates to the disposals of the nuclear, industrial services and YKK businesses and our interest in the TransCanada Turbines joint venture totaling \$59.1m.

A gain of \$56.7m has been recognised on completion of the sale of Wood's nuclear business. Proceeds of \$292.5m (net of cash disposed) were received compared to the net book value of \$232.2m which included an allocation of goodwill and intangible assets arising on the AFW acquisition of \$233.9m, and costs relating to the disposal of \$3.0m. In addition, as the nuclear business was a GBP functional currency entity, a cumulative foreign currency translation loss of \$0.6m has been recognised through the income statement.

A gain of \$1.7m has been recognised in relation to the sale of Wood's industrial services business. Proceeds of \$101.8m (net of cash disposed) were received compared to the net book value of \$76.1m which included goodwill and intangible assets arising on the original acquisition of the business in 2013 of \$26.6m. In addition, as the industrial services business was a GBP functional currency entity, a cumulative foreign currency translation loss of \$16.7m has been recognised through the income statement as required by IAS 21. Costs of \$2.7m relating to the disposal were incurred and a provision of \$4.6m has been made for future obligations.

The remaining gain of \$0.7m mainly relates to the disposal of our interest in the TransCanada Turbines joint venture.

Impairment losses recognised during the year mainly relate to the Group's strategic decision to exit YKK, our Kazakh provider of training and related services. The net asset value, including goodwill, was written down in the first half of 2020 by \$16.0m to \$1.5m to match the anticipated net proceeds from the disposal. The disposal was completed in the second half with no further impact.

During the year to 31 December 2020, \$100.8m (including \$8.0m by joint ventures) was incurred in relation to redundancy, restructuring and integration. These costs relate to the restructuring work which commenced during 2019 with the creation of the TCS business unit and the margin improvement programmes to achieve the Group's medium term strategic objective to deliver 100 basis points margin improvement. These initiatives were already in progress prior to the impact of the Covid-19 pandemic and volatility in oil price to reduce the Group's cost base, improve operational efficiency and drive improved margins. Some of the actions have been amplified in response to the pandemic and the lower oil price environment but the costs taken as exceptional are incurred to bring about sustainable improvements in the Group's cost base. The broader impact of Covid-19 and oil price volatility on activity levels are reflected in the Group's operating performance.

During the year to 31 December 2020, \$161.6m was charged in relation to investigation support costs and provisions. The provision was increased to \$196.7m from \$46.0m. In addition, costs of \$10.9m were incurred in relation to legal and other support costs associated with the ongoing investigations. Discussions concerning the possible resolution of the investigation by the UK Serious Fraud Office (SFO) and by the authorities in the US, Brazil and Scotland have progressed to the point where the Group now believes that it is likely to be able to settle all of the relevant matters at an aggregate cost of \$196.7m. This amount, which includes the amount provided for in 2019, has been reflected as a provision in the financial statements (see note 20 and contingent liability note 33). We anticipate that an agreement with the Scottish authorities will be finalised shortly and that the settlement of the other investigations will be finalised, subject to court approvals, during Q2 2021. It is expected that approximately \$70m of the settlement amounts will be payable in 2021, with the balance payable in instalments in 2022, 2023 and 2024.

5 Exceptional items (continued)

Since the acquisition of AFW, asbestos related costs have not always been treated as exceptional items, with a judgement made on individual elements based on materiality. Going forward, all asbestos costs are treated as exceptional on the basis that movements in the provision are non-trading and can be large and driven by market conditions which are outwith the Group's control. Excluding these charges from the trading results will improve the understandability of the underlying trading performance of the Group. The total charge of \$27.8m in 2020 mainly relates to a \$17.9m (2019: \$8.9m) yield curve charge, \$8.0m (2019: \$9.7m) of interest costs which relate to the unwinding of discount on the asbestos provision and \$1.9m (2019: \$0.9m) of charges in relation to managing the claims. The 2019 yield curve charge and claims management fees were included in EBITDA and the 2019 interest cost was included within finance expenses. The extreme market conditions seen in 2020 have led to unprecedented reductions in US treasury yields. The 30-year US Treasury rate, has reduced to 1.65% from 2.39% at the end of December 2019 and led to the income statement charge of \$17.9m above.

A court judgement passed in November 2020, provided further clarity in respect of Guaranteed Minimum Pension ('GMP') equalisation in relation to UK defined benefit pension schemes following the original court ruling in October 2018. The Court ruled in favour of uplifting historical transfer values to include those who transferred out between May 1990 and April 1997. Consequently, the Group has recognised a \$4.1m exceptional charge in the year representing the increase in its UK defined benefit scheme liabilities arising from the case.

An exceptional tax charge of \$28.0m (2019: \$19.5m) has been recorded in the period reflecting an impairment of deferred tax assets (\$27.3m) in the income statement arising from a reduction in deferred tax assets through other comprehensive income due to the UK pension actuarial loss and charges of \$0.7m on pre-tax exceptional items.

6 Taxation

	2020 \$m	2019 \$m
Current tax		
Current year	55.8	100.4
Adjustment in respect of prior years	(27.5)	(11.3)
	28.3	89.1
Deferred tax		
Origination and reversal of temporary differences	52.6	(25.6)
Adjustment in respect of prior years	(1.4)	12.4
	51.2	(13.2)
Total tax charge	79.5	75.9
Comprising		
Tax on continuing operations before exceptional items	51.5	56.4
Tax charge in relation to exceptional items (note 5)	0.7	19.5
Derecognition of deferred tax assets due to UK pension actuarial loss (note 5)	27.3	-
Total tax charge	79.5	75.9
Tax credited to other comprehensive income/expense	2020 \$m	2019 \$m
Deferred tax movement on retirement benefit liabilities	(36.8)	(6.8)
Tax on derivative financial instruments	(1.6)	(1.4)
Total credited to other comprehensive income/expense	(38.4)	(8.2)
Tax charged/(credited) to equity	2020 \$m	2019 \$m
Deferred tax relating to share option schemes	-	4.1
Deferred tax impact of rate change	1.3	(0.3)
Other	0.7	(0.7)
Total charged to equity	2.0	3.1

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)

	2020 \$m	2019 \$m
Reconciliation of applicable tax charge at statutory rates to tax charge		
(Loss)/profit before taxation from continuing operations	(148.6)	148.7
Less: Share of post-tax profit from joint ventures (note 12)	(33.6)	(48.2)
(Loss)/profit before taxation from continuing operations (excluding profits from joint ventures)	(182.2)	100.5
Applicable tax charge at statutory rates	(28.7)	15.1
Effects of:		
Non-deductible expenses	16.5	12.7
Non-taxable income	(6.3)	(2.1)
Non-deductible expenses - exceptional	28.1	27.9
Non-taxable income - exceptional	(5.4)	(1.5)
Deferred tax recognition:		
Recognition of deferred tax assets not previously recognised	-	(16.5)
Utilisation of tax assets not previously recognised	(4.5)	(29.7)
Current year deferred tax assets not recognised	47.1	31.9
Write off of previously recognised deferred tax assets	25.8	0.8
Derecognition of deferred tax assets due to UK pension loss - exceptional	27.3	-
Irrecoverable withholding tax	16.4	18.7
Additional US taxes	-	9.8
CFC charges	1.8	2.2
Uncertain tax provisions	5.1	5.0
Uncertain tax provisions – prior year adjustments	(16.1)	(22.6)
Uncertain tax provisions – prior year adjustments - exceptional	1.8	(1.5)
Prior year adjustments	(14.3)	4.2
Prior year adjustments - exceptional	1.4	21.0
Impact of change in rates on deferred tax	(2.0)	0.5
US CARES Act	(14.5)	-
Total tax charge	79.5	75.9

The weighted average of statutory tax rates was 15.8% in 2020 (2019: 15.0%).

The adjustments in respect of prior years largely relates to the release of uncertain tax positions as the final outcome on certain issues was agreed with tax authorities during the year or the statute of limitations for audit by the tax authorities expiring without challenge. It also includes a reassessment of the Base Erosion and Anti-abuse Tax ('BEAT') in the US following the release of final regulations of \$13.9m.

The write off of previously recognised deferred tax assets reflects lower forecast profits when compared to the expectation at 31 December 2019. In terms of jurisdictions, the most significant impact is in the US which represents \$16.7m of the adjustment.

During the year, the UK defined benefit pension fund asset on the Wood Pension Plan decreased due to actuarial losses of \$184.5m, resulting in the associated deferred tax liability decreasing, with a credit shown in Other Comprehensive Income. The deferred tax liability supported the recognition of deferred tax assets, and as a result \$27.3m has been derecognised and a corresponding charge recognised in the profit and loss account. This has been classified as exceptional due to its size and unusual nature (note 5).

Net income tax liabilities in the Group balance sheet include \$140.8m (2019: \$149.7m) 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 (\$52.0m, 2019: \$51.9m), group financing (\$30.1m, of which \$9.1m relates to deferred tax, 2019: \$33.0m) and transfer pricing and tax residence (\$11.8m, 2019: \$22.2m). 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, \$71.9m 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 2021. Of the balance, \$9.1m will become statute barred for tax authority audit during 2021 if the tax authorities do not commence an audit.

6 Taxation (continued)

The US CARES Act adjustment relates to the US response to Covid-19 which has allowed for the recovery of \$14.5m of Alternative Minimum Tax which was not recognised as an asset on the balance sheet.

Factors affecting the tax charge in future years

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

During his election campaign the new President of the United States indicated that he would make changes to the US corporate tax system that may impact on future tax profile of the Group, the most significant of which are:

A proposal to increase the Federal rate of tax in the US from 21% to 28%. In the short term the impact this will have on the tax charge would be a reduction in the tax rate due to an increase in the value of the net deferred tax asset held on the balance sheet in relation to the US.

A proposal to reintroduce a minimum tax of 15% in the US for companies with net income of more than \$100m. As a result, if the Group is using losses in the US it will still pay cash tax if the current year profits are over \$100m. The minimum tax is recoverable against future tax payable when losses do not cover all taxable profits. Whether such an asset could be recognised would depend on the detailed legislation and guidance, and the tax profile of the US group at the time the minimum tax is introduced.

During 2020 the actuarial loss in relation to the UK pension fund has resulted in a derecognition of deferred tax assets previously supported by the deferred tax liability related to the pensions asset. Whilst the movement in the deferred tax liability is taken to Other Comprehensive Income, the derecognition of assets as a result is taken to the Income Statement. The future tax charge will therefore be impacted by movements in the pension asset valuation with actuarial gains increasing deferred tax asset recognition and actuarial losses decreasing recognition. The deferred tax liability in relation to the UK pension fund at 31 December 2020 is \$35.8m.

We anticipate that Governments will take action including tax changes to fund the expenditure incurred in relation to Covid-19. We also anticipate that tax authorities may be more aggressive in their audits, and as a result of both of these factors we may see an increase in future tax charges.

The UK Government announced its budget on 3 March 2021, which included a rise in the rate of Corporation Tax from 19% to 25% from 1 April 2023. The increase is not reflected in the accounts as it was not substantively enacted at the balance sheet date. In the short term we do not anticipate this impacting on the tax charge as the UK deferred tax assets are recognised to the level of deferred tax liabilities. However, the tax charge and cash tax payable is likely to increase from the 2023 year end onwards as a result of the rate rise. The UK Government also announced an investment in HM Revenue & Customs with an expectation of increasing tax collected from tax audits by £1.3bn per annum by 2022.

During 2020 as part of the US Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Group has been able to identify \$14.5m of Alternative Minimum Tax that can be recovered which was previously not recognised. This is a one-off benefit not expected to recur.

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

	2020 \$m	2019 \$m
Dividends on ordinary shares		
Final 2019 dividend paid: nil cents per share (Final 2018: 23.7 cents)	-	159.0
Interim 2020 dividend paid: nil cents per share (Interim 2019: 11.4 cents)	-	76.5
	-	235.5

The directors withdrew their proposed 2019 final dividend payment of \$160.4m (23.9 cents per share) to protect cashflows and preserve long-term value of the Group. No decision has been taken to resume the dividend and this will be kept under review by the directors. Any decision to resume payment of a dividend will consider the Group's future profitability and cash requirements.

8 Earnings per share

	2020			2019		
	Earnings/(losses) attributable to owners of the parent	Number of shares	Earnings per share cents	Earnings/(losses) attributable to owners of the parent	Number of shares	Earnings per share cents
	\$m	m		\$m	m	
Basic pre-exceptional	53.8	672.5	8.0	199.1	670.9	29.7
Exceptional items, net of tax	(283.3)	-	(42.1)	(127.1)	-	(19.0)
Basic	(229.5)	672.5	(34.1)	72.0	670.9	10.7
Effect of dilutive ordinary shares	-	-	-	-	15.8	(0.2)
Diluted	(229.5)	672.5	(34.1)	72.0	686.7	10.5
Adjusted diluted earnings per share calculation						
Basic	(229.5)	672.5	(34.1)	72.0	670.9	10.7
Effect of dilutive ordinary shares	-	-	-	-	15.8	(0.2)
	(229.5)	672.5	(34.1)	72.0	686.7	10.5
Exceptional items, net of tax	283.3	-	42.1	127.1	-	18.5
Amortisation related to acquisitions, net of tax	102.2	-	15.2	117.1	-	17.0
Adjusted diluted	156.0	672.5	23.2	316.2	686.7	46.0
Adjusted basic	156.0	672.5	23.2	316.2	670.9	47.1

As the Group has reported a basic loss (2019: earnings) per ordinary share, any potential ordinary shares that are dilutive are excluded (2019: included) in the calculation of diluted earnings per share. These options could potentially dilute earnings per share in future periods. In accordance with IAS 33, the same weighted average number of shares has been used to calculate the adjusted EPS measures and as the unadjusted result is a loss, the dilutive effects have not been taken into account in this calculation. Had the result been a profit, an additional 20.8m dilutive potential shares would have been used in the calculation of diluted EPS metrics, which would have reduced the adjusted diluted EPS by 0.7 cents.

The calculation of basic earnings per share is based on the earnings attributable to owners of the parent divided by the weighted average number of ordinary shares in issue during the year excluding shares held by the Group's employee share trusts. 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, 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 related to acquisitions, net of tax.

9 Goodwill and other intangible assets

	Goodwill \$m	Software and development costs \$m	Customer contracts and relationships \$m	Order backlog \$m	Brands \$m	Total \$m
Cost						
At 1 January 2020	5,209.7	303.5	814.5	183.1	658.4	7,169.2
Exchange movements	76.8	13.7	8.1	1.8	6.7	107.1
Additions	-	77.1	-	-	-	77.1
Disposals	-	(69.9)	-	-	-	(69.9)
Businesses divested (note 30)	(20.1)	(0.8)	(0.4)	-	(0.7)	(22.0)
At 31 December 2020	5,266.4	323.6	822.2	184.9	664.4	7,261.5
Amortisation and impairment						
At 1 January 2020	0.8	203.2	481.6	109.8	74.8	870.2
Exchange movements	-	12.9	4.1	1.4	1.5	19.9
Amortisation charge	-	99.8	56.4	37.1	32.2	225.5
Impairment	9.1	-	-	-	-	9.1
Disposals	-	(69.9)	-	-	-	(69.9)
Businesses divested (note 30)	(9.1)	(0.7)	0.4	-	(0.1)	(9.5)
At 31 December 2020	0.8	245.3	542.5	148.3	108.4	1,045.3
Net book value at 31 December 2020	5,265.6	78.3	279.7	36.6	556.0	6,216.2
Cost						
At 1 January 2019	5,399.3	303.7	867.8	182.2	674.2	7,427.2
Exchange movements	54.4	14.2	9.7	0.9	6.4	85.6
Additions	-	97.2	-	-	-	97.2
Disposals	-	(115.8)	(23.2)	-	-	(139.0)
Businesses divested	(33.1)	(0.6)	-	-	(7.0)	(40.7)
Reclassified as held for sale	(210.9)	(3.0)	(39.8)	-	(15.2)	(268.9)
Reclassification	-	7.8	-	-	-	7.8
At 31 December 2019	5,209.7	303.5	814.5	183.1	658.4	7,169.2
Amortisation and impairment						
At 1 January 2019	0.8	212.8	452.2	62.5	42.2	770.5
Exchange movements	-	10.6	7.2	(0.1)	0.5	18.2
Amortisation charge	-	98.2	62.9	47.4	33.9	242.4
Disposals	-	(115.8)	(23.2)	-	-	(139.0)
Businesses divested	-	(0.5)	-	-	(0.5)	(1.0)
Reclassified as held for sale	-	(2.1)	(17.5)	-	(1.3)	(20.9)
At 31 December 2019	0.8	203.2	481.6	109.8	74.8	870.2
Net book value at 31 December 2019	5,208.9	100.3	332.9	73.3	583.6	6,299.0

The carrying value of software held under deferred payment arrangements at 31 December 2020 was \$0.1m (2019: \$3.8m). There were no additions to software held under deferred payment arrangements during the year (2019: \$nil).

9 Goodwill and other intangible assets (continued)

In accordance with IAS 36 'Impairment of assets', goodwill was tested for impairment during the year. The impairment tests were carried out by Cash Generating Unit ('CGU') as at 31 December 2020 (the "test date"). The Group has four CGUs 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 as at the test date is shown in the table below.

Value-in-use calculations have been prepared for each CGU using the cash flow projections included in the financial budgets prepared by management and approved by the Board for 2021 and 2022. The forecasts are based on various assumptions including market outlook, resource utilisation, contract backlog, contract margins and assumed contract awards. The short-term EBITDA growth rate assumptions used in the 2020 impairment test were in the range of -28% to 43% (2019: 7% to 15%). The wider range of EBITDA growth rate assumptions used in the 2020 impairment test compared with 2019 is reflective of the Group's expectation that following recent market challenges in the wake of the Covid-19 pandemic, activity levels will take longer to recover in parts of the business which have a greater correlation to the oil and gas sector, while other areas such as renewables and the built environment will remain robust.

The growth rates assumed from 2023 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 and sectors in which the CGUs operate. The Group is well placed to benefit from the significant long term growth opportunities from Energy Transition, which has been considered in determining long term growth rates. The long term growth rates assumed in the model are 2.8% for EAAA (2019: 3%); 2.4% for ASA (2019: 2%); and 2.4% (2019: 2.4%) for TCS.

The cash flows have been discounted using discount rates appropriate for each CGU, and these rates are reviewed for each impairment review performed. The discount rate is a critical assumption in the impairment test and the significant volatility in financial markets has led to reductions in the risk-free rate being used in the calculation. The Group have considered the additional specific risks related to each business such as country risk and forecasting risk. The updated impairment model reflects the uncertainties caused by the current economic environment. However, this is offset by the fact the Group now has greater visibility over the synergies achieved by the formation of TCS and some legacy contract execution issues in ASA.

The pre-tax rates used for the 2020 review are as follows: 11.3% for Asset Solutions EAAA (2019: 11.3%), 10.4% for Asset Solutions Americas (2019: 11.5%) and 11.1% (2019: 12.1%) for Technical Consulting Solutions (the equivalent post-tax rates are 10.0%, 9.2% and 9.7% respectively) (2019: 9.4%, 9.4% and 10.0% respectively) and were derived from the Group WACC calculation with specific adjustments for CGU specific risks including country risk premiums.

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

Cash Generating Unit	Goodwill carrying value	Goodwill carrying value
	2020 Test date \$m	2019 Test date \$m
Asset Solutions EAAA	2,097.8	2,005.3
Asset Solutions Americas	1,811.7	1,800.6
Technical Consulting Solutions	1,356.1	1,308.9

The carrying values of the corporate assets that were not allocated to the above cash generating units above were \$80m (2019: \$45m) and were tested for impairment at the group level, taking into account the estimates and assumptions discussed above in respect of the Group's cash generating units.

The headroom on Asset Solutions EAAA based on the assumptions above was \$222m. A sensitivity analysis has been performed assuming the impact of reasonably possible changes to the assumptions used in the impairment review.

- A 1.0% reduction in the long-term growth rate would result in an impairment of \$60m and a 0.75% decrease in the long-term growth rate would result in headroom being reduced to \$nil.
- A 1.0% increase in the discount rate would result in an impairment of \$79m and a 0.8% increase would result in headroom being reduced to \$nil.
- A 0.75% reduction in EBITDA margin in 2022 would reduce headroom to \$nil.

The headroom on Asset Solutions Americas based on the assumptions above was \$218m. A sensitivity analysis has been performed assuming the impact of reasonably possible changes to the assumptions used in the impairment review.

- A 1.0% reduction in the long-term growth rate would result in an impairment of \$167m and a 0.25% reduction in the long-term growth rate would result in headroom being reduced to \$nil.
- A 1.0% increase in the discount rate would result in an impairment of \$92m and a 0.6% increase in the discount rate would result in headroom of \$nil.
- A 0.65% reduction in EBITDA margin in 2022 would reduce headroom to \$nil.

9 Goodwill and other intangible assets (continued)

Reasonably possible changes in the critical assumptions did not identify any potential impairments for Technical Consulting 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.

Software and development costs includes internally generated assets with a net book value of \$21.6m at 31 December 2020 (2019: \$18.2m). \$8.5m (2019: \$10.4m) of internally generated intangibles is included in additions in the year.

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

The businesses divested during the year related to the Nuclear and Industrial Services businesses, which were both classified as held for sale as at 31 December 2019 and YKK which was disposed of during the second half of 2020. The incremental movements in the businesses divested line mainly relate to movements in foreign exchange revaluation and the additional goodwill that was disposed of in relation to YKK. Goodwill of \$221.9m was allocated to businesses disposed of during the year, of which \$210.9m was classified as held for sale at December 2019. Other intangibles with a total book value of \$38.6m were allocated to the businesses disposed of during the year, of which \$37.1m was classified as held for sale at December 2019.

A goodwill impairment charge of \$9.1m was recognised upon disposal of the YKK business during the year. The business was acquired a number of years ago and residual goodwill was deemed to be impaired on disposal.

John Wood Group PLC

Notes to the financial statements
For the year ended 31 December 2020

10 Property plant and equipment

	Land and Buildings \$m	Plant and equipment \$m	Total \$m
Cost			
At 1 January 2020	91.2	187.5	278.7
Exchange movements	(2.9)	(3.9)	(6.8)
Additions	2.1	20.1	22.2
Disposals	(22.3)	(34.2)	(56.5)
Reclassifications	(5.0)	5.0	-
At 31 December 2020	63.1	174.5	237.6
Accumulated depreciation and impairment			
At 1 January 2020	36.7	77.7	114.4
Exchange movements	(3.2)	(4.1)	(7.3)
Charge for the year	9.9	29.0	38.9
Disposals	(13.6)	(28.1)	(41.7)
Reclassifications	(1.6)	1.6	-
Impairment	3.0	3.9	6.9
At 31 December 2020	31.2	80.0	111.2
Net book value at 31 December 2020	31.9	94.5	126.4
Cost			
At 1 January 2019	104.4	241.1	345.5
Exchange movements	1.9	4.6	6.5
Additions	7.9	50.8	58.7
Disposals	(15.7)	(48.5)	(64.2)
Transferred to held for sale (note 30)	(0.9)	(66.9)	(67.8)
Reclassifications	(6.4)	6.4	-
At 31 December 2019	91.2	187.5	278.7
Accumulated depreciation and impairment			
At 1 January 2019	37.5	109.5	147.0
Exchange movements	2.0	4.0	6.0
Charge for the year	10.5	36.0	46.5
Disposals	(13.3)	(33.4)	(46.7)
Transferred to held for sale (note 30)	(0.9)	(37.5)	(38.4)
Reclassifications	0.9	(0.9)	-
At 31 December 2019	36.7	77.7	114.4
Net book value at 31 December 2019	54.5	109.8	164.3

The net book value of Land and Buildings includes \$12.5m (2019: \$30.6m) of Long Leasehold and Freehold property and \$19.4m (2019: \$23.9m) of Short Leasehold property. There were no material amounts in assets under construction at 31 December 2020.

John Wood Group PLC

Notes to the financial statements
For the year ended 31 December 2020

11 Leases

Right of use assets	Land and Buildings \$m	Plant and equipment \$m	Total \$m
Net book value			
At 1 January 2020	391.4	20.7	412.1
Reclassification	(4.1)	-	(4.1)
Exchange movements	8.7	0.5	9.2
Additions	100.7	29.8	130.5
Disposals	(12.0)	(0.2)	(12.2)
Impairment	(1.2)	-	(1.2)
Depreciation of right of use assets	(103.0)	(22.4)	(125.4)
At 31 December 2020	380.5	28.4	408.9
Lease liabilities			
At 1 January 2020	546.2	37.1	583.3
Exchange movements	8.5	0.8	9.3
Additions	86.5	38.0	124.5
Disposals	(17.2)	(0.2)	(17.4)
Interest expense related to lease liabilities	28.4	1.7	30.1
Repayment of lease liabilities	(165.7)	(22.7)	(188.4)
At 31 December 2020	486.7	54.7	541.4
Right of use assets			
Net book value			
At 1 January 2019 (restated)	415.6	25.1	440.7
Exchange movements	1.4	0.1	1.5
Additions	103.2	17.4	120.6
Incentives received	(9.0)	-	(9.0)
Disposals	(12.3)	-	(12.3)
Classification as held for sale (note 30)	(7.7)	-	(7.7)
Impairment	(2.8)	-	(2.8)
Depreciation of right of use assets	(101.1)	(21.9)	(123.0)
Lease investment	4.1	-	4.1
At 31 December 2019 (restated)	391.4	20.7	412.1
Lease liabilities			
At 1 January 2019 (restated)	576.6	36.4	613.0
Exchange movements	1.4	0.1	1.5
Additions	105.9	23.1	129.0
Disposals	(15.6)	-	(15.6)
Classification as held for sale (note 30)	(7.2)	-	(7.2)
Interest expense related to lease liabilities	26.6	1.6	28.2
Repayment of lease liabilities	(141.5)	(24.1)	(165.6)
At 31 December 2019 (restated)	546.2	37.1	583.3

11 Leases (continued)

The Group has finance leases liabilities totalling \$21.1m (2019: \$33.4m) in addition to the IFRS 16 lease liabilities in respect of leases previously classified as operating leases under IAS 17. A maturity analysis of the Group's total lease liability is shown below:

	2020	2019
	\$m	\$m
Current lease liability	133.4	142.0
Non-current lease liability	408.0	441.3
Total lease liability	541.4	583.3

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

	\$m	\$m
Depreciation charge for right of use assets		
Property	103.0	101.1
Plant and equipment	22.4	21.9
Charged to operating profit	125.4	123.0
Interest expense related to lease liabilities	30.1	28.2
Interest income on lease investment	(1.1)	-
Charge to profit/(loss) before taxation for leases	154.4	151.2

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

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

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

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

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

12 Investment in joint ventures and other investments

The Group operates a number of joint ventures companies, the most significant of which are its turbine JV's, EthosEnergy Group Limited and RWG (Repair & Overhauls) Limited. The Group considers these to be joint arrangements on the basis that two or more parties have joint control, which is defined as the contractually agreed sharing of control and exists only when decisions about the relevant activities of the joint arrangement require the unanimous consent of the parties sharing control. The Group has a 51% shareholding in EthosEnergy, a provider of rotating equipment services and solutions to the power, oil and gas and industrial markets. EthosEnergy is 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%)	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
Non-current assets	126.8	138.7	70.5	53.4
Current assets	465.7	548.9	126.6	123.4
Current liabilities	(293.8)	(334.3)	(75.0)	(61.1)
Non-current liabilities	(76.2)	(93.0)	(6.1)	(3.3)
Net assets	222.5	260.3	116.0	112.4
Wood Group share	113.5	132.8	58.0	56.2
Accumulated impairments and other adjustments	(67.2)	(94.4)	-	-
Wood Group investment	46.3	38.4	58.0	56.2
Revenue	783.2	946.3	216.3	215.1
Cost of sales	(656.5)	(810.1)	(160.2)	(153.7)
Administrative expenses	(96.8)	(102.2)	(31.4)	(31.0)
Exceptional items	(12.2)	(2.6)	-	-
Operating profit	17.7	31.4	24.7	30.4
Finance expense	(5.9)	(10.8)	(0.8)	(0.4)
Profit before tax	11.8	20.6	23.9	30.0
Tax	3.7	(2.2)	(3.6)	(6.0)
Post-tax profit from joint ventures	15.5	18.4	20.3	24.0
Wood Group share	7.9	9.4	10.2	12.0

Cash and cash equivalents amounted to \$71.7m (2019: \$63.0m) and \$4.3m (2019: \$1.7m) for EthosEnergy and RWG respectively.

Depreciation amounted to \$16.9m (2019: \$4.6m) and \$4.2m (2019: \$2.0m) for EthosEnergy and RWG respectively.

Amortisation amounted to \$1.0m (2019: \$nil) and \$2.8m (2019: \$2.6m) for EthosEnergy and RWG respectively.

EthosEnergy's net borrowings, at 31 December 2020 amounted to \$43.3m (2019: \$92.7m).

RWG had net cash at 31 December 2020 of \$5.6m (2019: borrowings \$4.3m).

The aggregate carrying amount of the Group's other equity accounted joint ventures, which individually are not material, amounted to \$62.9m at 31 December 2020 (2019: \$73.7m).

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

12 Investment in joint ventures and other investments (continued)

	2020 \$m	2019 \$m
Revenue	798.2	1,106.8
Cost of sales	(663.5)	(947.4)
Administrative expenses	(84.8)	(91.2)
Exceptional items	(8.0)	(1.3)
Operating profit	41.9	66.9
Net finance expense	(3.5)	(5.9)
Profit before tax	38.4	61.0
Tax	(4.8)	(12.8)
Share of post-tax profit from joint ventures	33.6	48.2

The movement in investment in joint ventures is shown below.

	2020 \$m	2019 \$m
At 1 January 2020	168.3	168.2
Exchange movements on retranslation of net assets	0.5	2.7
Additional investment in joint ventures	-	0.8
Share of profit after tax	33.6	48.2
Dividends received	(29.6)	(43.0)
Impairment of joint ventures	(0.7)	(1.3)
Reclassifications of amounts due from joint ventures	-	54.5
Transferred to assets held for sale	-	(61.8)
Disposals (note 30)	(3.4)	-
At 31 December 2020	168.7	168.3

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

The \$3.4m disposal relates to movements on a joint venture investment in the year and other non core joint venture disposals completed during 2020.

A full list of subsidiary and joint venture entities is included in note 36.

Other investments

Other investments of \$79.8m (2019: \$81.4m) relate to the US SERP defined contribution scheme referred to in note 32. The SERP invests in a mixture of equities, bonds and money market funds as part of a pension arrangement for US based employees. The liabilities of the SERP are included in non-current liabilities (see note 18).

John Wood Group PLC

Notes to the financial statements
For the year ended 31 December 2020

13 Inventories

	2020 \$m	2019 \$m
Materials	3.9	3.5
Work in progress	0.1	1.4
Finished goods and goods for resale	7.9	9.6
	11.9	14.5

14 Trade and other receivables

	2020 \$m	2019 \$m
Trade receivables	741.7	1,034.6
Less: provision for impairment of trade receivables	(94.8)	(91.1)
Trade receivables – net	646.9	943.5
Gross amounts due from customers	638.6	962.8
Prepayments	106.8	161.1
Amounts due from joint ventures	18.0	26.9
Asbestos related insurance recoveries	18.8	16.2
Research and development credits	102.7	94.1
Other receivables	166.8	101.4
Trade and other receivables – current	1,698.6	2,306.0
Long term receivables – asbestos related insurance recoveries	61.9	75.1
Long term receivables – other	125.1	20.6
Total receivables	1,885.6	2,401.7

As at 31 December 2020 the Group had received \$190.0m (2019: \$198.4m) 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.

Included within other long-term receivables of \$125.1m (2019: \$20.6m) are contract assets of \$111.3m (2019: \$nil) in relation to the Aegis contract (note 20).

Financial assets

	2020 \$m	2019 \$m
Restricted cash	12.5	-
Derivative financial instruments (note 19)	8.2	10.1
	20.7	10.1

The restricted cash balance of \$12.5m (2019: \$nil) represents cash held in jurisdictions where there is insufficient liquidity in the local market to allow for immediate repatriation. Management considers it appropriate to include the restricted cash balance in the Group's net debt figure (see note 29) on the basis that it meets the definition of cash, albeit is not readily available to the Group.

14 Trade and other receivables (continued)

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

31 December 2020	Trade receivables - Gross \$m	Provision for impairment \$m	Trade receivables - Net \$m	Receivable days
Asset Solutions EAAA	292.0	(51.5)	240.5	58
Asset Solutions Americas	131.2	(13.3)	117.9	42
Technical Consulting Solutions	275.6	(11.7)	263.9	80
Investment Services	42.9	(18.3)	24.6	253
Total Group	741.7	(94.8)	646.9	62

31 December 2019	Trade receivables - Gross \$m	Provision for impairment \$m	Trade receivables - Net \$m	Receivable days
Asset Solutions EAAA	349.9	(41.6)	308.3	70
Asset Solutions Americas	282.6	(14.8)	267.8	22
Technical Consulting Solutions	361.8	(15.9)	345.9	82
Investment Services	40.3	(18.8)	21.5	87
Total Group	1,034.6	(91.1)	943.5	56

Receivable days are calculated by allocating the closing trade receivables and gross amounts due from customers balances to current revenue. A receivable days calculation of 62 indicates that closing trade receivables represent the most recent 62 days of revenue.

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

	2020 \$m	2019 \$m
Up to 3 months	3.9	1.4
Over 3 months	90.9	89.7
	94.8	91.1

14 Trade and other receivables (continued)

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

2020	Asset Solutions		Asset Solutions Americas	Technical Consulting Solutions	Investment Services	Total \$m
	EEAA	\$m	\$m	\$m	\$m	
At 1 January	41.6		14.8	15.9	18.8	91.1
Exchange movements	3.1		(0.3)	0.5	0.8	4.1
Provided during year	9.5		7.4	-	-	16.9
Utilised during year	(1.8)		(0.8)	(0.2)	-	(2.8)
Released during year	(1.8)		(7.8)	(4.6)	(1.3)	(15.5)
Disposed during year	0.9		-	0.1	-	1.0
At 31 December	51.5		13.3	11.7	18.3	94.8
<hr/>						
2019						
At 1 January	50.3		21.9	15.4	17.2	104.8
Exchange movements	(0.3)		0.2	0.2	-	0.1
Provided during year	3.4		10.3	5.9	10.8	30.4
Utilised during year	(5.7)		(9.6)	(4.2)	-	(19.5)
Released during year	(5.1)		(8.0)	(1.3)	(9.2)	(23.6)
Reclassified to held for sale	(1.0)		-	(0.1)	-	(1.1)
At 31 December	41.6		14.8	15.9	18.8	91.1

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

Included within gross trade receivables of \$741.7m above (2019: \$1,034.6m) and gross amounts due from customers of \$638.6m (2019: \$962.8m) are contract assets of \$240.4m (2019: \$300.8m) which were past due. These relate to customers for whom there is no recent history or expectation of default. The ageing analysis of these contract assets is as follows:

	2020 \$m	2019 \$m
Up to 3 months overdue	93.4	153.3
Over 3 months overdue	147.0	147.5
	240.4	300.8

The above analysis excludes retentions relating to contracts in progress of \$106.4m (2019: \$121.8m).

15 Cash and cash equivalents

	2020 \$m	2019 \$m
Cash at bank and in hand	565.9	1,836.9
Short-term bank deposits	19.1	10.1
	585.0	1,847.0

Cash at bank and in hand at 31 December 2020 includes \$234.9m (2019: \$1,448.6m) that is part of the Group's cash pooling arrangements and both cash and borrowings are grossed up by this amount in the financial statements.

The effective interest rate on short-term deposits at 31 December 2020 was 2.3% (2019: 1.5%) and these deposits have an average maturity of 11 days (2019: 6 days).

16 Trade and other payables

	2020 \$m	2019 \$m
Trade payables	804.8	1,016.5
Gross amounts due to customers	203.2	480.5
Other tax and social security payable	54.1	53.6
Accruals	550.4	642.9
Deferred and contingent consideration (note 19)	-	20.0
Derivative financial instruments	2.9	3.9
Amounts due to joint ventures	1.1	4.4
Asbestos related payables	57.9	52.0
Other payables	345.3	345.8
	2,019.7	2,619.6

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

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

Deferred and contingent consideration represents amounts payable on acquisitions made by the Group.

Other payables includes project related and other liabilities.

17 Borrowings

	2020 \$m	2019 \$m
Bank loans and overdrafts due within one year or on demand		
Unsecured	238.3	1,752.7
Senior loan notes		
Unsecured	77.0	-
Total current borrowings	315.3	1,752.7
Non-current bank loans		
Unsecured	493.0	693.3
Senior loan notes		
Unsecured	803.5	879.9
Total non-current borrowings	1,296.5	1,573.2

Borrowings of \$234.9m (2019: \$1,448.6m) 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 loans and overdrafts due within one year or on demand decreased by \$1,514.4m, mainly due to a \$1,213.7m decrease in borrowings that are part of the Group's cash pooling arrangements and a \$297.6m repayment on term loans during the year.

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

During the year, the Group extended the maturity of its revolving credit facility, with \$1,514.0m falling due in May 2023 and \$236.0m falling due in May 2022.

17 Borrowings (continued)

The Group had total facilities of \$3,115.7m as at 31 December 2020, which comprises of \$300.0m of bilateral term loans maturing in May 2022, \$236.0m of revolving credit maturing in May 2022, \$1,514.0m of revolving credit maturing in May 2023, \$880.5m of senior loan notes in the US private placement market with varying maturities, of which \$77.0m is payable in 2021, and \$185.2m of other banking facilities.

Of the non-current borrowings of \$1,296.5m, \$20.5m is denominated in sterling with the balance in US dollars.

The Group's principal borrowing facilities at 31 December 2020 are set out in the table below.

Facility	Total available \$m	Drawn at 31 December 2020		Undrawn at 31 December 2020 \$m	Repayable
		Drawn at 31 December 2020 \$m	Undrawn at 31 December 2020 \$m		
Term loan	300.0	300.0	-	-	May 2022
Revolving credit facility	1,750.0	200.0	1,550.0	-	May 2022 / May 2023
Senior loan notes	880.5	880.5	-	-	Various dates
Other facilities	185.2	3.4	181.8	-	Various dates
Unamortised fees	-	(7.0)	7.0	-	N/A
	3,115.7	1,376.9	1,738.8		

The above table excludes borrowings of \$234.9m that are part of the Group's cash pooling arrangements and are offset by equivalent cash balances.

The Group has \$880.5m (2019: \$879.9m) of unsecured senior loan notes issued in the US private placement market. The notes mature at varying dates between 2021 and 2031 as shown in the table below. Interest is payable at an average rate of 4.13% (2019: 4.31%).

Repayable	2020 \$m	2019 \$m
August 2021	30.0	30.0
November 2021	47.0	47.0
July 2022	35.0	35.0
July 2024	25.0	25.0
August 2024	120.0	120.0
November 2024	50.0	50.0
July 2026	127.5	126.9
August 2026	128.0	128.0
February 2027	40.0	40.0
February 2029	100.0	100.0
July 2029	129.5	129.5
July 2031	48.5	48.5
	880.5	879.9

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

	2020 %	2019 %
US dollar	0.78	2.60
Sterling	1.25	2.24
Euro	1.15	1.15
Australian dollar	0.55	1.70

17 Borrowings (continued)

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

	2020 \$m	2019 \$m
US Dollar	1,477.7	2,655.9
Sterling	122.2	505.7
Euro	3.9	20.4
Australian dollar	0.7	127.0
Other	7.3	16.9
	1,611.8	3,325.9

The Group is required to issue tender bonds, performance bonds, retention bonds, advance payment bonds and standby letters of credit to certain customers. Management have assessed that the possibility of these being triggered is remote. At 31 December 2020, the Group's bank facilities relating to the issue of bonds, guarantees and letters of credit amounted to \$1,542.8m (2019: \$1,921.4m). At 31 December 2020, these facilities were 63% utilised (2019: 55%).

Borrowing facilities

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

	2020 \$m	2019 \$m
Expiring within one year	181.8	229.3
Expiring between one and two years	209.0	-
Expiring between two and five years	1,348.0	1,156.7
	1,738.8	1,386.0

All undrawn borrowing facilities are floating rate facilities. The facilities expiring within one year are annual facilities subject to review at various dates during 2021. The Group was in compliance with its bank covenants throughout the year.

17 Borrowings (continued)

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

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

18 Other non-current liabilities

	2020 \$m	2019 \$m
Derivative financial instruments	16.9	10.5
Other payables	121.2	135.5
	138.1	146.0

Deferred and contingent consideration represents amounts payable on acquisitions made by the Group.

Other payables include \$79.8m (2019: \$81.4m) relating to the US SERP pension arrangement referred to in note 32 and unfavourable leases of \$17.3m (2019: \$16.3m). Unfavourable lease liabilities represent non-lease components, such as facilities costs which are not included within the IFRS 16 lease liability.

19 Financial instruments

The Group's activities give rise to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy is to hedge exposures wherever practicable in order to minimise any potential adverse impact on the Group's financial performance.

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

Where the Board considers that a material element of the Group's profits and net assets are exposed to a country in which there is significant geo-political uncertainty a strategy is agreed to ensure that the risk is minimised.

19 Financial instruments (continued)

- (a) *Market risk*
- (i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currencies. The Group has subsidiary companies whose revenue and expenses are denominated in currencies other than the US dollar. Where possible, the Group's policy is to eliminate all significant currency exposures at the time of the transaction by using financial instruments such as forward currency contracts. Changes in the forward contract fair values are booked through the income statement, except where hedge accounting is used in which case the change in fair value is recorded in equity.

Hedging of foreign currency exchange risk – cash flow hedges

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

	2020	2019	2020	2019
	Notional contract amount \$m	Notional contract amount \$m	Carrying amount and fair value \$m	Carrying amount and fair value \$m
Current assets	66.6	117.5	1.8	3.6
Current liabilities	(50.1)	(47.0)	(0.6)	(0.8)

A net foreign exchange loss of \$1.6m (2019: gain \$1.9m) was recognised in the hedging reserve as a result of fair value movements on forward contracts and currency swaps designated as cash flow hedges.

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

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

	2020	2019	2020	2019
	Notional contract amount \$m	Notional contract amount \$m	Carrying amount and fair value \$m	Carrying amount and fair value \$m
Current assets	458.9	654.2	6.4	6.5
Current liabilities	(189.4)	(196.1)	(2.3)	(3.1)

The Group's largest foreign exchange risk relates to movements in the sterling/US dollar exchange rate. Movements in the sterling/US dollar rate can impact the translation of sterling profit earned in the UK and the translation of sterling denominated net assets. A weakening of the pound has a negative impact on translation of UK companies' profits and net assets. Sterling denominated trading profits in the UK are offset by the Group's corporate overhead and a 10% change in the sterling/dollar rate would result in a change to Adjusted EBITDA of less than 1%. A 10% change in the sterling/dollar rate would impact net assets by less than 1%. 10% has been used in these calculations as it represents a reasonable possible change in the sterling/US dollar exchange rate. The Group also has foreign exchange risk in relation a number of other currencies, such as the Australian dollar, the Canadian dollar and the Euro.

- (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 2020, 65% (2019: 34%) 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.

19 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.

	2020 Hedged amount \$m	2019 Hedged amount \$m	2020 Carrying amount and fair value \$m	2019 Carrying amount and fair value \$m
Interest rate swaps	250.0	250.0	(16.9)	(10.5)

A net foreign exchange loss of \$6.4m (2019 loss: \$7.2m) was recognised in the hedging reserve as a result of fair value movements on interest rate swaps designated as cash flow hedges. The interest rate swaps are put in place to hedge against movements in the 3 month USD LIBOR rate. The majority of the variable RCF debt matures in May 2023 and the interest rate swap matures in June 2023. The Group is hedging the 3 month USD LIBOR rate and based on the current maturity of the swap and it is assumed that the hedge will be effective for the full period.

The Group have identified that the external debt could be impacted by transition to alternative benchmarks. The Group will work closely with the relationship banks to amend the interest rate clause or make use of standard market fallback provision for both our external debt and IRS documents at an appropriate time and in line with the transition dates.

If average interest rates had been 1% higher or lower during 2020 (2019: 1%), post-tax profit for the year would have been \$6.3m lower or higher respectively (2019: \$10.6m). 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 based on receivable days calculations to assess performance. A table showing trade receivables and receivable days is provided in note 14. Receivable days calculations are not provided on non-trade receivables as management do not believe that this information is a relevant metric.

The maximum credit risk exposure on cash and cash equivalents and bank deposits (more than three months) at 31 December 2020 was \$585.0m (2019: \$1,901.9m). 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 2020 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 \$1,738.8m undrawn portion of the Group's committed banking facilities. The 2020 average net debt (excluding leases) was \$1,597.8m (2019 \$1,932.3m).

The cash balance and undrawn portion of the Group's committed banking facilities can fluctuate throughout the year. In previous years, net debt typically reached peaks in May and September which coincided with interim and final dividends being paid. However, in response to the uncertainty caused by Covid-19, the directors withdrew their proposed 2019 final dividend payment of \$160.4m (23.9 cents per share)

19 Financial instruments (continued)

to protect cashflows and preserve long-term value of the Group. No decision has been taken to resume the dividend and this will be kept under review by the directors. Any decision to resume payment of a dividend will consider the Group's future profitability and cash requirements. Around the covenant remeasurement dates of 30 June and 31 December the Group's net debt is typically lower than these historic peaks due to a combination of factors including a strong focus on collection of receipts from customers and the timing of payments to suppliers. Although revenue is typically weighted towards the second half of the year it is usually higher in June than in December, which means the level of working capital required is typically higher at the end of June and net debt is typically lower by the end of December.

At 31 December 2020, 94% (2019: 90%) of the Group's principal borrowing facilities (including senior loan notes) were due to mature in more than one year. Based on the Group's latest forecasts the Group has sufficient funding in place to meet its future obligations.

The Group's total bank facilities comprise \$300.0m of bilateral term loans maturing May 2022 and a \$1,750.0m revolving credit facility of which \$236.0m matures in May 2022 and \$1,514.0m matures in May 2023.

The Group has \$880.5m of unsecured senior loan notes issued in the US private placement market. The notes mature in various tranches between August 2021 and 2031.

(d) Capital risk

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

The ratio of net debt to Adjusted EBITDA at 31 December 2020 was 2.1 times (2019: 2.0 times). This ratio is calculated by dividing net debt before leases by Adjusted EBITDA, excluding the impact of IFRS 16.

Interest cover is calculated by dividing adjusted EBITDA, excluding the impact of IFRS 16, by net finance expense and was 5.5 times for the year ended 31 December 2020 (2019: 5.6 times).

Gearing is calculated by dividing net debt, before leases, by equity attributable to owners of the parent. Gearing at 31 December 2020 was 24.3% (2019: 32.1%).

Deferred and contingent consideration

Deferred and contingent consideration is payable on the acquisition of businesses based on earn out arrangements and is initially recognised at fair value. The amount payable is dependent on the post-acquisition profits of the acquired entities and the provision made is based on the Group's estimate of the likely profits of those entities based on the relevant Acquisition Approval Paper submitted to the Group Board. Where actual profits are higher or lower than the Group's estimate and the amount of contingent consideration payable is consequently different to the amount estimated then the variance is charged or credited to the income statement. Where deferred and contingent consideration is payable after more than one year the estimated liability is discounted using an appropriate rate of interest. The fair value of contingent consideration is not based on observable market data and as such the valuation method is classified as level 3 in the fair value hierarchy. The process for valuation is consistently applied to all acquisitions.

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

	2020	2019
	\$m	\$m
Contingent consideration arising from business combinations		
At 1 January	20.0	26.6
Exchange movements	0.8	0.5
Interest relating to discounting of contingent consideration	0.2	0.4
Payments during the year	(21.0)	(5.6)
Amounts (released)/charged to the income statement	-	(1.9)
At 31 December	-	20.0

19 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 2020	Less than 1 year \$m	Between 1 and 2 years \$m	Between 2 and 5 years \$m	Over 5 years \$m
Borrowings	357.2	399.3	458.7	633.6
Trade and other payables	1,965.6	-	-	-
Lease liabilities	133.5	114.2	193.7	150.5
Other non-current liabilities	-	41.3	96.7	-

At 31 December 2019				
Borrowings	1,821.3	137.9	1,039.9	659.4
Trade and other payables	2,566.0	-	-	-
Lease liabilities	161.0	131.2	204.3	122.4
Other non-current liabilities	-	54.1	91.9	-

Fair value of non-derivative financial assets and financial liabilities

The fair value of short-term borrowings, trade and other payables, trade and other receivables, financial assets, short-term deposits and cash at bank and in hand approximates to the carrying amount because of the short maturity of interest rates in respect of these instruments.

The fair value of non-current bank borrowings as at 31 December 2020 was \$478.8m (book value \$493.0m) (2019: \$689.4m, book value \$693.3m). The fair value of the US Private Placement debt at 31 December 2020 was \$883.9m (book value \$880.5m) (2019: \$883.7m, book value \$879.9m).

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 2020 and 31 December 2019, there were no transfers into or out of level 2 fair value measurements.

John Wood Group PLC

Notes to the financial statements
For the year ended 31 December 2020

20 Provisions

	Asbestos related litigation \$m	Insurance and property \$m	Litigation related provisions \$m	Project related provisions \$m	Total \$m
2020					
At 1 January 2020	418.9	110.2	111.8	151.3	792.2
Reclassifications	(1.5)	6.1	2.2	26.2	33.0
Utilised	(41.8)	(2.9)	(3.4)	(27.1)	(75.2)
Charge to income statement	27.8	6.8	226.8	18.0	279.4
Release of provisions	(1.3)	(16.1)	(4.8)	(68.1)	(90.3)
Exchange movements	1.6	0.9	0.4	0.6	3.5
At 31 December 2020	403.7	105.0	333.0	100.9	942.6
Presented as					
Current	-	11.1	116.9	44.5	172.5
Non-current	403.7	93.9	216.1	56.4	770.1
2019					
At 1 January 2019	453.4	71.2	91.1	375.5	991.2
Adjustment on initial application of IFRS 16	-	(17.7)	-	-	(17.7)
Adjusted opening balance	453.4	53.5	91.1	375.5	973.5
Reclassifications	-	65.8	(4.0)	(69.1)	(7.3)
Utilised	(49.9)	(10.9)	(11.2)	(109.5)	(181.5)
Charge to income statement	18.3	14.7	46.0	27.6	106.6
Release of provisions	(4.9)	(14.4)	(10.1)	(71.7)	(101.1)
Reclassified to held for sale	-	-	-	(3.0)	(3.0)
Exchange movements	2.0	1.5	-	1.5	5.0
At 31 December 2019	418.9	110.2	111.8	151.3	792.2
Presented as					
Current	-	11.3	57.0	72.3	140.6
Non-current	418.9	98.9	54.8	79.0	651.6

The 2019 opening insurance and property provision balance was restated to reflect onerous lease provisions of \$17.7m which were set against the opening right of use asset recognised on transition to IFRS 16.

Asbestos related litigation

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

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

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

20 Provisions (continued)

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

The Covid-19 pandemic has significantly reduced settlements and payments made during 2020. Management believes these reductions are temporary deferrals until after the effects of the pandemic subside and the various courts resume normal operations.

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

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

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

The total liability recorded in the Group's balance sheet at 31 December 2020 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:

	2020			2019		
	US \$m	UK \$m	Total \$m	US \$m	UK \$m	Total \$m
Asbestos related provision						
Gross provision	445.0	65.7	510.7	485.8	59.2	545.0
Effect of discounting	(47.9)	(1.2)	(49.1)	(74.1)	-	(74.1)
Net provision	397.1	64.5	461.6	411.7	59.2	470.9
Insurance recoveries						
Gross recoveries	(25.0)	(57.4)	(82.4)	(38.4)	(54.5)	(92.9)
Effect of discounting	0.6	1.1	1.7	1.6	-	1.6
Net recoveries	(24.4)	(56.3)	(80.7)	(36.8)	(54.5)	(91.3)
Net asbestos related liabilities	372.7	8.2	380.9	374.9	4.7	379.6
<i>Presented in accounts as follows</i>						
Provisions – non-current			403.7			418.9
Trade and other payables			57.9			52.0
Trade and other receivables			(18.8)			(16.2)
Long term receivables			(61.9)			(75.1)
			380.9			379.6

A net interest charge of \$8.0m, representing the time value of money and a yield curve charge of \$17.9m, which is driven by the reduction in the 30-year US Treasury Bond rate in 2020 is included within exceptional items since the movements in the provision are non-trading and can be large and driven by market conditions which are outwith the Group's control. Equivalent charges of \$9.7m and \$8.9m in 2019 were taken to finance expenses and EBITDA respectively.

20 Provisions (continued)

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

Number of open claims	2020	2019
	Number	Number
At 1 January	62,070	64,370
New claims	2,320	2,760
Claims resolved	(3,990)	(5,060)
At 31 December	60,400	62,070
Claims not valued in liability	(45,740)	(47,280)
Open claims valued in liability at 31 December	14,660	14,790

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 2020 activity, the Group's current forecast liabilities have been adjusted for payments made in 2020 of \$41.8m and to reflect the impact of discounting. In 2020, the liability for asbestos indemnity and defence costs to 2050 was calculated at a gross nominal amount of \$510.7m (present value \$461.6m), which brought the liability to a level consistent with our advisor's reasonable best estimate. The total asbestos-related liabilities are comprised of estimates for liabilities relating to open (outstanding) claims being valued and the liability for future unasserted claims to 2050.

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

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

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

In the period from 2011 to 2020, the average combined indemnity and defence cost per resolved claim has been approximately \$5k. The average cost per resolved claim is increasing and management believe it will continue to increase in the future. A sensitivity analysis on average indemnity settlement and defence costs is included in the table below.

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

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

Assumption	Impact on asbestos liabilities (range)
	\$m
25% change in average indemnity settlement amount	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.

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

20 Provisions (continued)

Duration	Rate as at 31 December 2020	Exceptional items \$m
10 year	0.93%	37.6
20 year	1.45%	23.4
30 year (basis used)	1.65%	17.9

A change of 0.1% in the 30-year US Treasury Bond rate would give rise to a change to the income statement charge/credit of approximately \$2.7m.

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

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

	2020	2019
	\$m	\$m
Asbestos litigation, defence and case resolution payments	41.8	49.9
Insurance proceeds	(14.0)	(14.3)
Net asbestos related payments	27.8	35.6

The Group expects to have a net cash outflow of approximately \$33m as a result of asbestos liability indemnity and defence payments in excess of insurance proceeds during 2021. This estimate assumes no new settlements with insurance companies and no elections by the Group to fund additional payments. In addition, this assumes that the effects of the Covid-19 pandemic will subside and the various courts will resume normal operations in 2021. As the Group continues to collect cash from previous insurance settlements, the asbestos-related insurance receivable recorded on our consolidated balance sheet will decrease.

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

Insurance and property provisions

The Group has liabilities in relation to its captive insurance companies of \$80.6m and for property dilapidations of \$24.4m.

During 2020, the Group had two captive insurance companies, Garlan Insurance Limited, which is active and based in Guernsey, and Atlantic Services Limited, which is dormant and based in Bermuda. On 31 December 2020, Atlantic Services Limited was amalgamated into Garlan Insurance Limited. These companies provide or provided insurance solely to other Group companies and do not provide any insurance to third parties. The provisions recorded by the insurance captives represent amounts payable to external parties in respect of claims, the value of which is based on actuarial reports which assess the likelihood and value of these claims. These are reassessed annually, with movements in claim reserves being recorded in the income statement. The actuarial assessment of settlement value represents the greatest area of uncertainty.

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

Litigation related provisions

The Group is party to litigation involving clients and sub-contractors arising from its contracting activities. Management has taken internal and external legal advice in considering known or reasonably likely legal claims and actions by and against the Group. Where a known or likely claim or action is identified, management carefully assesses the likelihood of success of the claim or action. A provision is recognised only in respect of those claims or actions where management consider it is probable that a settlement will be required.

Provision is made for management's best estimate of the likely settlement costs and/or damages to be awarded for those claims and actions that management considers are likely to be successful. Due to the inherent commercial, legal and technical uncertainties in estimating project claims, the amounts ultimately paid or realised by the Group could differ materially from the amounts that are recognised in the financial statements. Litigation related provisions include contingent liabilities acquired with Amec Foster Wheeler, which were originally measured at fair value on acquisition. These liabilities continue to be recognised until the liability is settled, cancelled or expired at the higher of the fair value initially recorded or the amount recognised in accordance with IAS 37.

20 Provisions (continued)

Included in the charge for the year was \$54m of additional provisions booked in respect of a previously insured litigation. This was offset in the income statement by an equivalent credit following receipt of insurance proceeds.

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 the historical use of agents and certain other business counterparties by Amec Foster Wheeler and its legacy companies in various jurisdictions.

In July 2017, the UK Serious Fraud Office ("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, the Office of the Comptroller General and the Attorney General of Brazil).

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 this internal investigation. The Group subsequently took steps to conclude its investigation of these matters and submitted its report on possible bribery and corruption offences to the COPFS. These matters have been considered by Scotland's Civil Recovery Unit as part of the self-reporting initiative applicable to Scotland.

Discussions concerning possible resolutions of the investigations by the authorities in the US, Brazil and Scotland had previously progressed to the point where the Group believed that it was likely to be able to settle the relevant matters with these authorities and was able to reliably estimate the amounts likely to be paid. In this regard a provision of \$46.0m was recognised as at 31 December 2019 reflecting the then expected aggregate cost of resolution with the authorities in those three jurisdictions.

Since then, discussions concerning possible resolution of the investigations by those authorities and with the SFO have continued and are at an advanced stage and the Group now believes that it is likely to be able to settle all of the above matters with the relevant authorities, subject to approval of the relevant courts.

In light of the above, the Group is now able to reliably estimate the amount likely to be paid in respect of these matters. The Group has reassessed as at 31 December 2020 its provision and concluded that it should be increased to \$196.7m. This revised provision reflects the Group's assessment of the likely cost of resolution with the SFO and the US, Brazilian and Scottish authorities.

Wood anticipates that the settlement of the investigations by the SFO and by the US and Brazilian authorities in relation to the legacy Amec Foster Wheeler companies will be finalised, subject to court approvals, during Q2 2021. Separately, Wood anticipates that the settlement of the investigation by the Scottish authorities in relation to the legacy Wood Group joint venture will be finalised shortly.

Wood expects the likely phasing of payments in relation to all of the above settlements to be that approximately \$70m would be payable during the year ending 31 December 2021, with the balance payable in instalments in 2022, 2023 and 2024.

As set out in note 33, achieving resolution of the relevant matters continues to involve negotiations with multiple authorities in various jurisdictions, and is subject to certain court hearings and approvals. Accordingly, there is no certainty that resolution will be reached with any or all of those authorities or, where relevant, that Wood will receive judicial approvals, or that the aggregate settlement amount will not exceed the amount of the provision, or that the timing of the settlements or the payment schedule will be as set out above.

Other litigations

The largest other matter in which the Group is involved is a 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. The cost of the project exceeded the client's budget which led to the client partially terminating the contract in December 2015, before terminating the remainder of the contract and commencing a lawsuit in Texas against the subsidiary and also Amec Foster Wheeler plc in September 2016. The client seeks recovery of actual damages, plus punitive damages, interest and attorney's fees for breach of contract and warranty, gross negligence and fraud. The alleged actual damages total \$733m, which include an alleged \$317m in lost revenue from delayed commercial operation.

The Group believes that the claims lack legal and factual merit but provided for an amount representing the fair value of the exposure upon acquisition of Amec Foster Wheeler. The estimate that the subsidiary provided was in connection with the client's initial request for a lump sum bid and highly conditioned. The contract that was ultimately signed, and 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

20 Provisions (continued)

and development of the project schedule. Liability for consequential damages is barred, except in the case of wilful misconduct. Except for gross negligence, wilful misconduct, and warranty claims, overall liability is capped at 10 percent of the contract price (or approximately \$100 million).

The Group has denied the claims and intend to vigorously defend the lawsuit. It has also interposed a counterclaim in an amount to be determined. The lawsuit is in the discovery stage and it would be premature to predict the ultimate outcome of the matter.

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

Project related provisions

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

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 85% complete by value at 31 December 2020 and 92% complete by physical progress and is expected to be operationally complete during December 2021. Management's latest estimate is that the loss at completion will be \$124m representing the expected loss to complete less estimated revenue to be earned. A charge of \$11m was made to the income statement during 2020 in relation to this project and the full amount of this loss has been recognised to date.

The Group's assessment of the ultimate loss includes change orders which have not been approved by the customer. They are estimated based on the amount that is deemed to be highly probable to be recovered. That estimation is made considering the risks and likelihood of recovery of change orders. The Group's assessment of liquidated damages involves an expectation of relief from possible obligations linked to delays on the contract. These liquidated damages and relief assumptions are estimates prepared in conjunction with the change orders estimates noted above. The range of possible outcomes in respect to the change orders that are highly likely to be recoverable and the liquidated damages for which a relief will be obtained is material. The current estimate is that these will not be settled until 2023 at the earliest. If the amounts agreed are different to the assumptions made, then the ultimate loss could be materially different. At 31 December 2020, provisions of \$12.0m and non-current contract assets of \$111.3m are included in the balance sheet.

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

Other project related provisions

Certain of the jurisdictions in which the Group operates, in particular the US and the EU, have environmental laws under which current and past owners or operators of property may be jointly and severally liable for the costs of removal or remediation of toxic or hazardous substances on or under their property, regardless of whether such materials were released in violation of law and whether the operator or owner knew of, or was responsible for, the presence of such substances. Largely as a consequence of the acquisition of Amec Foster Wheeler, the Group currently owns and operates, or owned and operated, industrial facilities. It is likely that, as a result of the Group's current or former operations, hazardous substances have affected the property on which those facilities are or were situated.

The Group has also received and may continue to receive claims pursuant to indemnity obligations from the present owners of facilities we have transferred, which may require us to incur costs for investigation and/or remediation. As at 31 December 2020, the Group held provisions totaling \$25m (2019: \$29m) for the estimated future environmental clean-up costs in relation to industrial facilities that it no longer operates. Whilst the timing of the related cash flows is typically uncertain, the Group expects that certain of its remediation obligations may continue for up to 100 years.

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

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

21 Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using the tax rate applicable to the territory in which the asset or liability has arisen. The Group has provided deferred tax in relation to UK companies at 19% (2019: 17%). The movement on the deferred tax account is shown below:

(Asset)/liability

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

A deferred tax asset of \$5.2m, recognised on transition to IFRS 16 and included within other temporary differences, has been reclassified to accelerated capital allowances.

	As at 1 January 2019 \$m	Income statement \$m	OCI \$m	Other \$m	As at 31 December 2019 \$m
Accelerated capital allowances	14.2	(11.2)	(0.8)	2.3	4.5
Intangibles	284.6	(6.7)	2.4	(6.9)	273.4
Pension	66.8	(1.1)	(4.6)	-	61.1
Share based charges	(13.7)	3.5	4.0	-	(6.2)
Other temporary differences	4.0	0.3	(0.4)	(1.0)	2.9
Provisions	(198.8)	71.0	(0.1)	(4.9)	(132.8)
Unremitted earnings	42.5	(1.7)	1.0	-	41.8
Tax credits	(1.5)	1.5	-	0.8	0.8
Deferred interest deduction	(17.0)	(24.8)	(0.9)	-	(42.7)
Losses	(161.5)	(44.0)	(1.5)	5.5	(201.5)
Total	19.6	(13.2)	(0.9)	(4.2)	1.3

21 Deferred tax (continued)

Deferred tax is presented in the financial statements as follows:

	2020 \$m	2019 \$m
Deferred tax assets	(80.4)	(87.1)
Deferred tax liabilities	89.0	88.4
Net deferred tax liability	8.6	1.3

No deferred tax liability has been recognised in respect of \$19,807.9m (2019: \$20,543.5m) of unremitted reserves of subsidiaries because the Group is in a position to control the timing of the reversal of the temporary difference and it is not probable that such differences will reverse in the foreseeable future. The amount of unrecognised deferred tax liabilities in respect of these unremitted reserves is estimated to be \$35.2m (2019: \$28.3m), which includes \$4.4m relating to unrecognised deferred tax liabilities in respect of unremitted reserves from EEA countries following the UK's departure from the EU on 31 December 2020.

Recognition of \$48.3m of deferred tax assets in relation to the US tax group is based on forecast profits of the US businesses.

The deferred tax balances are analysed below.

31 December 2020

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

31 December 2019

	Accelerated capital allowances	Intangibles	Pension	Share based charges	Other temporary differences	Provisions	Unremitted earnings	Deferred Tax credits	Interest deduction	Losses	Netting	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Deferred tax assets	(36.6)	(105.8)	(1.4)	(6.2)	(16.3)	(132.8)	-	-	(42.7)	(201.5)	456.2	(87.1)
Deferred tax liabilities	41.1	379.2	62.5	-	19.2	-	41.8	0.8	-	-	(456.2)	88.4
Net	4.5	273.4	61.1	(6.2)	2.9	(132.8)	41.8	0.8	(42.7)	(201.5)	-	1.3

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

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

21 Deferred tax (continued)

31 December 2019	Tax losses \$m	Deductible temporary differences \$m	Total \$m
Expiring within 5 years	1,867.4	100.2	1,967.6
Expiring within 6-10 years	19.1	86.1	105.2
Expiring within 11-20 years	31.0	-	31.0
Unlimited	5,481.6	1,213.1	6,694.7
	7,399.1	1,399.4	8,798.5

22 Share based charges

The Group currently has a number of share schemes that give rise to equity settled share based charges. These are the Executive Share Option Scheme ('ESOS'), the Long Term Plan ('LTP') and the Employee Share Plan. The charge to operating profit for these schemes for the year amounted to \$24.3m (2019: \$23.4m) and is included in administrative expenses with the corresponding credit included in retained earnings.

Long Term Plan

The Group's Long-Term Plan ('LTP') was introduced in 2013. There are two distinct awards made under the LTP. Awards to senior management are made based on achievement of performance measures, these being total shareholder return, synergies, gross margin and overhead improvement. Participants may be granted conditional share awards or nil cost options at the start of the cycle. Where performance applies, this is measured over a three year period and up to 80% of an award may vest based on the performance over that period. The vesting of at least 20% of any award is normally deferred for a further period of at least two years. Nil value share options may also be awarded under the LTP.

Performance based awards

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

Cycle	Performance period	Fair value of award	Awards outstanding 31 December 2020	Awards outstanding 31 December 2019
7	2014-16	£7.26	-	20,028
8	2015-17	£5.95	12,232	43,215
10	2017-19	£8.54	-	1,826,743
11	2018-20	£6.67	3,613,460	3,914,888
12	2019-21	£5.69	5,383,090	6,148,563
13	2020-22	£3.64	8,442,322	-
			17,451,104	11,953,437

8,806,956 awards were made during the year, 4,492 awards accrued in respect of dividends, 49,960 awards were exercised during the year and 3,263,821 awards lapsed or were cancelled due to performance targets not being achieved.

In addition to the awards above, no (2019: 765,227) options are outstanding at 31 December 2020 in respect of awards made under the Amec Foster Wheeler Long Term Incentive Plan. These awards were converted to Wood awards following the acquisition of Amec Foster Wheeler on 6 October 2017. The fair value of these awards is £7.00.

The awards outstanding under cycle 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.

ESOS

For the purposes of calculating the fair value of the share options, a Black-Scholes option pricing model has been used. Based on past experience, it has been assumed that options will be exercised, on average, six months after the earliest exercise date, which is four years

22 Share based charges (continued)

after grant date, and a lapse rate of 25% has been assumed. The share price volatility used in the calculation of 40% is based on the actual volatility of the Group's shares as well as that of comparable companies. The risk-free rate of return is based on the implied yield available on zero coupon gilts with a term remaining equal to the expected lifetime of the options at the date of grant.

Share options

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

	ESOS		LTP	
	2020	2019	2020	2019
Number of participants	400	400	85	374
Lapse rate	25%	25%	10%	10-20%
Risk free rate of return on grants during year	N/A	N/A	0.27%	0.32%-0.70%
Share price volatility	40%	40%	40%	40%
Dividend yield on grants during year	N/A	N/A	5.06%	5.23%-7.16%
Fair value of options granted during year	N/A	N/A	£3.15-£3.57	£3.12-£5.05
Weighted average remaining contractual life	2.2 years	3.0 years	1.7 years	2.1 years
Options outstanding 1 January	2,317,065	2,604,860	2,100,200	1,659,534
Options granted during the year	-	-	1,176,834	1,067,183
Options exercised during the year	(5,419)	(113,650)	(1,184,884)	(490,050)
Options lapsed during the year	(320,134)	(174,145)	(52,367)	(150,028)
Dividends accrued on options	-	-	20,736	13,561
Options outstanding 31 December	1,991,512	2,317,065	2,060,519	2,100,200
No. of options exercisable at 31 December	1,991,512	2,317,065	93,932	21,868
Weighted average share price of options exercised during year	£4.12	£5.35	£1.74	£4.38

Executive Share Option Schemes

The following options to subscribe for new or existing shares were outstanding at 31 December:

Year of Grant	Number of ordinary shares under option		Exercise price (per share)	Exercise period
	2020	2019		
2010	-	178,053	377½p	2014-2020
2011	212,635	229,135	529½p	2015-2021
2012	406,877	437,377	680½p	2016-2022
2013	707,000	758,500	845½p	2017-2023
2014	665,000	714,000	767¾p	2018-2024
	1,991,512	2,317,065		

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.

22 Share based charges (continued)

Nil value share options

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

Year of Grant	Number of ordinary shares under option		Exercise price (per share)	Exercise period
	2020	2019		
2015	-	15,000	0.00p	2019-2020
2016	29,792	170,000	0.00p	2020-2021
2017	-	6,868	0.00p	2019-2020
2017	367,083	434,374	0.00p	2021-2022
2018	4,461	201,742	0.00p	2020-2021
2018	227,365	254,970	0.00p	2022-2023
2019	50,000	354,161	0.00p	2020-2021
2019	490,462	653,085	0.00p	2021-2022
2019	2,500	10,000	0.00p	2023-2024
2020	883,856	-	0.00p	2022-2023
2020	5,000	-	0.00p	2023-2024
	2,060,519	2,100,200		

Options are granted under the Group's LTP at nil value. There are no performance criteria relating to the exercise of the options. Further details on the LTP are provided in the Directors' Remuneration Report.

Employee share plan

The Group introduced 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 two shares purchased, providing they remain in employment for a further year. During 2020, 357,951 shares were awarded in relation to the second year of the plan and it is anticipated that 1,441,207 shares in relation to the third year will be awarded in April 2021.

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 2020, nil (2019: 396) options were outstanding under this scheme.

23 Share capital

Ordinary shares of 4²/₇ pence each (2019: 4²/₇ pence) Issued and fully paid	shares	2020 \$m	shares	2019 \$m
At 1 January	684,939,369	40.9	681,539,369	40.7
Allocation of new shares to employee share trusts	3,400,000	0.2	3,400,000	0.2
At 31 December	688,339,369	41.1	684,939,369	40.9

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

24 Share premium

	2020 \$m	2019 \$m
At 1 January and 31 December	63.9	63.9

The shares allocated to the trust during the year were issued at 4²/₇ pence (2019: 4²/₇ pence).

25 Retained earnings

	2020 \$m	Restated 2019 \$m
At 1 January	1,806.4	1,806.7
Adjustment on initial application of IFRS 16 (net of tax)	-	(33.9)
Prior year adjustment on application of IFRS 16 (net of tax)	-	(21.3)
Opening adjusted balance	1,806.4	1,751.5
(Loss)/profit for the year attributable to owners of the parent	(229.5)	72.0
Dividends paid (note 7)	-	(235.5)
Credit relating to share based charges (note 22)	24.3	23.4
Re-measurement loss on retirement benefit liabilities (note 32)	(178.7)	(56.1)
Movement in deferred tax relating to retirement benefit liabilities	36.8	6.8
Shares allocated to employee share trusts	(0.2)	(0.2)
Shares disposed of by employee share trusts	-	0.4
Tax relating to share option schemes	-	(4.1)
Deferred tax impact of rate change in equity	(1.3)	0.3
Tax on derivative financial instruments	1.6	1.4
Other tax movements in equity	(0.7)	0.7
Exchange movements in respect of shares held by employee share trusts	(3.5)	(4.2)
Transfer from merger reserve (note 26)	-	250.0
At 31 December	1,455.2	1,806.4

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 (2019: nil).

25 Retained earnings (continued)

Shares held by employee share trusts

	2020	2019		
	Shares	\$m	Shares	\$m
Balance 1 January	13,678,914	109.1	11,197,394	105.1
New shares allocated	3,400,000	0.2	3,400,000	0.2
Shares issued to satisfy option exercises	(1,369,582)	-	(603,700)	(0.4)
Shares issued to satisfy awards under Long Term Incentive Plan	(49,960)	-	(114,024)	-
Shares issued to satisfy awards under Employee Share Plan	(652,199)	-	(182,820)	-
Other share transactions	(212)	-	(17,936)	-
Exchange movement	-	3.5	-	4.2
Balance 31 December	15,006,961	112.8	13,678,914	109.1

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 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 2020 was \$63.6m (2019: \$72.2m) based on the closing share price of £3.10 (2019: £3.98) and closing exchange rate of 1.3669 (2019: 1.3247). The employee share trusts have waived their rights to receipt of dividends on ordinary shares.

26 Merger reserve

	2020	2019
	\$m	\$m
At 1 January	2,540.8	2,790.8
Transfer to retained earnings	-	(250.0)
At 31 December	2,540.8	2,540.8

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

In November 2019, John Wood Group PLC (the Company) sold its investment in Amec Foster Wheeler Limited and other subsidiaries to another subsidiary company, John Wood Group Holdings Limited for \$2,815.2m in exchange for a promissory note. To the extent that the promissory note is settled by qualifying consideration, the related portion of the merger reserve is considered realised. In December 2019, John Wood Group Holdings Limited paid \$250.0m to the Company in partial settlement of the promissory note. The repayment represented qualifying consideration and as a result the Company transferred an equivalent portion of the merger reserve to retained earnings.

27 Other reserves

	Capital reduction reserve \$m	Capital redemption reserve \$m	Currency translation reserve \$m	Hedging reserve \$m	Total \$m
At 1 January 2019	88.1	439.7	(634.7)	(4.4)	(111.3)
Cash flow hedges	-	-	-	(5.3)	(5.3)
Exchange movement on retranslation of foreign operations	-	-	83.4	-	83.4
At 31 December 2019	88.1	439.7	(551.3)	(9.7)	(33.2)
Cash flow hedges	-	-	-	(8.0)	(8.0)
Exchange movement on retranslation of foreign operations	-	-	92.9	-	92.9
Exchange movement on disposal of foreign operations	-	-	17.3	-	17.3
At 31 December 2020	88.1	439.7	(441.1)	(17.7)	69.0

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

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

The currency translation reserve relates to the retranslation of foreign currency net assets on consolidation. This was reset to zero on transition to IFRS at 1 January 2004. The movement during the year relates to the retranslation of foreign operations, including goodwill and intangible assets recognised on acquisition. The \$17.3m was recycled through the P&L on disposal of a foreign operation (note 30).

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

28 Non-controlling interests

	2020 \$m	2019 \$m
At 1 January	5.5	19.0
Share of profit for the year	1.4	0.8
Dividends paid to non-controlling interests	(4.9)	(1.2)
Transactions with non-controlling interests	0.8	(13.1)
At 31 December	2.8	5.5

29 Cash generated from operations

	Note	2020 \$m	2019 \$m
Reconciliation of operating profit to cash generated from operations:			
Operating (loss)/profit from continuing operations		(32.9)	303.4
Less share of post-tax profit from joint ventures		(33.6)	(48.2)
		(66.5)	255.2
Adjustments for:			
Depreciation	10	38.9	46.5
Depreciation on right of use assets	11	125.4	123.0
Loss/(gain) on disposal of property plant and equipment	4	8.0	(1.9)
Gain on disposal of businesses	30	(58.4)	-
Gain on disposal of investment in joint ventures	30	(0.7)	(3.6)
Amortisation of intangible assets	9	225.5	242.4
Share based charges	22	24.3	23.4
Decrease in provisions	20	(45.4)	(216.1)
Dividends from joint ventures	12	29.6	43.0
Exceptional items – non-cash impact	1	205.1	69.9
Changes in working capital (excluding effect of acquisition and divestment of subsidiaries)			
Decrease/(increase) in inventories		0.9	(2.8)
Decrease in receivables		504.2	200.2
Decrease in payables		(627.1)	(19.1)
Exchange movements		(17.6)	(13.9)
Cash generated from operations		346.2	746.2

Analysis of net debt

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

29 Cash generated from operations (continued)

2019	\$m	\$m	\$m	\$m	Restated At 1 January 2019	Cash flow	Other	Exchange movements	Restated At 31 December 2019
					2019	Cash flow			2019
Short term borrowings	(984.5)	(770.9)	-	2.7	(1,752.7)				
Long term borrowings	(1,917.3)	348.2	(3.9)	(0.2)	(1,573.2)				
	(2,901.8)	(422.7)	(3.9)	2.5	(3,325.9)				
Cash and cash equivalents	1,352.7	485.9	-	8.4	1,847.0				
Cash included in assets held for sale (see note 30)	24.2	30.7	-	-	54.9				
Restricted cash	11.7	(11.7)	-	-	-				
Net debt excluding leases	(1,513.2)	82.2	(3.9)	10.9	(1,424.0)				
Leases	(613.0)	165.6	(136.0)	0.1	(583.3)				
Net debt including leases	(2,126.2)	247.8	(139.9)	11.0	(2,007.3)				

30 Acquisitions and divestments

Contingent consideration payments of \$21.0m (2019: \$5.6m) were made during the year in respect of acquisitions made in prior periods. Total deferred and contingent consideration outstanding at 31 December 2020 amounted to \$nil (2019: \$20.0m). See note 19.

Divestments

During 2020 the Group disposed of its nuclear and industrial Services businesses and an investment in a non-core joint venture. Each of these were classified as held for sale as at 31 December 2019. In addition, the Group disposed of its Kazakh provider of training and related services, YKK, and an additional investment in a non-core joint venture.

The assets and liabilities disposed of are set out in the table below:

	\$m
Intangible assets	260.5
Investments in joint ventures	65.9
Property, plant and equipment	29.2
Right of use asset	15.6
Inventory	1.4
Trade and other receivables	181.4
Trade and other payables	(135.4)
Current tax	(19.1)
Deferred tax on intangibles	(7.1)
Right of use lease liability	(18.2)
Net assets disposed	374.2
Cash received and receivable	463.4
Provision for future obligations	(4.6)
Disposal costs	(8.2)
Post-acquisition translation reserve	(17.3)
Gain on disposal (see note 5)	59.1

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

	\$m
Gross proceeds received	463.4
Disposal costs paid	(8.2)
Cash inflow	455.2

31 Employees and directors

	2020 \$m	2019 \$m
Employee benefits expense		
Wages and salaries	3,020.0	3,959.2
Social security costs	231.6	317.1
Pension costs – defined benefit schemes (note 32)	1.1	1.0
Pension costs – defined contribution schemes (note 32)	122.9	141.2
Share based charges (note 22)	24.3	23.4
	3,399.9	4,441.9

	2020 No.	2019 No.
Average monthly number of employees (including executive directors)		
By geographical area:		
UK	6,240	10,106
US	13,400	17,586
Rest of the World	19,808	23,250
	39,448	50,942

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

	2020 \$m	2019 \$m
Key management compensation		
Salaries and short-term employee benefits	5.8	9.7
Amounts receivable under long-term incentive schemes	-	1.1
Social security costs	0.6	1.2
Post-employment benefits	0.2	0.1
Share based charges	4.9	3.7
	11.5	15.8

Key management compensation represents the charge to the income statement in respect of the remuneration of the Group board and Group Executive Leadership Team ('ELT') members. At 31 December 2020, key management held 0.1% of the voting rights of the company.

	2020 \$m	2019 \$m
Directors		
Aggregate emoluments	2.5	3.8
Aggregate amounts receivable under long-term incentive schemes	-	0.4
Aggregate gains made on the exercise of share options	0.1	0.2
Share based charges	1.8	1.3
	4.4	5.7

At 31 December 2020, one director (2019: two) had retirement benefits accruing under a defined contribution pension plan and no directors (2019: none) had benefits accruing under a defined benefit pension scheme. Further details of directors' emoluments are provided in the Directors' Remuneration Report.

32 Retirement benefit schemes

The Group operates a number of defined benefit pension schemes which are largely closed to future accrual. The assets of the defined benefits schemes are held separately from those of the Group, being invested with independent investment companies in trustee administered funds. The trustees of the pension schemes are required by law to act in the best interests of the scheme participants and are responsible for setting certain policies (such as investment, contribution and indexation policies) for the schemes.

At 31 December 2020, the largest schemes are the Wood Pension Plan ('WPP'), the Foster Wheeler Inc Salaried Employees Pension Plan ('FW Inc SEPP') and the Foster Wheeler Inc Pension Plan for Certain Employees ('FW Inc PPCE').

The scheme valuations are based on the membership data contained within the triennial valuation of Wood Pension Plan as at 31 March 2020, and the valuation of the Foster Wheeler Inc SEPP/PPCE as at 1 January 2020. The scheme valuations have been updated by the schemes' actuaries for the requirement to assess the present value of the liabilities of the schemes as at 31 December 2020. The assets of the schemes are stated at their aggregate market value as at 31 December 2020.

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

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

	2020 Wood Pension Plan	2020 FW Inc SEPP	2020 FW Inc PPCE	2019 Wood Pension Plan	2019 FW Inc SEPP	2019 FW Inc PPCE
Active members	494	56	45	1,741	69	59
Deferred members		8,313	497	681	8,787	528
Pensioner members		10,149	2,342	843	9,922	2,403
						812

Active members includes deferred members still employed but not actively contributing to the scheme. The reduction in active members from 2019 to 2020 largely reflects employees who have transferred out as a result of the Group's disposal of the Nuclear business.

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

	2020 Wood Pension Plan %	2020 FW Inc SEPP %	2020 FW Inc PPCE %	2019 Wood Pension Plan %	2019 FW Inc SEPP %	2019 FW Inc PPCE %
Discount rate	1.4	2.1	2.1	2.1	3.0	3.0
Rate of increase in pensions in payment and deferred pensions	2.7	N/A	N/A	2.6	N/A	N/A
Rate of retail price index inflation	2.9	N/A	N/A	2.7	N/A	N/A
Rate of consumer price index inflation	2.4	N/A	N/A	2.2	N/A	N/A

As a result of the UK Statistics Authority and Chancellor of the Exchequer's original consultation in March 2020, and more latterly the responses to the consultation on reform to the RPI methodology published in November 2020, which includes plans to bring RPI in line with CPIH (CPI with housing allowance) from 2030, the basis for the RPI assumption has changed since the 31 December 2019 year end. A deduction from the break-even RPI rate from 0.5% to 0.3%, effectively increasing the overall RPI assumption by 0.2% per annum has been applied. This change reflects the actuary's view that the break-even RPI rate implied from the gilt markets now fully reflects the impact of future RPI reforms.

The company has implemented a change to the derivation of the CPI assumption in light of the expected narrowing of the gap between RPI and CPI post 2030 as a result of the proposed RPI reform. The proposed new methodology assumes an RPI/CPI 'wedge' of 1.0% until 2030 and 0% thereafter.

The impact of these changes in approach results in an increase to the defined benefit obligation by around 2%.

32 Retirement benefit schemes (continued)

The mortality assumptions used to determine pension liabilities in the main schemes at 31 December 2020 were as follows –

Scheme	Mortality assumption
Wood Pension Plan	Scheme specific table with CMI 2019 ($Sk = 7.5$) projections and a long-term rate of improvement of 1.25% pa
FW Inc SEPP and FW Inc PPCE	Pri-2012 Employee and Annuitant tables for males and females with generational projection using Scale MMP-2020 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.

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

	2020 Wood Pension Plan	2020 FW Inc SEPP	2020 FW Inc PPCE	2019 Wood Pension Plan	2019 FW Inc SEPP	2019 FW Inc PPCE
Life expectancy at age 65 of male aged 45	24.1	21.9	21.9	23.7	21.6	21.6
Life expectancy at age 65 of male aged 65	22.7	20.4	20.4	22.4	20.4	20.4
Life expectancy at age 65 of female aged 45	25.5	23.8	23.8	25.4	23.5	23.5
Life expectancy at age 65 of female aged 65	24.0	22.4	22.4	23.9	22.3	22.3

The amounts recognised in the income statement are as follows:

	2020 \$m	2019 \$m
Current service cost	1.1	1.0
Past service cost/(credit)	4.1	(22.8)
Total expense/(income) included within operating profit	5.2	(21.8)
Interest cost	86.1	112.0
Interest income on scheme assets	(89.9)	(117.7)
Total included within finance income	(3.8)	(5.7)

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

	2020 \$m	2019 \$m
Present value of funded obligations	(4,779.9)	(4,233.7)
Fair value of scheme assets	4,844.3	4,474.7
Net surplus	64.4	241.0

32 Retirement benefit schemes (continued)

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

	2020 \$m	2019 \$m
Present value of funded obligations at 1 January	4,233.7	3,808.1
Current service cost	1.1	1.0
Past service cost/(credit)	4.1	(22.8)
Interest cost	86.1	112.0
Contributions	-	-
Re-measurements:		
- actuarial losses arising from changes in financial assumptions	504.1	415.8
- actuarial losses/(gains) arising from changes in demographic assumptions	29.1	(35.4)
- actuarial (gains)/losses arising from changes in experience	(16.9)	4.0
Benefits paid	(209.2)	(192.8)
Exchange movements	147.8	143.8
Present value of funded obligations at 31 December	4,779.9	4,233.7

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

	2020 \$m	2019 \$m
Fair value of scheme assets at 1 January	4,474.7	4,050.8
Interest income on scheme assets	89.9	117.7
Contributions	15.2	16.9
Benefits paid	(209.2)	(192.8)
Re-measurement gains on scheme assets	337.6	328.3
Expenses paid	(10.0)	(9.3)
Exchange movements	146.1	163.1
Fair value of scheme assets at 31 December	4,844.3	4,474.7

Analysis of the movement in the balance sheet surplus:

	2020 \$m	2019 \$m
Surplus at 1 January	241.0	242.7
Current service cost	(1.1)	(1.0)
Past service cost/(credit)	(4.1)	22.8
Finance income	3.8	5.7
Contributions	15.2	16.9
Re-measurement losses recognised in the year	(178.7)	(56.1)
Expenses paid	(10.0)	(9.3)
Exchange movements	(1.7)	19.3
Surplus at 31 December	64.4	241.0

The past service cost comprises \$4.1m relating to the impact of GMP equalisation on the Wood Pension Plan and is included in exceptional items.

32 Retirement benefit schemes (continued)

The past service credit in 2019 related to the Foster Wheeler Inc. Post Retirement Health and Life Insurance Plan, a defined benefit scheme which the Group acquired as part of the AFW acquisition in 2017.

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

	2020 \$m	2019 \$m
Wood Pension Plan	188.8	368.0
Retirement benefit scheme surplus	188.8	368.0
Foster Wheeler Inc SEPP/PPCE	(83.1)	(86.0)
All other schemes	(41.3)	(41.0)
Retirement benefit scheme deficit	(124.4)	(127.0)
Net surplus	64.4	241.0

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

	2020 Wood Pension Plan %	2020 FW Inc SEPP %	2020 FW Inc PPCE %	2019 AFW Pension Plan %	2019 FW Inc SEPP %	2019 FW Inc PPCE %
Active members	6.3	4.6	2.7	13.3	5.2	3.4
Deferred members	43.5	20.2	20.2	38.6	18.1	19.4
Pensioner members	50.2	75.2	77.1	48.1	76.7	77.2

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

	2020 Wood Pension Plan years	2020 FW Inc SEPP years	2020 FW Inc PPCE years	2019 AFW Pension Plan years	2019 FW Inc SEPP years	2019 FW Inc PPCE years
Duration of defined benefit obligation	18.0	9.6	9.8	16.9	9.1	9.3

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

	2020 Wood Pension Plan %	2020 FW Inc SEPP %	2020 FW Inc PPCE %	2019 Wood Pension Plan %	2019 FW Inc SEPP %	2019 FW Inc PPCE %	2020 Quoted on active market %	2019 Quoted on active market %
Equities	14.5	60.0	60.0	14.3	60.0	60.0	100.0	100.0
Property	5.8	-	-	7.5	-	-	-	-
Bonds (including gilts)	77.0	40.0	40.0	73.0	40.0	40.0	99.8	99.8
Cash	2.3	-	-	4.4	-	-	100.0	100.0
Other	0.4	-	-	0.8	-	-	-	-
	100.0	100.0	100.0	100.0	100.0	100.0	n/a	n/a

As at 31 December 2020, 94.1% (2019: 92.3%) of total scheme assets in the principal schemes have quoted prices in active markets.

32 Retirement benefit schemes (continued)

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

Under the Coronavirus Aid, Relief and Economic Security (CARES) Act, signed into US law in March 2020, the Group obtained relief allowing minimum required contributions on the FW Inc SEPP and FW Inc PPCE schemes to be deferred to January 2021. The effect of this relief at 31 December 2020 is \$17.3m.

Total contributions expected to be paid during the financial year ending 31 December 2021 amount to \$45.2m (2019: \$34.9m for the financial year ending 31 December 2020). This includes \$10.9m (year ended 31 December 2020: \$8.2m) arising from the revised Schedule of Contributions for the Wood Pension Plan, effective from 1 January 2021.

Scheme risks

The retirement benefit schemes are exposed to a number of risks, the most significant of which are –

Volatility

The defined benefit obligation is measured with reference to corporate bond yields and if scheme assets underperform relative to this yield, this will create a deficit, all other things being equal. The scheme investments are well diversified such that the failure of a single investment would not have a material impact on the overall level of assets.

Changes in bond yields

A decrease in corporate bond yields will increase the defined benefit obligation. This would however be offset to some extent by a corresponding increase in the value of the scheme's bond asset holdings.

Inflation risk

The majority of benefits in deferment and in payment are linked to price inflation so higher actual inflation and higher assumed inflation will increase the defined benefit obligation.

Life expectancy

The defined benefit obligation is generally made up of benefits payable for life and so increases to members' life expectancies will increase the defined benefit obligation, all other things being equal.

Sensitivity of the retirement benefit obligation

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

	Wood Pension Plan	Wood Pension Plan	FW Inc SEPP	FW Inc SEPP	FW Inc PPCE	FW Inc PPCE
Approximate increase/(decrease) on scheme liabilities	2020	2019	2020	2019	2020	2019
	\$m	\$m	\$m	\$m	\$m	\$m
Discount rate						
Plus 0.1%		(73.2)	(63.1)	(1.0)	(0.9)	(2.2)
Minus 0.1%		75.2	64.7	1.0	0.9	2.2
Inflation						
Plus 0.1%		44.6	37.9	N/A	N/A	N/A
Minus 0.1%		(44.5)	(37.4)	N/A	N/A	N/A
Life expectancy						
Plus 1 year		194.2	154.4	4.6	4.1	10.0
Minus 1 year		(190.7)	(152.0)	(4.5)	(4.1)	(9.9)

32 Retirement benefit schemes (continued)

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

Defined contribution plans

Pension costs for defined contribution plans were as follows:

	2020 \$m	2019 \$m
Defined contribution plans	122.9	141.2

There were no material contributions outstanding at 31 December 2020 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 \$0.3m (2019: \$0.4m) 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 \$79.8m (2019: \$81.4m) and will be used to pay benefits when employees retire. The corresponding liability is recorded in other non-current liabilities.

33 Contingent liabilities

Cross guarantees

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

Legal Claims

From time to time, the Group is notified of claims in respect of work carried out. For a number of these claims the potential exposure is material. Where management believes we are in a strong position to defend these claims no provision is made. 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. This includes a challenge by HMRC into the historic application of employer's National Insurance Contributions to workers on the UK Continental Shelf. We believe that we are in a strong position to defend this challenge and that our technical position is robust, therefore as a result we do not expect that it is probable that a liability will arise and no provision has been made. The maximum potential exposure to the Group in relation to tax and interest should we be unsuccessful in our position, is around \$30.8m.

Indemnities and retained obligations

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

Investigations

Reference is made to the provision in the financial statements with respect to certain investigations by the SFO and by authorities in the US, Brazil and Scotland, all as described in Note 20. As stated therein, achieving resolution of the relevant matters continues to involve negotiations with multiple authorities in various jurisdictions, and is subject to certain court hearings and approvals. Accordingly, there is no certainty that resolution will be reached with any or all of those authorities or, where relevant, that Wood will receive judicial approvals, that the aggregate settlement amount will not exceed the amount of the provision, or that the payment schedule will be as set out in Note 20.

In addition, depending on the outcome of the various investigations described in Note 20, it is possible that there may be other adverse consequences for the Group's business (including actions by authorities in certain jurisdictions). At this time, these consequences and likelihood cannot be reliably estimated, and therefore no provision has made in respect of them in the financial statements.

33 Contingent liabilities (continued)

Tax planning

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 issued its decision regarding the UK Controlled Foreign Companies (CFC) rules and whether a financing exemption constituted state aid in April 2019. The decision found that in certain circumstances the financing exemption constituted state aid. In February 2021, the Group were informed by HMRC that they agreed, with European Commission ratification, that no State Aid had been received as a result of applying the exemption. Consequently, the Group have reason to believe there is no risk of the contingent liability disclosed in the 2020 financial statements crystallising.

34 Capital and other financial commitments

	2020 \$m	2019 \$m
Contracts placed for future capital expenditure not provided in the financial statements	0.4	1.7

The capital expenditure above relates to property plant and equipment.

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.

	2020 \$m	2019 \$m
Sale of goods and services to joint ventures	37.5	43.1
Purchase of goods and services from joint ventures	1.8	8.8
Receivables from joint ventures	18.0	26.9
Payables to joint ventures	1.2	4.4

In addition, the Group made \$nil (2019: \$17.1m) 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.

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

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

36 Subsidiaries, joint ventures and other related undertakings

The Group's subsidiary and joint venture undertakings at 31 December 2020 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 Limitada	RuaKima Kienda, Edificio SGEP, 2nd Floor, Apartment 16, Boavista District, Ingombota, Luanda, Angola	49*
Wood Group Kianda Limitada	No 201, Rua Engenheiro Armindo de Andrade,Bairro Miramar, Simbizanga, Luanda, Angola	41*
Argentina		
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
Wood Solar Argentina S.A.U.	Tucuman 1 Floor 4, Buenos Aires, Argentina	100
Wood Wind Argentina S.A.U.	Tucuman 1 Floor 4, Buenos Aires, Argentina	100
Australia		
Amec Foster Wheeler Australia Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
Amec Foster Wheeler Zektin Architecture Pty Ltd	Level 7, 197 St Georges Terrace, Perth, WA, 6000, Australia	100
Aus-Ops Pty Ltd	Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	100
Innofield Services Pty Ltd	Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	100
RIDER HUNT INTERNATIONAL (AUSTRALIA) PTY LTD	Level 5, 171 Collins Street, Melbourne, VIC, VIC 3000, Australia	100
SVT Holdings Pty Ltd	Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	100
Wood Australia Pty Ltd	Level 3, 171 Collins Street ,Melbourne, VIC, 3000, Australia	100
Wood Field Services Pty Ltd	Level 3, 171 Collins Street ,Melbourne, VIC, 3000, Australia	100
Wood Group Australia PTY Ltd	Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	100
Wood Group Kenny Australia Pty Ltd	Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	100
Azerbaijan		
AMEC Limited Liability Company	37 Khojali Street, Baku, AZ1025, Azerbaijan	100
Wood Group PSN Azerbaijan LLC	Khojali Avenue,Building 37, Khatal District, Baku, AZ1025, Azerbaijan	100
Bahamas		
Montreal Engineering (Overseas) Limited	c/o 2020 Winston Park Drive, Suite 7000, Oakville, Ontario, Canada	100
Bermuda		
Foster Wheeler Ltd.	Clarendon House, 2 Church Street, Hamilton, HM-11, Bermuda	100
FW Management Operations, Ltd.	Clarendon House, 2 Church Street, Hamilton HM CX, Bermuda	100
Brazil		
Amec Foster Wheeler America Latina, Ltda.	Centro Empresarial Ribeirao Office Tower, Av. Braz Olaia Acosta, 727 - 18 andar - Sl. 1810, Cep. 14026-404 - Jd. California, Ribeirao Preto, Sao Paulo, Brazil	100
Amec Foster Wheeler Brasil S.A.	Avenida das Americas, n 3.434, Bloco 2, salas 307 e 308, Centro Empresarial Mario Henrique Simonsen, Barra da Tijuca, CEP 22.640-102, Brazil	100
AMEC Petroleo e Gas Ltda.	Avenida das Americas, n 3.434, Bloco 2, salas 307 e 308, Centro Empresarial Mario Henrique Simonsen, Barra da Tijuca, CEP 22.640-102, Brazil	100
AMEC Projetos e Consultoria Ltda	Rua Professor Moraes No. 476, Loja 5, Sobreloja, Bairro Funcionarios, Belo Horizonte, Minas Gerais, 30150-370, Brazil	100
FW Industrial Power Brazil Ltda	Alameda Santos, 1293, Room 63, Cerqueira César, Sao Paulo, 01419-002, Brazil	100

John Wood Group PLC

Notes to the financial statements

For the year ended 31 December 2020

Santos Barbosa Técnica Comercio e Serviços Ltda.	Estrada São José do Mutum, 301 - Imboassica, Cidade de Macaé, Rio de Janeiro, CEP 27973-030, Brazil	100
Wood Group Engineering and Production Facilities Brasil Ltda.	Rua Ministro Salgado Filho, 119, Cavaleiros, Cidade de Macaé, CEP 27920-210, Estado do Rio de Janeiro	100
Wood Group Kenny do Brasil Serviços de Engenharia Ltda.	Rua Sete de Setembro, 54 - 4 andares, Centro, Rio de Janeiro - RJ, CEP 20050-009, Brazil	100
British Virgin Islands		
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	100
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		
2292127 Alberta Ltd.	1900, 520 - 3rd Ave. S.W., Calgary, AB, T2P 0R3, Canada	100
Amec Foster Wheeler Canada Ltd.	Borden Ladner Gervais LLP, Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, AB, T2P 0R3, Canada	100
AMEC South America Limited	2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada	100
Rider Hunt International (Alberta) Inc.	900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada	100
Wood Architectural Services Ltd.	133 Crosbie Road, St. John's, NL, A1B 1H3, Canada	0**
Wood Canada Limited	1900, 520 - 3rd Avenue SW, Calgary, AB, T2P 0R3, Canada	100
Wood Geomatics Limited	900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada	49*
Wood Group Asset Integrity Solutions, Inc.	1900, 520 - 3rd Avenue SW, Calgary, AB, T2P 0R3, Canada	100
Wood Group Canada, Inc	Borden Ladner Gervais LLP, Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, AB, T2P 0R3, Canada	100
Wood Solar Canada Ltd.	1900, 520 - 3rd Ave. S.W., Calgary, AB, T2P 0R3, Canada	100
Wood Wind Canada Ltd.	1900, 520 - 3rd Ave. S.W., Calgary, AB, T2P 0R3, Canada	100
Cayman Islands		
FW Chile Holdings Ltd.	Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, George Town, KY1-1111	100
Wood Group O&M International, Ltd.	Sterling Trust (Cayman) Limited, Whitehall House, 238 North Church Street, George Town, KY1-1102, Cayman Islands	100
Chile		
AMEC CADE Ingeniería y Desarrollo De Proyectos Limitada	Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	100
Amec Foster Wheeler International Ingeniería y Construcción Limitada	Av. Apoquindo 3846, piso 15, Las Condes, Santiago, 7550123, Chile	100
Amec Foster Wheeler Talcahuano, Operaciones y Mantenciones Limitada	Camino A Ramuntcho 3230, Sector 4 Esquinas, Talcahuano, Chile	100
ISI Mustang Chile SpA	Calle Providencia 337, off. 7, Comuna de Providencia, Santiago, Chile	100
China		
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
Grenland Group (China) Limited	Room D2, 6th Floor, No 2446, Jin Qiao Road, Shanghai, Pudong, China	100
Colombia		
Procesos y Diseños Energeticos S.A.S.	Carrera 11 A No. 96-51 5th floor, Bogota D.C., Colombia	100
Cyprus		
AMEC Overseas (Cyprus) Limited	1, Lampousas Street, 1095 Nicosia, Cyprus	100
J P Kenny Overseas Limited	Themistokli Dervi, 5, Elenion Building, 2nd Floor, P.C. 1005, Nicosia, Cyprus	100
WGPS International Limited	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia, CY-1310 Nicosia, PO Box 25549, Cyprus	100

John Wood Group PLC

Notes to the financial statements

For the year ended 31 December 2020

Wood Group Angola Limited	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia,CY-1310 Nicosia, PO Box 25549, Cyprus	100
Wood Group Equatorial Guinea Limited	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia,CY-1310 Nicosia, PO Box 25549, Cyprus	100
Democratic Republic of Congo		
MDM Engineering SPRL	32 Avenue 3Z, Commune de Kasuku, Ville de Kindu, Democratic Republic of Congo	100
Egypt		
Foster Wheeler Petroleum Services S.A.E.	AI-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	6PI de la Madeleine, 75008, Paris, France	100
Wood Group France SAS	60 rue de La Chaussee d'Antin, 75009, Paris, France	100
Gabon		
Production Services Network Gabon SARL	Place of Independence, En face de la BVMAC, Libreville, BP 922, Gabon	100
Germany		
Bauunternehmung Kittelberger GmbH i.L.	Liebigstr. 1-3, Kaiserslautern, 67661, Germany	100
KIG Immobilien Beteiligungsgesellschaft mbH	Hammstrasse 6, 04129 Leipzig, Germany	100
KIG Immobilien gesellschaft mbH & Co. KG	Hammstrasse 6, 04129 Leipzig, Germany	100
Wood E&IS GmbH	Weserstrasse 4, Frankfurt am Main, 60329, Germany	100
Ghana		
Amec Foster Wheeler Operations Ghana Limited	House Number 4, Momotse Avenue, Behind All Saints Anglican Church, Adabraka, PO Box GP 1632, Accra, Greater Accra, Ghana	100
Wood & BBS Ghana 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*
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	99
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

John Wood Group PLC

Notes to the financial statements

For the year ended 31 December 2020

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	5th Floor, Zenith Building, Ascendas IT Park, CSIR Road, Taramani, Chennai, 600113, India	100
Indonesia		
PT AGRA Monenco	c/o 2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada	100
PT Amec Foster Wheeler Indonesia	Perkantoran Pulo mas Blok VII No. 2, Jl Perintis Kemerdekaan, Pulo Gadung, Jakarta, Timur, Indonesia	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	Gedung Perkantoran Prudential Centre, Kota Kasablanka, Lantai 22, Unit A, J1, Cassablanca Kav, 88 Kel. Menteng Dalam, Kec.Tebet, Kota Adm, Jarkarta Selatan, DKI Jarkarta, Malaysia	90
Iran		
Foster Wheeler Adibi Engineering	9th Floor Aluminumm Building, Avenue Shah, Tehran	45
Wood Group Iran - Qeshm Company (pjs)	No 2564, Hafez Street, Toola Industrial Park,Qeshm Island, Annaba, Iran	97
Iraq		
Ghabet El Iraq for General Contracting and Engineering Services, Engineering Consultancy (LLC)	Suite 24, Building 106,St 19, Sec 213, Al-Kindi St, Al-Haritheeya Qts, Baghdad, Iraq	100
Touchstone General Contracting, Engineering Consultancy and Project Management LLC	Flat no. 23A, 3rd Floor, near Kahramana Square Anbar Building, District no. 903, Hay Al Karada, Baghdad, Iraq	100
Wood Group, LLC	Shores, Hadid and Khashab St., Kurdistan, Erbil, Iraq	100
Ireland		
Wood Group Kenny Ireland Limited	Second Floor, Blocks 4 and 5, Galway Technology Park, Parkmore, Galway, Ireland	100
Italy		
Amec Foster Wheeler Italiana S.r.l.	Via S. Caboto 15, Corsico, 20094, Italy	100
Greendream 1 S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Greendream 2 S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Wood Elico Italia S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Wood Sardegna S.r.l.	Via Sebastiano Caboto 15, 20094- Corsico, Milan, 20094, Italy	100
Wood Solare Italia S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Jamaica		
Monenco Jamaica Limited	c/o 2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada	100
Jersey		
GTS Power Solutions Limited	28 Esplanade, St Helier, JE2 3QA, Jersey	100
RHI Talent UK Limited	28 Esplanade, St Helier, JE2 3QA, Jersey	100
Wood Group Engineering Services (Middle East) Limited	28 Esplanade, St Helier, JE2 3QA, Jersey	100
Wood Group Production Facilities Limited	28 Esplanade, St Helier, JE2 3QA, Jersey	100
Kazakhstan		
AMEC Limited Liability Partnership	46 Satpayev St, Atyrau City, Atyrau Oblast, 060011, Kazakhstan	100
Foster Wheeler Kazakhstan LLP	app. 27, h. 64, Bostandykskiy district, Abaya Ave., Almaty City, Kazakhstan	100
QED International (Kazakhstan) Limited Liability Partnership	46 Satpayev St, Atyrau City, Atyrau Oblast, 060011, Kazakhstan	100
Wood Group Kazakhstan LLP	Satpayev str. 46, Atyrau, 060011, Kazakhstan	100
Kuwait		
AMEC Kuwait Project Management and Contracting Company W.L.L.	2nd Floor, Al Mutawa Building, Ahmed Al Jaber Street, Sharq, Kuwait City	49*
Liberia		
Amec Foster Wheeler Liberia Inc	King Plaza, 2nd-4th Floors, Broad Street, Monrovia 10, Liberia	100
Luxembourg		
AFW Luxembourg 1 S.a.r.l.	15, Boulevard Friedrich Wilhelm Raiffeisen, L-2411, Luxembourg	100

John Wood Group PLC

Notes to the financial statements

For the year ended 31 December 2020

AFW Luxembourg 2 S.a.r.l.	15, Boulevard Friedrich Wilhelm Raiffeisen, L-2411, Luxembourg	100
Financial Services S.à r.l.	15, Boulevard Friedrich Wilhelm Raiffeisen, L-2411, Luxembourg	100
FW Investment Holdings S.à r.l.	15, Boulevard Friedrich Wilhelm Raiffeisen, L-2411, Luxembourg	100
Malaysia		
AMEC (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	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, Kuala Lumpur, 50100, 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, Damansara, 50490, Malaysia	25*
Wood Group Mustang (M) Sdn. Bhd.	Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, Wilayah Persekutuan, Wilayah Persekutuan, Kuala Lumpur, 50490, Malaysia	100
Mauritius		
MDM Engineering Investments Ltd	1st Floor, Felix House, 24 Dr Joseph Street, Port Louis, Mauritius	100
MDM Engineering Projects Ltd	1st Floor, Felix House, 24 Dr Joseph Street, Port Louis, Mauritius	100
P.E. Consultants, Inc.	c/o First Island Trust Company Ltd, Suite 308, St. James Court, St. Denis Street, Port Louis, Mauritius	100
QED International Ltd	c/o Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1 CyberCity, Ebene, 72201, Mauritius	100
Mexico		
AGRA Ambiental S.A. de C.V.	c/o 2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada	100
Amec Foster Wheeler Energia Mexico S. de R.L. de C.V.	Av. Vasconcelos 453, Colonia del Valle 66220 Nuevo Leon, Monterrey (Estados Unidos de México), Mexico	100
Amec Foster Wheeler Mexico, S.A. de C.V.	David Alfaro Siqueiros No.104, Piso 2, Colonia Valle Oriente, San Pedro Garza Garcia, Nuevo Leon, C.P. 66269, Mexico	100
AYMEC de Mexico S.A. de C.V.	453 Planta Alta Del Valle, San Pedro Garza Garcia, Nuevo Leon 66220, Mexico	100
CEC Controls Automatizacion S. de R.L. de C.V.	Libramiento Carr. Silao-León #201, Esq. Prolongación Bailleres, Col. Progreso Silao, Guanajuato, CP. 36135, Mexico	100
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, Chihuahua, Chihuahua, 31000, Mexico	100

John Wood Group PLC

Notes to the financial statements

For the year ended 31 December 2020

Harding Lawson de Mexico S.A. de C.V.	Edificio Omega, Campos Eliseos 345, floors 2, 3 & 11, Chapultepec Polanco 11560 Mexico, D.F.	100
ISI Mustang Servicios de Ingenieria de Mexico, S de R.L. De C.V.	HOMERO 1804 PISO 11, COL. LOS MORALES - DELEGACION MIGUEL HIDALGO, Distrito Federal, Mexico City, C.P. 11540, Mexico	100
Wood Group de Mexico S.A. de C.V.	Insurgentes Sur #619 piso 10, Colonia Napolis, Municipio Benito Juarez, between Calle Vermont and Calle Yosemite, Mexico City, 03810, Mexico	100
Wood Group Management Services de Mexico, S.A. de C.V.	Blvd. Manuel Avila Camacho 40 - 1801, Lomas de Cahpultepec, Delgacion Miguel Hidalgo, Mexico, D.F. 11000	100
Mongolia		
AMEC LLC	Mongol TV Tower-1005, Chinggis Avenue, Sukhbaatar District, 1st khoroo, 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		
M&O Pacific Limited	26 Manadon Street, Spotswood, New Plymouth, 4310, New Zealand	100
Nigeria		
AMEC Contractors (W/A) Limited	13A AJ Marinho Drive, Victoria Island, Lagos, Nigeria	100
AMEC King Wilkinson (Nigeria) Limited	No 3, Hospital Road, PO Box 9289, Lagos, Nigeria	100
AMEC Offshore (Nigeria) Limited	18th Floor, Western House, 8/10 Broad street, Lagos, Nigeria	75
Foster Wheeler (Nigeria) Limited	1 Murtala Muhammed Drive, (Formerly Bank Road), Ikoyi, Lagos, Nigeria	100
Foster Wheeler Environmental Company Nigeria Limited	c/o Nwokedi & Co., 21 Ajasa Street, Onikan, Nigeria	87
JWG Nigeria Limited	13 Sumbo Jibowu Street, Ikoyi, Lagos, Nigeria	100
Overseas Technical Services Nigeria Limited	No 13 Sumbo Jibowu Street, Ikoyi, Lagos, Nigeria	93
Norway		
Wood Group Norway AS	Fokserodveien 12, Sandefjord, 3241, Norway	100
Oman		
Amec Foster Wheeler Engineering Consultancy LLC	PO Box 1469, Postal Code 133, Al-Khuwair, Sultanate of Oman	60
Wood LLC	Bldg No. 89, Way No. 6605, Al Oman Street, Ghala Industrial Area, P.O. Box 293, Al Khuwair, PC 133, Oman	70
Panama		
MACTEC Engineering and Consulting, Corp.	Brisas del Golf, Street 17, House 4-E Panama City, Panama	0**
Papua New Guinea		
Wood Engineering PNG Ltd	Deloitte Touche Tohmatsu, Level 9, Deloitte Haus, Macgregor Street, Section 8, Allotment 19, Port Moresby, National Capital District, Papua New Guinea	100
Wood Group PNG Limited	Dentons PNG, Level 5, Bsp Haus, Harbour City, Port Moreseby, Papua 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 Martin 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		

John Wood Group PLC

Notes to the financial statements

For the year ended 31 December 2020

Foster Wheeler (Philippines) Corporation	U-7A, 7/F PDCP Bank Centre, V.A. Rufino St. Corner L.P. Leviste St., Salcedo Village, Makati City, PH, 1227	100
Production Services Network Holdings Corp.	585 ME National Road HW, Barangay Alangilan, Batangas City, Batangas, Philippines	100
PSN Production Services Network Philippines Corp	12th Floor, Net One Center, 26th Street Corner, 3rd Avenue, Crescent Park West, Taguig, Metro Manila, Bonifacio Global City, 1634, Philippines	100
Poland		
Amec Foster Wheeler Consulting Poland Sp. z o.o.	ul. Chmielna 132/134, Warsaw, 00-805, Poland	100
Portugal		
Amec Foster Wheeler (Portugal) Lda	Avenida Barbosa du Bocage 113-4, Lisboa, 1050-031, Portugal	100
Puerto Rico		
Wood Puerto Rico, P.S.C.	Metro Office Park #7, Street 1, Suite 204, Guaynabo, Guaynabo, PR, PR 00968, Puerto Rico	0**
Qatar		
Production Services Network Qatar LLC	PO Box 2515, Doha, Qatar	49*
Romania		
AMEC Operations S.R.L	Rooms 1 and 2, 2nd Floor, No. 59 Strada Grigore Alexandrescu, Sector 1, Bucharest 010623, Romania	100
CEC Controls Company S.R.L.	Bulevardul Tudor Vladimirescu No. 22, Bldg. Greengate Office, 5th Floor, Room 516, Campus 02, District 5, Bucharest, Romania	100
Russia		
OOO Amec Foster Wheeler	Office E-100, Park Place, 113/1, Leninsky Prospekt, 117198, Moscow, Russian Federation 113/1, Leninsky Prospekt, 117198, Moscow, Russian Federation	100
Production Services Network Eurasia LLC	2-6 Floors, 88 Amurskaya, Yuzhno-Sakhalinsk, 693020, Russian Federation	50*
Production Services Network Sakhalin LLC	2-6 Floors, 88 Amurskaya, Yuzhno-Sakhalinsk, 693020, Russian Federation	50*
Sakhalin Technical Services Network LLC	Suite 417, Kommunistichesky Prospekt 32, Yuzhno-Sakhalinsk, Sakhalin, Russian Federation	40*
Saudi Arabia		
Amec Foster Wheeler Energy and Partners Engineering Company	Majd Business Center, Tower B, P.O. Box 30920, King Faisal Road, Al-Khobar, 31952, Saudi Arabia	75
Mustang and Faisal Jamil Al-Hejailan Consulting Engineering Company	PO Box 9175, Almalaz, Salahuddin Alayoubi Street, Riyadh, 11413, Saudi Arabia	70
Mustang Saudi Arabia Co. Ltd.	King Fahad Road, Rakah, Po Box 8145, Al-Khobar, 34225, Saudi Arabia	100
Wood Group ESP Saudi Arabia Limited	PO Box 1280, Al-Khobar	51
Singapore		
Amec Foster Wheeler Asia Pacific Pte. Ltd.	One Marina Boulevard #28-00, Singapore, 018989, Singapore	100
AMEC Global Resources Pte Limited	991E Alexandra Road, #01 - 25, 119973, Singapore	100
Foster Wheeler Eastern Private Limited	1 Marina Boulevard, #28-00, Singapore 018989	100
OPE O&G Asia Pacific Pte. Ltd.	1 Marina Boulevard, #28-00, One Marina Boulevard, 018989, Singapore	100
Rider Hunt International (Singapore) Pte Limited	24 Raffles Place, #24-03 Clifford Centre, Singapore, 048621	100
Simons Pacific Services Pte Ltd.	8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore, 018981, Singapore	100
Wood Group International Services Pte. Ltd.	991E Alexandra Road, #01 - 25, 119973, Singapore	100
Slovakia		
The Automated Technology Group (Slovakia) s.r.o.	c/o, Kinstellar s.r.o., Hviezdoslavovo nám 13, Bratislava, 811 02, Slovakia	100
South Africa		
Amec Foster Wheeler Properties (Pty) Limited	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
Mossel Bay Energy IPP (proprietary) Limited (RF)	2nd Road Halfway House, Midrand, South Africa	90
Rider Hunt International South Africa (Pty) Ltd	Building No. 2, Silver Stream Business Park, No. 10 Muswell Road South, Bryanston, South Africa	83
Wood BEE Holdings (Proprietary) Ltd	88, 2nd Street, Halfway House, Midrand, Gauteng, 1685, South Africa	58
Wood Mining South Africa (Pty) Ltd	Zeelie Office Park, 381 Ontdekkers Road, Floida Park Ext 3, Roodepoort, 1709, South Africa	100

John Wood Group PLC

Notes to the financial statements

For the year ended 31 December 2020

Wood South Africa (PTY) Ltd	88, 2nd Street, Halfway House, Midrand, Gauteng, 1685, South Africa	70
South Korea		
AMEC Korea Limited	KG Tower 5F, 92 Tongil-ro, Jung-gu, Seoul 04517, Korea	100
Spain		
Amec Foster Wheeler Energia, S.L.U.	Calle Gabriel Garcia Marquez, no 2, Parque Empresarial Madrid, Las Rozas, 28232 Las Rozas, Madrid, Spain	100
Amec Foster Wheeler Iberia S.L.U.	Calle Gabriel Garcia Marquez, no 2, Parque Empresarial Madrid - Las Rozas, 28230 Las Rozas, Madrid, Spain	100
Switzerland		
A-FW International Investments GmbH	c/o Intertrust Services (Schweiz) AG, Zählerweg 6, Zug, 6300, Switzerland	100
Amec Foster Wheeler Engineering AG	Lohweg 6, 4054 Basel, Switzerland	100
Tanzania		
MDM Projects-Tanzania Limited	Plot No. 483, Garden Road, Mikocheni Ward, Kinondoni District, Dar es Salaam, 14112, Tanzania, the United Republic of	100
Thailand		
Amec Foster Wheeler Holding (Thailand) Limited	1st Floor Talaythong Tower, 53 Moo 9, Sukhumvit Road, Thungsukla, Sriracha, Chonburi, 20230, Thailand	100
Foster Wheeler (Thailand) Limited	53 Talaythong Tower, 1st Floor, Moo 9, Sukhumvit Road, Tambol Tungsukhla, Amphur Sriracha, Chonburi, 20230, Thailand	100
SIE Siam Limited	91/17 Soi Wattananivet 4, Suthisanvinijchai Road, Khwaeng Samsennok, Khet Huaykwang, Bangkok Metropolis, Thailand	100
Simons International Engineering Ltd.	91/17 Soi Wattananivet 4, Suthisanvinijchai Road, Khwaeng Samsennok, Khet Huaykwang, Bangkok Metropolis, Thailand	100
Trinidad and Tobago		
Wood Group Trinidad & Tobago Limited	18 Scott Bushe Street, Port of Spain, Trinidad and Tobago	100
Turkey		
Amec Foster Wheeler Bimas Birlesik Insaat ve Muhendislik A.S.	Kucukbakkalkoy Mah, Çardak Sok, No.1A Plaza, 34750 Atasehir, Istanbul, Turkey	100
Uganda		
Wood Group PSN Uganda Limited	KAA House, Plot 41, Nakasero Road, PO Box 9566, Kampala, Uganda	100
Ukraine		
Wood Ukraine LLC	Room 398, Building 26, Obolonskyi Avenue, Kyiv City, 04205, Ukraine	100
United Arab Emirates		
Production Services Network Emirates LLC	Floor 5, International Tower, Capital Centre, 24th (Karama) Street, P.O. Box 105828, Abu Dhabi, United Arab Emirates	49*
PSN Overseas Holding Company Limited	The MAZE Tower, 15th Floor, Sheikh Zayed Road, PO Box 9275, Dubai, United Arab Emirates	100
United Kingdom		
AFW Finance 2 Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC (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 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 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

John Wood Group PLC

Notes to the financial statements

For the year ended 31 December 2020

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	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	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 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 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 Offshore Developments Limited	Ground Floor, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland	100
AMEC Offshore Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Process and Energy Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Project Investments Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Services Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Trustees Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC USA Holdings Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Wind Developments Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Applied Environmental Research Centre Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Automated Technology Group Holdings Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
East Mediterranean Energy Services Limited	c/o Ledingham Chalmers LLP, 3rd Floor, 68-70 George Street, Edinburgh, EH2 2LR, United Kingdom	100
Foster Wheeler (G.B.) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler (London) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler (Process Plants) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler E&C Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler Environmental (UK) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler Europe	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler UK Investments Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland	100
Foster Wheeler World Services Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
FW 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	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	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 Holdings Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland	100
JWG Investments Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
JWGUSA Holdings Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Kelwat Investments Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Metal and Pipeline Endurance Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Mustang Engineering Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Press Construction Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Process Plants Suppliers Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Production Services Network (UK) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Production Services Network Bangladesh Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
PSJ Fabrications Ltd	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
PSN (Angola) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
PSN (Philippines) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
PSN Asia Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
PSN Overseas Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
QED International (UK) Limited	Ground Floor, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland	100

John Wood Group PLC

Notes to the financial statements

For the year ended 31 December 2020

RHI QS UK Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Rider Hunt International Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Sandiway Solutions (No 3) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
SgurrEnergy Limited	St Vincent Plaza, 319 St Vincent Street, Glasgow, G2 5LP, Scotland, United Kingdom	100
Sigma Financial Facilities Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
The Automated Technology Group Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
WGD028 Limited	Ground Floor, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, United Kingdom	100
WGPSN (Holdings) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
WGPSN Eurasia Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	50
Wood Environment & Infrastructure Solutions UK Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Group Algeria Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Algiers Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Annaba Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Arzew Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Engineering & Operations Support Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Engineering (North Sea) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Hassi Messaoud Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Holdings (International) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Intetech Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Group Investments Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Kenny Corporate Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Kenny Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Group Kenny UK Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Group Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Power Investments Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group Production Services UK Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group UK Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood Group/OTS Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood International Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Nuclear Holdings Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Pensions Trustee Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Transmission and Distribution Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
United States		
4900 Singleton, L.P.	400 North St. Paul, Dallas, TX, 75201	100
AMEC Architectural, Inc.	511 Congress Street, Ste. 200, Portland, ME, 04101, United States	100
AMEC Construction Management, Inc.	United Agent Group Inc., 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
AMEC E&E, P.C.	600 N 2nd Street, Suite 401, Harrisburg, PA, 17101-1071, United States	0**
AMEC Engineering and Consulting of Michigan, Inc.	46850 Magellan, Suite 190, Novi, MI, 48377, United States	100
Amec Foster Wheeler Arabia Ltd.	3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
Amec Foster Wheeler Environmental Equipment Company, Inc.	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle, DE, 19801	100
Amec Foster Wheeler Industrial Power Company, Inc.	3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
Amec Foster Wheeler Kamtech, Inc.	1979 Lakeside Parkway, Suite 400, Tucker, GA, 30084, United States	100
Amec Foster Wheeler Martinez, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Amec Foster Wheeler North America Corp.	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
Amec Foster Wheeler Power Systems, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100

John Wood Group PLC

Notes to the financial statements
For the year ended 31 December 2020

Amec Foster Wheeler USA Corporation	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
AMEC Holdings, Inc.	United Agent Group Inc., 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
AMEC Industrial Programs, LLC	1105 Lakewood Parkway, Suite 300, Alpharetta, GA, 30009, United States	100
AMEC North Carolina, Inc.	225, Hillsborough Street, Raleigh, NC, 27603, United States	100
AMEC Oil & Gas World Services, Inc.	1209, Orange Street, Wilmington, DE, 19801, United States	100
Barsotti's Inc.	Perryville Corporate Park, 53 Frontage Road, PO Box 9000, Hampton, NJ, 08827-90000	100
BMA Solutions Inc.	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
C E C Controls Company, Inc.	United Agent Group Inc., 28175 Haggerty RoadD, Novi, MI, 48377, United States	100
Camden County Energy Recovery Corp.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Cape Software, Inc.	United Agent Group, 2425 W Loop South #200, Houston, TX, 77027, United States	100
Equipment Consultants, Inc.	Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler Asia Limited	3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
Foster Wheeler Energy Corporation	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Foster Wheeler Environmental Corporation	5444 Westheimer #1000, Houston, Harris County, TX, 77056, United States	100
Foster Wheeler Hydrox, Inc.	United Agent Group Inc., 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
Foster Wheeler Inc.	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
Foster Wheeler Intercontinental Corporation	3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
Foster Wheeler International LLC	United Agent Group Inc., 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
Foster Wheeler LLC	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
Foster Wheeler Realty Services, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Ingenious Inc.	United Agent Group, 2425 W Loop South #200, Houston, TX, 77027, United States	100
ISI Group, L.L.C.	United Agent Group, 2425 W Loop South #200, Houston, TX, 77027, United States	100
JWGUSA Holdings, Inc.	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
Kelchner, Inc.	United Agent Group Inc., 119 E. Court Street, Cincinnati, OH, 45202, United States	100
MACTEC E&C International, Inc.	1105 Lakewood Parkway, Suite 300, Alpharetta, GA, 30009, United States	100
MACTEC Engineering 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
Mustang International, Inc.	5444 Westheimer #1000, Houston, Harris County, TX, 77056, United States	100
NDT Systems, Inc.	United Agent Group, 2425 W Loop South #200, Houston, TX, 77027, United States	100
Perryville Corporate Park Condominium Association, Inc.	Corporation Service Company, 830 Bear Tavern Road, West Trenton, Mercer, NJ, 08628	67
Process Consultants, Inc.	United Agent Group Inc., 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
RHI Talent, Inc.	United Agent Group Inc., 8275 South Eastern Av., #200, Las Vegas, NV, 89123, United States	100

John Wood Group PLC

Notes to the financial statements

For the year ended 31 December 2020

Rider Hunt International (USA) Inc.	United Agent Group, 2425 W Loop South #200, Houston, TX, 77027, United States	100
Swaggart Brothers, Inc.	United Agent Group Inc., 5708 S.E. 136th Avenue, #2, Portland, OR, 97236, United States	100
Swaggart Logging & Excavation LLC	United Agent Group Inc., 5708 S.E. 136th Avenue, #2, Portland, OR, 97236, United States	100
Thelco Co.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Tray, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Wood Design, LLC	1075 Big Shanty Rd NW, Ste. 100, Kennesaw, GA, 30144, United States	0**
Wood Environment & Infrastructure Solutions, Inc.	1105 Lakewood Parkway, Suite 300, Alpharetta, GA, 30009, United States	100
Wood Group Alaska, LLC	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
Wood Group PSN, Inc.	United Agent Group Inc., 8275 South Eastern Av., #200, Las Vegas, NV, 89123, United States	100
Wood Group Support Services, Inc.	United Agent Group Inc., 8275 South Eastern Av., #200, Las Vegas, NV, 89123, United States	100
Wood Group US Holdings, Inc.	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.	5444 Westheimer #1000, Houston, Harris County, TX, 77056, United States	100
Wood Massachusetts, Inc.	Suite 700, 155 Federal Street, Boston, MA, 02110, United States	100
Wood Minerals Conveyors, Inc.	818 West Seventh Street, Ste. 930, Los Angeles, CA, 90017, United States	100
Wood Programs, Inc.	2475 Northwinds Parkway, #200-260, Alpharetta, GA, 30009, 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.

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

John Wood Group PLC

Notes to the financial statements
For the year ended 31 December 2020

Joint Ventures	Registered Address	Ownership Interest %
Australia		
Clough AMEC Pty Ltd ¹	'Alluvion Building', Level 9, 58 Mounts Bay Road, Perth, WA, 6000, Australia	50
Azerbaijan		
Socar-Foster Wheeler Engineering LLC	88A Zardaby Avenue, Baku, Azerbaijan	35
Canada		
ABV Consultants Ltd ¹	Suite 2300, Bentall 5, 550 Burrard Street, Vancouver, BC, V6C 2B5, Canada	50
AMEC Black & McDonald Limited ¹	60 Cutler Avenue, Dartmouth, NS, B3B 0J6, Canada	50
ODL Canada Limited	689 Water Street, Newfoundland, St. John's, NL, A1E 1B5, Canada	50
Teshmont Consultants Inc.	1190 Waverley Street, Winnipeg, MB, R3T 0P4, Canada	50
Vista Mustang JV	Suite B12, 6020 2nd Street S. E., Calgary, AB, T2H 2L8, Canada	50
Chile		
CEJV Ingeniería y Construcción Limitada	Av. Isidora Goyenechea 2800, Floor 32, Las Condes, Santiago, 7550647, Chile	50
Consortio AMEC CADE / PSI Consultores Limitada	Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	50
Consortio Consultor Cade Zañartu Limitada	Seminario 714, Ñuñoa, Santiago Chile	50
Consortio Consultor Systra / Cade Idepe / Geoconsult Limitada	Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	40
Consortio de Ingeniería Geoconsult Cade Idepe Limitada	Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	50
Consortio de Ingeniería Systra Cade Limitada	Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	50
Consortio de Ingeniería Transporte Systra Cade Idepe Consultores Limitada	Jose Domingo Cañas 2640, Ñuñoa, Santiago Chile	50
Construcción e Ingeniería Chile FI Limitada	Avenida Andrés Bello 2711, Piso 22 - Comuna Las Condens, Santiago, Chile	50
Construcción e Ingeniería FIM Chile, Limitada	Avenida Santa María 2810, Comuna de Providencia, Santiago, Chile	33
China		
Wood Zone Co., Ltd	No. 143 Jinyi Road, Jinshan District, Shanghai, 200540, China	50
Cyprus		
Wood Group - CCC Limited	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia, CY-1310 Nicosia, PO Box 25549, Cyprus	50
India		
SgurrEnergy India Pvt. Ltd	2 Kausar Baugh, Off NIBM Road, Kondhwa, Maharashtra, Pune, 411048, India 58/2 Kausar Baugh, Off NIBM Road, Kondhwa, Maharashtra, Pune, 411048, India	50
Kazakhstan		
PSN KazStroy JSC	Satpayev str. 46, Atyrau, 060011, Kazakhstan	50
Malaysia		
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
Mexico		
AFWA DUBA Salina Cruz, S. de R.L. de C.V.	Carlos Salazar, #2333, Colonia Obrera, Monterrey, Nuevo Leon, Mexico	50
Grupo Industrial de Ingeniería Ecologica III HLA & Iconsa S.A. de C.V.	Edificio Omega, Campos Eliseos 345, floors 2, 3 & 11, Chapultepec Polanco 11560 Mexico, D.F.	51
Mustang Diavaz, S.A.P.I. de C.V.	Av. Revolucion 468, Col. San Pedro de los Pinos Mexico, D.F., 03800, Mexico	50
Northam Conip Consorcio, S.A. de C.V.	David Alfaro Siqueiros 104 piso 2, Col. Valle Oriente, San Pedro Garza Garcia, Nuevo Leon, CP. 66269, Mexico	50
Netherlands		
Wood Group Azerbaijan B.V.	C/O Centralis Netherlands BV, Zuidplein 126, WTC, Toren H 15e, Amsterdam, 1077XV, Netherlands	51
New Zealand		
Wood Beca Limited	Ground Floor, Beca House, 21 Pitt Street, Auckland, 1010, New Zealand	50
Oman		

John Wood Group PLC

Notes to the financial statements

For the year ended 31 December 2020

AMEC Al Turki LLC	c/o Al Alawi, Mansoor Jamal & Co., Barristers & Legal Consultants, Muscat International Centre, Mezzanine Floor, Muttrah Business District, P.O. Box 686 Ruwi, Oman	35
Qatar		
Wood Black Cat LLC	5th Floor Al Aqaria Tower, Building No. 34, Museum Street, Old Salata Area, Street 970, Zone 18, P.O Box No. 24523 Doha, Qatar	49
Saudi Arabia		
AMEC BKW Arabia Limited ¹	Al Rushaid Petroleum Investment Co. Building, Prince Hamoud Street, PO Box 31685 – Al Khobar 31952, Saudi Arabia	50
Spain		
Insolux 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
United Kingdom		
ACM Health Solutions Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England, United Kingdom	33
Ethos Energy Group Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	51
Lewis Wind Power Holdings Limited	EDF Energy, GSO Business Park, East Kilbride, G74 5PG, Scotland	50
Nuclear Management Partners Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	36
RWG (Repair & Overhauls) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, 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
UK Nuclear Restoration Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	50
United States		
Flour AMEC II, LLC	100 Fluor Daniel Drive, Greenville, SC, 29607-2770, United States	45

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

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

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

John Wood Group PLC

Notes to the financial statements

For the year ended 31 December 2020

The Group will be exempting the following companies from an audit in 2020 under Section 479A of the Companies Act 2006. All of these companies are fully consolidated in the Group Financial Statements.

AFW Finance 2 Limited (Registered number 09861575)
AMEC (MHL) Limited (Registered number 713103)
AMEC (WSL) Limited (Registered number 514311)
AMEC BKW Limited (Registered number 169831)
AMEC Bravo Limited (Registered number 6206015)
AME Building Limited (Registered number 165287)
AMEC Capital Projects Limited (Registered number 2804109)
AMEC Civil Engineering Limited (Registered number 1265199)
Amec Foster Wheeler (Holdings) Limited (Registered number 00163609)
Amec Foster Wheeler Earth and Environmental (UK) Limited (Registered number 4987981)
Amec Foster Wheeler Energy Limited (Registered number 1361134)
Amec Foster Wheeler Finance Asia Limited (Registered number 6205760)
Amec Foster Wheeler Finance Limited (Registered number 1332332)
Amec Foster Wheeler Group Limited (Registered number 4612748)
Amec Foster Wheeler International Limited (Registered number 3203966)
Amec Foster Wheeler Property and Overseas Investments Limited (Registered number 01580678)
AMEC Investments Europe Limited (Registered number 3704533)
Amec Kazakhstan Holdings Limited (Registered number 4530056)
AMEC Offshore Developments Limited (Registered number SC137017)
AMEC Offshore Limited (Registered number 1054207)
AMEC Process and Energy Limited (Registered number 2028340)
AMEC Project Investments Limited (Registered number 2619408)
AMEC Services Limited (Registered number 2804093)
AMEC Trustees Limited (Registered number 2830098)
Amec USA Holdings Limited (Registered number 4041261)
Amec Wind Developments Limited (Registered number 8781332)
Applied Environmental Research Centre Limited (Registered number 02115985)
Automated Technology Group Holdings Limited (Registered number 07871655)
East Mediterranean Energy Services Limited (Registered number SC505318)
Foster Wheeler (G.B.) Limited (Registered number 745470)
Foster Wheeler (London) Limited (Registered number 887857)
Foster Wheeler (Process Plants) Limited (Registered number 1184855)
Foster Wheeler E&C Limited (Registered number 2247293)
Foster Wheeler Environmental (UK) Limited (Registered number 1657494)
Foster Wheeler Europe (Registered number 04127813)
Foster Wheeler UK Investments Limited (Registered number SC649888)
Foster Wheeler World Services Limited (Registered number 1439353)
FW Chile Holdings 2 Limited (Registered number 9861563)
FW Investments Limited (Registered number 6933416)
HFA Limited (Registered number SC129298)
James Scott Limited (Registered number SC35281)
John Wood Group Holdings Limited (Registered number SC642609)
JWG Investments Limited (Registered number SC484872)
JWGUSA Holdings Limited (Registered number SC178512)
Kelwat Investments Limited (Registered number SC203212)
Metal and Pipeline Endurance Limited (Registered number 534109)
Mustang Engineering Limited (Registered number SC273548)
Press Construction Limited (Registered number 471400)
Process Plants Suppliers Limited (Registered number 957881)
Production Services Network (UK) Limited (Registered number SC293004)
Production Services Network Bangladesh Limited (Registered number 02214332)
PSJ Fabrications Limited (Registered number 01205595)
PSN (Angola) Limited (Registered number SC311500)
PSN (Philippines) Limited (Registered number SC345547)
PSN Asia Limited (Registered number SC317111)
PSN Overseas Limited (Registered number SC319469)
QED International (UK) Limited (Registered number SC106477)
RHI QS UK Limited (Registered number 12522586)
Rider Hunt International Limited (Registered number 02305615)
Sandiway Solutions (No 3) Limited (Registered number 5318249)
SgurrEnergy Limited (Registered number SC245814)
Sigma Financial Facilities Limited (Registered number 3863449)

Notes to the financial statements

For the year ended 31 December 2020

The Automated Technology Group Limited (Registered number 03109235)
WGD028 Limited (Registered number SC136216)
WGPSN (Holdings) Limited (Registered number SC288570)
WGPSN Eurasia Limited (Registered number SC470501)
Wood Environment & Infrastructure Solutions Limited (Registered number 02190074)
Wood Group Engineering and Operations Support Limited (Registered number SC159149)
Wood Group Engineering (North Sea) Limited (Registered number SC030715)
Wood Group Holdings (International) Limited Register number SC169712)
Wood Group Intetech Limited (Registered number 02575585)
Wood Group Investments Limited (Registered number SC301983)
Wood Group Kenny Corporate Limited (Registered number SC147353)
Wood Group Kenny Limited (Registered number 1398385)
Wood Group Kenny UK Limited (Registered number 2331383)
Wood Group Power Investments Limited (Registered number SC454342)
Wood Group Production Services UK Limited (Registered number SC278252)
Wood Group/OTS Limited (Registered number 1579234)
Wood International Limited (Registered number 10517856)
Wood Nuclear Holdings Limited (Registered number 03725076)
Wood Pensions Trustee Limited (Registered number 1889899)
Wood Transmission and Distribution Limited (Registered number 11829648)

Shareholder information

Officers and advisers

Secretary and Registered Office

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

Registrars

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

Stockbrokers

JPMorgan Cazenove Limited
Morgan Stanley

Independent Auditors

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

Company Solicitors

Slaughter and May

Financial calendar

Results announced	16 March 2021
Annual General Meeting	13 May 2021

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