News release

Design the future.

Full year results for the year ended 31 December 2022
28 March 2023

Transformative year, started 2023 with good momentum

	FY22 $m	FY21 $m	*Movement %*	*At constant currency %*[2]
Continuing operations[1]:				
Revenue (pre-exceptional)[3]	**5,442**	5,238	*3.9%*	*8.3%*
Adjusted EBITDA[4]	**385**	404	*(4.7)%*	*0.3%*
Adjusted EBITDA margin[5]	***7.1%***	*7.7%*	*(0.6)ppts*	
Adjusted EBIT[6]	**174**	187	*(7.0)%*	
Operating loss	**(568)**	(62)	*n/a*	
Order book[7]	***6,016***	*6,047*	*(0.5)%*	*4.2%*
Headcount (number of employees)[8]	***35,573***	*32,930*	*8.0%*	
Results from continuing and discontinued operations[1]:				
Loss for the period	**(352)**	(136)	*n/a*	
Basic EPS (c)	**(52.4)c**	(20.6)c	*n/a*	
Adjusted diluted EPS[9] (c)	**5.7c**	17.5c	*(67)%*	
Net cash used in operating activities	**(361)**	(60)	*n/a*	
Free cash flow[10]	**(730)**	(398)	*(83.4)%*	
Net debt including leases	**736**	1,843	*(60.4)%*	
Net debt excluding leases	**393**	1,393	*(71.8)%*	
Net debt / adjusted EBITDA (excluding leases)[11]	**1.3x**	3.3x	*n/a*	

Built Environment Consulting shown as a discontinued operation. *See notes on page 5.*

Ken Gilmartin, CEO, said:
"We are pleased to have delivered results in line with expectations for 2022, including a return to revenue growth – with 8% growth at constant currency. This was achieved in a year of major change for the Group, under new leadership, as we addressed legacy issues, transformed our balance sheet and launched a new strategy.

"Our strategy is already delivering. We started 2023 with good momentum – our order book for delivery in 2023 is up 10%, headcount is up 8% and financial guidance for 2023 is in line with our medium-term financial targets of adjusted EBITDA growth at mid to high single digit CAGR, with momentum building as our strategy delivers. We now we look to the future with confidence as a much stronger company".

Delivered results in line with expectations

- Results at the **upper end of the ranges** given in the January Trading Update
- **Revenue of $5.4 billion** was up 4% with growth in Consulting (+4%) and Operations (+15%) offset by the expected decline in Projects (-6%). At constant currency, Group revenue was up 8%
- **Adjusted EBITDA of $385 million** was flat on last year at constant currency. Top end of guidance range given in January Trading Update of $375 million to $385 million
- **Adjusted EBITDA margin of 7.1%** includes the impact of the previously guided lower margin in Operations, and a lower margin in Consulting, partly reflecting the impact of our decision to exit Russia
- **Impairment of goodwill and intangibles** of $542 million, as flagged in our January trading update
- **Operating loss** of $568 million primarily reflects this impairment charge
- **Loss for the period** of $352 million is after a gain on sale of Built Environment Consulting of $515 million
- **Basic EPS** was a loss of 52.4c, reflecting the loss for the period
- **Adjusted diluted EPS** was down 67% to 5.7c, reflecting the lower EBIT, higher interest costs and the disposal of Built Environment Consulting during the year
- **Free cash flow of $(730) million** reflects:
  - Significant working capital outflow of $367 million, including our decision to exit lump sum turnkey and major lump sum EPC work, and our decision to normalise payables
  - Cash exceptionals of $319 million, reflecting the impact of addressing legacy issues, including settling the Enterprise litigation claim
- **Net debt (excl. leases) at 31 December 2022 was $393 million** – within our previously guided range. Includes a negative currency impact and the impairment of $6 million of cash balances in Russia

Delivering on our profitable growth strategy

- **We transformed the Group in 2022**
  - New strategy launched, focusing on energy and materials markets
  - New leadership team in place, seven of nine in our ELT recently appointed
  - Built Environment Consulting sold at an attractive multiple (c.$1.7 billion net cash proceeds) and restored our financial strength
  - Legacy issues addressed including Enterprise litigation settled in November 2022
- **Right business model now in place**
  - Primarily a services-based, cost reimbursable business (c.80% of revenue, c.85% of order book)
  - Repositioned away from lump sum turnkey (now less than 4% of Group revenue and reducing)
- **Well-positioned for growth across energy and materials**
  - Around 20% of Group revenue from sustainable solutions based on our strict measure[12]. This strict measure does not include much of the decarbonisation activity we perform today for our clients
  - Strong growth across our sustainable solutions, including work across hydrogen and carbon capture
  - Pipeline growth in our strategic markets and over 90% of our pipeline now relates to our six focus markets (Oil & Gas, Chemicals, Hydrogen, Carbon Capture, Minerals and Life Sciences)
- **Optimising our portfolio**
  - Sale of offshore labour supply operations in Gulf of Mexico completed in March 2023 for cash consideration of $17 million, further aligning the Group's portfolio on our focus markets
  - We are currently evaluating our portfolio and have identified underperforming businesses that do not fit with our focused strategy, generate negative margin and represent around 4% of revenue. We are considering options in respect of these businesses

Momentum across our business

- **Significant order book of $6 billion**, up 4% at constant currency
- **Order book for delivery in 2023** of $3.9 billion, up 10% on last year
- **Headcount** up 8% to more than 35,500 people, a key growth driver for our services-led business model

Outlook

- While mindful of the uncertain economic outlook, our expectations for 2023 remain unchanged
- We expect our performance in FY23 to be line with our medium-term targets:
    - **Adjusted EBITDA margins** to be flat in the nearer term, partly as we reinvest in the business to secure growth. In the medium term, we continue to see opportunity for margin improvement
    - **Adjusted EBITDA** to grow at mid to high single digit CAGR over the medium term, with momentum building over time as our strategy delivers
    - As is typical for our business, performance will be weighted to the second half of the year
- We expect a material improvement in cash flow in FY23 with a significant improvement in **operating cash flow**, reflecting a much-improved working capital performance
- As previously guided, we expect significantly lower exceptional cash flows in FY23 of around $135 million. This, plus the remaining tax payable on the sale of Built Environment Consulting of around $60 million, partially offset by disposal proceeds of around $25 million, will lead to higher **net debt** in FY23
- The exceptional cash outflows in FY23 are weighted to the first half of the year, and the tax payable on the sale of Built Environment Consulting will be paid in the first half of the year
- The improved operating cash flow performance of the Group, along with a continued reduction in exceptional cash outflows, will enable a return to positive **free cash flow** (after exceptionals) in FY24

Supporting our medium-term margin growth and free cash flow targets

- We expect to expand our margin in the medium term, supported by:
    - **Improved pricing expectations** across our markets, reflecting the selectivity of work undertaken and the significant demand for our services
    - The **continued shift to our services-led model**
    - **Addressing the small number of underperforming businesses** in our portfolio
- We continue to target costs savings in two key areas to support our targets:
    - As outlined at our Capital Markets Day, **continued rationalisation of our property portfolio** as our leases expire and reflecting post-Covid working patterns. We anticipate annualised savings of $15 million to $20 million by the end of 2025, with benefits accruing from 2024. EBIT will benefit by $10 million to $15 million per year
    - **IT cost savings** of $10 million to $15 million from licence rationalisation and other efficiency measures, with material benefit accruing from 2024 onwards

In addition, as at 31 December 2022, and as set out in note 33 of our accounts, our main UK defined benefit scheme (WPP) was 119% funded and had a significant surplus of $432 million on an IAS 19 basis, and is currently expected to be around 105% funded with a surplus of around £100 million ($130 million) on the more prudent Technical Provisions basis at 31 March 2023, consistent with the assumptions used at the last triennial actuarial valuation.

The Group is currently working closely with the Trustee to agree a preferred direction regarding the future of the plan. Options being assessed include moving to a buy-in insured basis and eventual buy-out with a third party as soon as is reasonably practical, or to continue to run the WPP on for a limited number of years which could potentially generate further surplus. Any potential further surplus that might arise from running the scheme on could benefit both the Group and pension members, ensuring that appropriate safeguards for both the funding position and members' interests are taken into account at all times.

Management commitment to delivery

The Board has agreed with management LTIP targets for 2023-2025 consistent with our medium-term targets. These targets are weighted:

- 60% to EBITDA targets, with a threshold of $450 million and a maximum level at $525 million in 2025
- 30% to total shareholder return relative to our peer group
- 10% to ESG metrics relating to carbon emission reductions and leadership gender diversity

Presentation

A meeting for investors and analysts will be held at The London Stock Exchange (10 Paternoster Square, London, EC4M 7LS) at 9:00am. The presentation will be webcast live at https://edge.media-server.com/mmc/p/6mhxtay5.

It will subsequently be made available to watch on demand at www.woodplc.com/investors. A transcript will also be made available on our website.

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Future events

As part of our expanded investor engagement calendar, we set out below the dates for key events this year:

- 11 May 2023 – Q1 trading update and Annual General Meeting
- June 2023 – Decarbonisation webinar and Milan, Italy site visit
- 13 July 2023 – HY23 trading update
- 22 August 2023 – HY23 results
- 9 November 2023 – Q3 trading update
- November 2023 – Digitalisation webinar and Houston, USA site visit

NOTES

Adjustments between statutory and underlying information

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

Note 1: *The Built Environment Consulting business is shown as discontinued operations. We have adjusted our underlying results to reflect this, including restatement of comparative information. The result of this is there is no contribution from Built Environment Consulting included in revenue or adjusted EBITDA in all periods. There is no change to EPS or cash flows.*

Note 2: *Growth rates shown at constant currency are calculated by comparing FY22 to FY21 restated at FY22 currency rates. This additional disclosure is made to help users better understand the growth of our businesses.*

Note 3: *Revenue includes an exceptional item in FY22 of $(8.0) million (FY21 $(25.4) million) related to contract losses in respect of the closure of the Power and Industrials EPC business. In FY21 the exceptional item related to Aegis Poland. Revenue (pre-exceptional items) is an APM that is used throughout this Report as the Group believes it provides a more useful measure of performance. Given the immaterial size of the exceptional item, we refer to revenue throughout the Report as the $5,442 million pre-exceptional figure.*

Note 4: *A reconciliation of adjusted EBITDA to operating loss is shown in note1 to the financial statements. A reconciliation of adjusted EBIT to operating loss is shown in the Financial Review.*

Note 5: *Adjusted EBITDA margin is adjusted EBITDA shown as a percentage of revenue. This measure is used by management to measure the performance of businesses, and is one of our medium term targets.*

Note 6: *Adjusted EBIT is a new measure introduced to show the Group's adjusted EBITDA after depreciation and amortisation. This measures excludes amortisation of acquired intangibles and is therefore aligned with our measure of adjusted EPS.*

Note 7: *Order book comprises revenue that is supported by a signed contract or written purchase order for work secured under a single contract award or frame agreements. Work under multi-year agreements is recognised in order book according to anticipated activity supported by purchase orders, customer plans or management estimates. Where contracts have optional extension periods, only the confirmed term is included. Order book disclosure is aligned with the IFRS definition of revenue and does not include Wood's proportional share of joint venture order book. Order book is presented as an indicator of the visibility of future revenue.*

Note 8*: Headcount is a measure of total employees working for Wood, including Wood employees and contractors. This measure excludes employees in our joint ventures.*

Note 9: *A reconciliation of adjusted diluted EPS to basic EPS is shown in note 9 of the financial statements.*

Note 10: *Free cash flow is defined as all cash flows before acquisitions, disposals and dividends. It includes all mandatory payments the Group makes such as interest and tax, and all exceptional cash flows. It excludes the impacts of IFRS 16 (Leases) accounting. A reconciliation of free cash flow to our statutory cash flow statement is shown on page 23.*

Note 11: *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. See calculations on page 28.*

Note 12*: Estimated share of FY22 revenue as defined by Wood. This figure is referred to across this document. Sustainable solutions consist of activities related to: renewable energy, hydrogen, carbon capture & storage, electrification and electricity transmission & distribution, LNG, waste to energy, sustainable fuels & feedstocks and recycling, processing of energy transition minerals, life sciences, and decarbonisation in oil & gas, refining & chemicals, minerals processing and other industrial processes. In the case of mixed scopes including a decarbonisation element, these are only included in decarbonisation if 75% or more of the scope relates to that element, in which case the total revenue is recorded in decarbonisation.*

Note 13: *Certain statements in this announcement are classed as profit forecasts for the purposes of the City Code on Takeovers and Mergers (as set out in the separate announcement made by Wood on 28 March 2023).*

CEO STATEMENT

2022 was a year where we transformed Wood. We reset the business, strengthened our balance sheet, addressed legacy issues and appointed new leadership. We concluded the year by setting out our strategy at a capital markets day, highlighting how we will deliver value consistently through focused growth across our energy and materials end markets, and drive a return to delivering free cash flow.

Financial performance: delivered results in line with expectations

Return to revenue growth

Our performance in 2022 was in line with the expectations we set mid-way through the year. Revenue of $5.4 billion was 8% higher at constant currency. This reflects good growth in Consulting and Operations and an improving trend in Projects, with a return to growth in the second half.

Profitability in line with expectations

Our adjusted EBITDA in 2022 was $385 million, flat at constant foreign exchange rates and at the upper end of the guidance range we gave in our January trading update. Our adjusted EBITDA margin was 7.1%, lower than the 7.7% in 2021, partly reflecting a normalisation of margins in Operations, which benefited from contract close out benefits in previous years, along with a lower margin in Consulting. The margin in our Projects business was higher in the year as we shifted the business to a service-led model and saw improved overall project performance.

Our adjusted EBIT was $174 million and our adjusted diluted EPS was down 67% to 5.7c. This reflects the lower profitability, high interest costs in the year and the disposal of Built Environment Consulting.

Our statutory loss for the year was $352 million and includes the impairment of goodwill and intangibles. Basic EPS was a loss of 52.4c per share, reflecting this statutory loss.

Cash performance reflects our reset

Free cash outflow for the year was $730 million and reflects a significant working capital outflow, partly reflecting our decision to exit lump sum turnkey ("LSTK") and larger EPC activity, as well as our decision to normalise payables at period ends. In addition to these working capital impacts, we also had large exceptional cash outflows arising from legacy issues, including the settlement of the Enterprise litigation claim for $115 million in the year.

Balance sheet now in a strong position

Our net debt excluding leases at December 2022 was $393 million, with a net debt / adjusted EBITDA of 1.3 times. This reflects a significant improvement on last year (3.3 times) given the impact of the sale of Built Environment Consulting. Through the sale, we reset our balance sheet and this allowed us to address legacy issues and provide a firmer footing for future growth.

Our approach to capital allocation

Our capital allocation policy starts with having a strong balance sheet. We will look to manage our target leverage over the medium term within a range of around 0.5 to 1.5 times net debt (excluding leases) to adjusted EBITDA (pre-IFRS 16). This allows us to invest in our business, people and systems and fund the rundown of our legacy liabilities.

Beyond this, we will consider how best to create value for our shareholders from dividends, share buybacks or attractive acquisitions.

A new chapter for Wood: we transformed the Group in 2022

Wood is built on strong foundations, from our outstanding technical expertise and people, to our long-term client relationships. However, we have not delivered for our shareholders in recent years. While part of that underperformance reflects the challenging market backdrop of lower customer investment and the Covid pandemic, it was also driven by company-specific issues including insufficient discipline in project selection, high levels of restructuring and a series of legacy issues arising from the acquisition of Amec Foster Wheeler in 2017.

We tackled these issues head-on in 2022 and launched a new chapter for the Group with the transformative sale of Built Environment Consulting, reset of our balance sheet and launch of our profitable growth strategy. As we look ahead, we have instilled a structure and discipline into the business which will mitigate against future issues and allow us to grow from these strong foundations.

Sale of Built Environment Consulting transformed the Group
We completed the sale of Built Environment Consulting in September 2022 for an enterprise value of $1.81 billion, representing an attractive EV multiple of 16 times (including expected standalone costs). The net proceeds of around $1.7 billion, after the remaining tax due is paid in 2023, transformed the Group's balance sheet, funded the settlement of the Enterprise litigation and restored our financial flexibility.

We have addressed legacy issues

- We are no longer pursuing LSTK activity or major lump sum EPC activity, with remaining contracts due to complete in 2023
- Our Aegis Poland contract is physically complete with commercial settlement remaining
- The final payment for our SFO settlement is due in early 2024
- Our onerous leases come to an end in 2024
- We settled the Enterprise litigation

Our strengthened balance sheet will allow us to address the defined schedule of cash outflows relating to these legacy liabilities, as well as our asbestos liability, and allow the Group to return to positive free cash flow in 2024.

A new leadership team in place
We have a new leadership team, with seven of nine members of our Executive Leadership Team appointed to their roles in 2022 and 2023. Our wider senior leadership team has also undergone change, and we have added key hires throughout 2022 to strengthen our commercial offering, including recruiting leading subject-matter experts.

Our refreshed strategy: profitable growth

We launched our new strategy in November 2022 following extensive consultation with our employees, clients and investors.

Our strategic pillars
Our strategy is delivered across three pillars:

- **Profitable growth** – we will focus on priority markets and geographies where we can lead, with an absolute focus on driving operating cash flow, and building a high quality, low risk pipeline with a focus on cost reimbursable work.
- **Inspired culture** – we will drive improved employee engagement and reduced levels of voluntary turnover, while maintaining our focus on safety, and we aim to maintain a top quartile ESG rating amongst peers. We commit to driving greater diversity in our business, including a target of women comprising 40% of leadership roles before 2030.
- **Performance excellence** – with a focus on strong leadership, commercial governance and efficient ways of working. We will increase the use of our Global Excellence Centres to differentiate our offer to

clients and drive improved margin. We will ensure our core digital solutions become embedded in client delivery, and we expect the proportion of revenue coming from sustainable solutions to grow each year.

Our attractive markets

The energy and materials markets offer significant growth opportunities for Wood. We are now taking a more focused approach to growth, targeting specific priority markets within energy and materials that best match our competitive strengths. This narrower focus will help ensure we can grow both profitably and sustainably.

We are focused on:

- Large markets with solid growth – Oil & Gas and Chemicals
- Small markets today with substantial growth potential – Hydrogen and Carbon Capture
- Large markets where we can significantly grow our share – Minerals and Life Sciences

Our medium-term financial targets

Our strategy will deliver returns for our shareholders and at our Capital Markets Day we set out new financial targets:

- Adjusted EBITDA margins to be flat in the nearer term, partly as we reinvest in the business to secure growth. In the medium term, we see opportunity for margin improvement
- Adjusted EBITDA to grow at mid to high single digit CAGR over the medium term, with momentum building over time as our strategy delivers
- The strong underlying cash flows of our business combined with the reducing legacy liabilities, will result in a return to positive free cash flow (after exceptionals) from FY24 onwards

We expect to expand our margin in the medium term, supported by:

- Improved pricing expectations across our markets, reflecting the selectivity of work undertaken and the significant demand for our services
- The continued shift to our services-led model
- Addressing the small number of underperforming businesses in our portfolio

We continue to target costs savings in two key areas to support our targets:

- As outlined at our Capital Markets Day, **continued rationalisation of our property portfolio** as our leases expire and reflecting post-Covid working patterns. We anticipate annualised savings of $15 million to $20 million by the end of 2025, with benefits accruing from 2024. EBIT will benefit by $10 million to $15 million per year
- **IT cost savings** of $10 million to $15 million from licence rationalisation and other efficiency measures, with material benefit accruing from 2024 onwards

Our management team are committed to delivery of these targets. The Board has agreed LTIP targets for 2023-2025 consistent with our medium-term targets. These targets are weighted:

- 60% to EBITDA targets, with a threshold of $450 million and a maximum level at $525 million in 2025
- 30% to total shareholder return relative to our peer group
- 10% to ESG metrics relating to carbon emission reductions and leadership gender diversity

In addition, as at 31 December 2022, and as set out in note 33 of our accounts, our main UK defined benefit scheme (WPP) was 119% funded and had a significant surplus of $432 million on an IAS 19 basis, and is currently expected to be around 105% funded with a surplus of around £100 million ($130 million) on the more prudent Technical Provisions basis at 31 March 2023, consistent with the assumptions used at the last triennial actuarial valuation.

The Group is currently working closely with the Trustee to agree a preferred direction regarding the future of the plan. Options being assessed include moving to a buy-in insured basis and eventual buy-out with a third party as soon as is reasonably practical, or to continue to run the WPP on for a limited number of years which could potentially generate further surplus. Any potential further surplus that might arise from running the scheme on could benefit both the Group and pension members, ensuring that appropriate safeguards for both the funding position and members' interests are taken into account at all times.

Delivering on our profitable growth strategy

Right business model now in place with focus on cost reimbursable work
We have de-risked our contract pipeline by minimising the LSTK activity and major lump sum EPC activity, and today we are predominately a cost reimbursable services business. Across the Group, the proportion of our revenue that came from cost reimbursable work is around 80% (and around 85% of our order book). Only around 4% of revenue in FY22 came from LSTK contracts, with the remainder being fixed price services work.

Well-positioned for growth
In addition to our order book of around $6 billion, we have a pipeline of opportunities many times larger in magnitude. In line with our focused and selective strategy, this pipeline is now aligned with our focus markets.

At December 2022, over 90% of our pipeline related to our six focus markets (Oil & Gas, Chemicals, Hydrogen, Carbon Capture, Minerals and Life Sciences), compared to 73% a year ago. The difference mainly relates to the removal of EPC opportunities across renewables, in line with our new risk appetite and strategy to focus on the complex work where we add the most value for our clients.

Encouragingly, we have a higher pipeline in nearly all our markets compared to a year ago, including a more than doubling of opportunities across hydrogen and carbon capture.

Progress on our people strategy
Our headcount at December 2022 was 35,573 people, up 8% on last year with significant increases in Consulting and Projects. This is an increasingly important metric with our shift to a services-led business model.

We are pleased that in the latter parts of 2022 we saw significant improvements in both employee engagement and employee net promoter score. We have also grown our Global Execution Centres significantly, with more than 3,000 skilled employees now in India and Colombia.

Progress on sustainability
Wood is an enabler of net zero, providing solutions across decarbonisation, energy transition, and materials for a net zero world. In addition, our life sciences solutions are aligned to the UN Sustainable Development goal of ensuring good health and well-being.

Around 20% of our revenue today is from sustainable solutions, with around 30% of revenue in Projects, around 25% of revenue in Consulting, and around 10% in Operations from such solutions. This strict measure does not include much of the decarbonisation activity we perform today for our clients, particularly in our Operations business with work such as reducing methane emissions and flaring.

We have seen strong growth in our pipeline for sustainable solutions in the year, including across hydrogen and carbon capture work.

Our progress on ESG matters is reflected in our MSCI AA rating, awarded for the 8th consecutive year, and the maintenance of our top quartile ranking against peers.

In 2022, we made further progress on many of our other key ESG goals including:

- Reducing scope 1 & 2 carbon emissions by 65% compared to our target of a 40% reduction from our 2019 baseline
- Embedding fair working practices through incorporating 'Building Responsibly' principles into our supply chain pre-qualification stages and supplier code of conduct

Optimising our portfolio
We are currently evaluating our portfolio and have identified underperforming businesses that do not fit with our focused strategy, generate negative margin and represent around 4% of revenue. We are considering options in respect of these businesses.

In addition to this, the sale of our offshore labour supply operations in Gulf of Mexico completed in March 2023 for cash consideration of $17 million. This reflects a proactive step in focusing the Group's portfolio on our focus markets and solutions.

Winning work across markets
Our order book at 31 December 2022 was $6 billion, broadly flat on the position a year ago but up by 4% at constant currency rates. The order book for delivery in the year ahead was up 10% on a year ago and positions us well for 2023, albeit with a more volatile macroeconomic backdrop to win the remaining work for 2023.

Significant contract wins across **Energy** in the year included:
- 10-year engineering & project support agreement with Chevron that forms a global strategic partnership across offshore and onshore assets
- Major contract extension with Equinor for operation on the Norwegian Continental Shelf to 2026
- 5-year multi-region engineering services contract renewal with bp
- 3-year operations and maintenance contract renewal with Shell in the UK North Sea
- Appointed delivery partner for Centrica Storage in the UK for key gas storage assets
- Contract for the FEED design to deliver a large-scale green hydrogen production facility in Norway

Significant contract wins in the year in **Materials** included:
- 2-year EPCm contract with Solvay to deliver a new polyvinylidene fluoride (PVDF) site in France
- 4-year EPCm contract with INEOS worth over $100 million for an ethane cracker
- Contracts with Enter Engineering in Uzbekistan worth over $200 million - engineering and procurement services for a gas to chemical complex, and FEED and detailed design for a mineral processing plant

Outlook

While mindful of the uncertain economic outlook, our expectations for 2023 remain unchanged.

We expect our performance in FY23 to be line with our medium-term targets:
- Adjusted EBITDA margins to be flat in the nearer term, partly as we reinvest in the business to secure growth. In the medium term, we continue to see opportunity for margin improvement
- Adjusted EBITDA to grow at mid to high single digit CAGR over the medium term, with momentum building over time as our strategy delivers
- As is typical for our business, performance will be weighted to the second half of the year

We expect a material improvement in cash flow in FY23 with a significant improvement in operating cash flow, reflecting a much-improved working capital performance. As previously guided, we expect significantly lower exceptional cash flows in FY23 of around $135 million. This, plus the remaining tax payable on the sale of Built Environment Consulting of around $60 million, partially offset by disposal proceeds of around $25 million, will lead to higher net debt in FY23.

The exceptional cash outflows in FY23 are weighted to the first half of the year, and the tax payable on the sale of Built Environment will be paid in the first half of the year.

The improved operating cash flow performance of the Group, along with a continued reduction in exceptional cash outflows, will enable a return to positive free cash flow (after exceptionals) in FY24.

BUSINESS REVIEWS
CONSULTING (continuing operations)[1]

Our Consulting business provides technical consulting, digital consulting, and energy asset and technology solutions. It also provides a range of decarbonisation solutions that sit across Consulting and opens opportunities across Wood's other business units.

Financial review

	FY22 $m	FY21 $m	*Movement %*	*At constant currency %*
Revenue	**625**	599	*4.4%*	*13.0%*
Adjusted EBITDA[2]	**73**	77	*(5.2)%*	*4.7%*
Adjusted EBITDA margin	***11.7%***	*12.9%*	*(1.2)ppts*	
Order book[3]	**476**	491	*(3.1)%*	*3.3%*
Headcount[4]	**3,941**	3,467	*13.7%*	

1. Built Environment Consulting shown as a discontinued operation and comparatives has been restated. See note 1 on page 5
2. Adjusted EBITDA includes $nil from JVs (FY21: $0.1 million). Revenue does not include any contribution from JVs.
3. FY21 order book restated. Previously disclosed figure of $535 million incorrectly included a portion related to Built Environment Consulting
4. FY21 headcount restated.

Revenue of $625 million was 4% higher than last year, and 13% higher on a constant currency basis, with strong growth in our solutions across both energy security and energy transition.

Adjusted EBITDA of $73 million was 5% lower than last year but 5% higher on a constant currency basis. The adjusted EBITDA margin declined from 12.9% to 11.7% due to a weaker performance in Applied Intelligence, the impact of exiting high-margin work in Russia and some employee cost pressures across our business.

The order book at 31 December 2022 was $476 million, down 3% on last year but up 3% at constant currency. This reflects good growth across oil and gas and energy transition solutions. At 31 December 2022, revenue in our order book for delivery in 2023 was $361 million, down 9% on last year, reflecting a change in mix in energy consulting compared to a year ago.

Operational review

Growth in the year was led by our solutions across energy security and transition. Encouragingly, we continue to see significant increases in demand for our consulting offering across hydrogen, carbon capture and other decarbonisation activities. Key contract wins in the year across Consulting included:

- Technology upgrade of a hydrogen steam methane reformer in Equatorial Guinea
- FEED award to modernise controls systems for two key gas plants in the UK
- Feasibility study for chemicals derivative facility in Abu Dhabi

We saw an increase in work across hydrogen and carbon capture in the year. Looking ahead, we expect demand for our work across these areas to grow significantly, helped in part by the Inflation Reduction Act in the USA.

Revenue from sustainable solutions for Consulting was around $160 million in the year, representing around 25% of revenue.

Outlook for 2023

Following the sale of Built Environment Consulting, our Consulting business has refocused. We expect revenue growth for the year given the underlying demand for our services and the growth in headcount. Performance is expected to be weighted to the second half of the year.

PROJECTS

Our Projects business mainly provides complex engineering design and project management across energy and materials markets including oil and gas, chemicals, mining and minerals and life sciences.

Financial review

	FY22 $m	FY21 $m	*Movement %*	*At constant currency %*
Revenue[1]	**2,211**	2,340	*(5.5)%*	*(1.5)%*
Adjusted EBITDA[2]	**169**	168	*0.6%*	*9.2%*
Adjusted EBITDA margin	***7.6%***	*7.2%*	*0.4ppts*	
Order book	**2,081**	1,807	*15.2%*	*21.4%*
Headcount	**13,918**	12,311	*13.1%*	

1. Pass-through revenue, for which we earn only a small or nil margin, declined from around $390 million in FY21 to around $290 million in FY22. Revenue shown here is revenue (pre-exceptional), see page 5 for details.
2. Adjusted EBITDA includes $3.9 million from JVs (FY21: $3.5 million). Revenue does not include any contribution from JVs.

Revenue of $2,211 million was 6% lower than last year, and down 2% on a constant currency basis. This included a decline in the first half of the year and a return to growth in the second half of 4%, or 8% at constant currency. The return to growth came from our services-led approach following our strategic decision to move away from riskier LSTK work.

Adjusted EBITDA of $169 million was slightly higher than last year and up 9% on a constant currency basis. The adjusted EBITDA margin increased by 0.4 percentage points to 7.6%, driven by improved project performance and the continued shift to a services-led business model. In addition to these adjusted results, around $25 million of contract losses were recognised as exceptional items, see details in the Financial Review.

The order book at 31 December 2022 was $2,081 million, up 15% on last year driven by growth across the majority of our end markets, particularly oil & gas and chemicals. At 31 December 2022, revenue in our order book for delivery in 2023 was $1,606 million, up 22% on the position a year ago.

Operational review

Business growth in the year was balanced across energy and materials markets, with a significant uptick in work in the Middle East as customer investment increased in the region. Key contracts wins in the year included:

- EPCm contract worth more than $100 million to deliver Europe's lowest carbon ethane cracker for INEOS
- FEED and detailed design contract from Enter Engineering to deliver world's largest copper concentrator
- EPCm contract with Evonik in Alabama to support the production of sustainable animal feed
- Over $300 million of contract wins in the Middle East in the second half of the year

In addition to returning to growth, we made good progress in closing our challenging contracts in 2022 as we finalise our move away from LSTK contracts, including moving to completion on our renewables EPC contracts.

Revenue from sustainable solutions for Projects was around $650 million in the year, representing around 30% of revenue.

Outlook for 2023

We expect strong revenue growth for the year given the underlying demand for our services, the significant growth in order book and the growth in headcount.

OPERATIONS

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

Financial review

	FY22 $m	FY21 $m	*Movement %*	*At constant currency %*
Revenue[1]	**2,407**	2,098	*14.7%*	*16.6%*
Adjusted EBITDA[2,3]	**148**	172	*(13.9)%*	*(11.3)%*
Adjusted EBITDA margin	***6.1%***	*8.2%*	*(2.1)ppts*	
Order book	**3,295**	3,630	*(9.2)%*	*(5.3)%*
Headcount	**15,787**	15,187	*4.0%*	

1. Pass-through revenue, for which we earn only a small margin, increased from around $320 million in FY21 to around $500 million in FY22
2. Excludes results from our two Turbines joint ventures, now included within Investment Services. Adjusted EBITDA from these JVs was $48 million in FY22 and $54 million in FY21.
3. Adjusted EBITDA includes $15.2 million from JVs (FY21: $13.2 million). Revenue does not include any contribution from JVs.

Revenue of $2,407 million was 15% higher than last year, and 17% higher at constant currency, reflecting higher activity levels across our business given the stronger market conditions in conventional energy, especially in Europe and the Middle East. Revenue growth was also helped by an increased level of passthrough revenue.

Adjusted EBITDA of $148 million was 14% lower than last year, and 11% lower at constant currency, and reflects the reduction in margin from 8.2% to 6.1%. This lower margin was expected given increased passthrough revenue and a lower level of contract close-out benefits in the year compared to previous years.

The order book at 31 December 2022 was $3,295 million, 9% lower than last year. This reflects the phasing of large multi-year awards. At 31 December 2022, revenue in our order book for delivery in 2023 was $1,836 million, up 4% on the position a year ago.

Operational review

Business growth in the year reflects higher activity levels across our markets, most notably in Europe and the Middle East. Key contracts wins in the year included:

- 3-year extension to our maintenance, modifications and operations framework agreement with Equinor
- Contract extension with Basra Gas Company in Iraq, including repurposing flare gas to reduce emissions
- Contract renewal for maintenance and operations solutions to Florida Power & Light

Revenue from sustainable solutions for Operations was around $230 million in the year, representing around 10% of revenue.

Outlook for 2023

We expect increased activity for the year given the underlying demand for our services.

INVESTMENT SERVICES

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

Financial review

	FY22 $m	FY21 $m	*Movement %*	*At constant currency %*
Revenue	**199**	201	*(0.9)%*	*2.8%*
Adjusted EBITDA[1]	**69**	64	*7.6%*	*6.8%*
Adjusted EBITDA margin	***34.7%***	*31.8%*	*2.9ppts*	
Order book	**164**	120	*36.8%*	*38.8%*
Headcount	**426**	439	*(3.0)%*	

1. Now includes results from our two Turbines joint ventures, which were previously included within Operations. Adjusted EBITDA from these JVs was $48 million in FY22 and $54 million in FY21. Revenue does not include any contribution from JVs.

Revenue of $199 million was broadly flat on last year and up 3% at constant currency. Adjusted EBITDA of $69 million was 8% higher than last year. This includes an improved performance across our businesses.

The order book at 31 December 2022 was $164 million, up significantly on last year. At 31 December 2022, revenue in our order book for delivery in 2023 was $126 million, up 27% on the position a year ago.

As is typical, performance in our Turbines joint ventures was weighted to the second half of the year. We expect this weighting to continue in FY23.

CENTRAL COSTS

	FY22 $m	FY21 $m	*Movement %*	*At constant currency %*
Adjusted EBITDA	**(74)**	(77)	*(3.8)%*	*7.7%*

Central costs, not allocated to business units, decreased to $74 million. The reduction partly reflects our cost reduction programme. FY21 included a $11 million gain on sale of property.

Outlook for 2023

We expect central costs for FY23 to be higher than FY22 due to inflationary pressure on salaries and costs.

Financial Review

Trading performance

Trading performance is presented on the basis used by management to run the business with adjusted EBITDA including the contribution from joint ventures. A reconciliation of operating profit to adjusted EBITDA is included in note 1 to the financial statements. A calculation of adjusted diluted EPS is shown on page 22.

	2022 $m	2021 (*restated) $m
Continuing operations		
Revenue (pre exceptionals)	**5,442.2**	5,237.7
Adjusted EBITDA[1]	**385.1**	404.3
Adjusted EBITDA margin %	***7.1%***	*7.7%*
Depreciation (PPE)	**(29.3)**	(35.1)
Depreciation on right of use asset (IFRS 16)	**(90.5)**	(85.9)
Impairment of joint venture investments and property, plant and equipment	**(2.4)**	(5.3)
Amortisation - software and system development	**(89.0)**	(90.8)
Adjusted EBIT	**173.9**	187.2
Amortisation – intangible assets from acquisitions	**(64.4)**	(78.3)
Tax and interest charges on joint ventures	**(14.3)**	(15.3)
Exceptional items	**(121.2)**	(155.7)
Impairment of goodwill and intangible assets	**(542.3)**	-
Operating loss	**(568.3)**	(62.1)
Net finance expense	**(109.8)**	(92.2)
Interest charge on lease liability	**(16.4)**	(17.7)
Loss before taxation from continuing operations	**(694.5)**	(172.0)
Tax charge	**(10.9)**	(41.5)
Loss for the year from continuing operations	**(705.4)**	(213.5)
Profit from discontinued operations, net of tax	**353.7**	78.0
Loss for the period	**(351.7)**	(135.5)
Non-controlling interest	**(4.6)**	(4.0)
Loss attributable to owners of parent	**(356.3)**	(139.5)
Number of shares (basic)	**680.4**	675.6
Basic earnings per share (cents)	**(52.4)**	(20.6)

* The comparative information has been restated due to a discontinued operation outlined in note 7 of the financial statements.

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

Revenue for 2022 includes an exceptional item of $(8.0) million (2021: $(25.4) million) related to contract losses in respect of the closure of the Power and Industrials EPC business. In 2021, the exceptional item related to Aegis Poland. Revenue (pre-exceptional items) is an APM that is used throughout this Report as the Group believes it provides a more useful measure of performance.

During the year, Adjusted EBITDA reduced by $19.2 million to $385.1 million primarily due to adverse movements in FX rates. Operating loss of $568.3 million (2021: $62.1 million) has increased due to the large impairment charge recorded against goodwill and intangible assets. The $353.7 million profit from discontinued operations, net of tax includes the gain of disposal of $514.5 million. The final proceeds from the Built Environment Consulting business will be finalised during the first half of 2023 upon agreement of the completion balance sheet between the Group and WSP.

The review of our trading performance is contained within the Chief Executive Review on pages 6 to 10.

Reconciliation of Adjusted EBIT to Adjusted diluted EPS

	2022 **$m**	2021 (*restated) $m
Adjusted EBIT	**173.9**	187.2
Tax and interest charges on joint ventures	**(14.3)**	(15.3)
Adjusted net finance expense	**(103.9)**	(85.9)
Interest charge on lease liability	**(16.4)**	(17.7)
Adjusted profit before tax	**39.3**	68.3
Adjusted tax charge	**(59.2)**	(49.9)
Adjusted profit from discontinued operations, net of tax	**63.3**	103.9
Adjusted profit for the period	**43.4**	122.3
Non-controlling interest	**(4.6)**	(4.0)
Adjusted earnings	**38.8**	118.3
Number of shares (m) – diluted	**680.4**	675.6
Adjusted diluted EPS (cents)[2]	**5.7**	17.5

See notes on pages 27-29

Reconciliation to GAAP measures

	2022 **$m**	2021 $m
Loss before tax from continuing operations	**(694.5)**	(172.0)
Impairment of goodwill and intangible assets	**542.3**	-
Exceptional items	**121.2**	155.7
Exceptional items – net finance expense	**5.9**	6.3
Amortisation -intangible assets from acquisitions	**64.4**	78.3
Adjusted profit before tax	**39.3**	68.3
Taxation	**10.9**	41.5
Tax in relation to acquisition amortisation	**11.9**	17.5
Tax on exceptional items	**36.4**	(9.1)
Adjusted tax charge	**59.2**	49.9
Profit from discontinued operations, net of tax	**353.7**	78.0
Discontinued operations, gain on disposal	**(297.1)**	-
Discontinued items, exceptional items	**6.7**	4.0
Amortisation on acquired intangibles, net of tax	**-**	21.9
Adjusted profit from discontinued operations, net of tax	**63.3**	103.9

The reconciliation from Adjusted EBIT of $173.9 million (2021: $187.2 million) to Adjusted earnings of $38.8 million (2021: $118.3 million) has been provided to show a clear reconciliation to Adjusted diluted EPS, which is a key performance measure of the Group. The reconciliation to GAAP measures highlights that the adjusted measures remove exceptional items, including impairment charges against goodwill and intangible assets, the exceptional items on discontinued operations and the associated tax charges on the basis that these are disclosed separately due to their size and nature to enable a full understanding of the Group's performance. Please refer to commentary on exceptional items and associated tax charges on pages 18-20. In addition, amortisation on intangible assets from acquisitions and the associated tax credit has been excluded in order to provide a comparison to other groups.

Amortisation, depreciation and other impairments for continuing operations

Total amortisation for 2022 was $153.4 million (2021: $191.7 million), of which $153.4 million (2021: $169.1 million) relates to the continuing Group. The total amortisation charge includes $63.5 million for Amec Foster Wheeler ("AFW") (2021: $75.3 million) and $0.9 million (2021: $3.0 million) of amortisation relating to intangible assets arising from prior year acquisitions. Amortisation in respect of software and development costs was $89.0 million (2021: $90.8 million) and this largely relates to engineering software and ERP system development. Included in the amortisation charge for the year is $1.5 million (2021: $1.8 million) in respect of joint ventures.

The total depreciation charge in 2022 for the continuing group amounted to $119.8 million (2021: $121.0 million) and includes depreciation on right of use assets of $90.5 million (2021: $85.9 million). Included in the depreciation charge for the year is $12.3 million (2021: $12.1 million) in respect of joint ventures.

Other impairments for 2022 were $2.4 million (2021: $5.3 million) mainly related to impairments recorded against joint venture investments.

Net finance expense and debt

	2022 $m	2021 $m
Interest on bank borrowings	**47.2**	32.8
Interest on US Private Placement debt	**40.3**	35.9
Discounting relating to asbestos, deferred consideration and other liabilities	**6.8**	6.4
Other interest, fees and charges	**22.4**	20.4
Total finance expense excluding joint ventures and interest charge on lease liability	**116.7**	95.5
Finance income relating to defined benefit pension schemes	**(2.4)**	(0.2)
Other finance income	**(4.5)**	(3.1)
Net finance expense	**109.8**	92.2
Interest charge on lease liability	**16.4**	17.7
Net finance charges in respect of joint ventures	**4.4**	3.6
Net finance expense including joint ventures, continuing Group	**130.6**	113.5

Interest on bank borrowings of $47.2 million (2021: $32.8 million) primarily relates to interest charged on borrowings under the $1.2 billion Revolving Credit Facility ('RCF') which matures in October 2026 and the United Kingdom Export Facility ('UKEF') term loan which matures in July 2026. The original $600 million term loan was partially repaid following the disposal of the Built Environment Consulting business, with two separate repayments of $200 million in September and December 2022. The increase in the interest expense is driven by higher levels of debt in the first half of 2022 compared with 2021 and higher interest rates. The interest rate increase is due to a combination of higher margin because net debt to adjusted EBITDA exceeded 3.5 times and higher floating interest rates.

The interest charge on US Private Placement debt increased by $4.4 million to $40.3 million primarily due to the covenant waiver which led to an additional charge of $7.7 million. As part of the Built Environment Consulting business sales process, the Group agreed lender consent for the sale and a temporary amendment of the net debt to Adjusted EBITDA covenant to 4.5 times in June and December 2022 measurement dates. The increased interest caused by higher margin was offset due to the total repayment of around $450 million to the USPP noteholders, which was comprised of the early settlement of notes following the disposal of the Built Environment Consulting business in 2022 and the $35 million tranche which fell due in July 2022. The Group had $352.0 million (2021: $803.3 million) of unsecured loan notes outstanding at 31 December 2022, maturing between 2024 and 2031.

Other interest, fees and charges amount to $22.4 million (2021: $20.4 million) and principally relates to the amortisation of bank facility costs of $10.5 million (2021: $7.4 million) and interest on bank overdrafts.

In total, the Group had undrawn facilities of $1,265.4 million as at 31 December 2022, of which $1,157.9 million related to the revolving credit facility.

The Group recognised interest costs in relation to lease liabilities of $16.4 million (2021: $17.7 million) which relates to the unwinding of discount on the lease liability.

The unwinding of discount on the asbestos provision is $5.9 million (2021: $6.3 million) and includes the unwinding of discount on long-term asbestos receivables.

Net debt excluding leases to adjusted EBITDA (excluding the impact of IFRS 16) at 31 December was 1.3 times (2021: 3.3 times) against our covenants of 3.5 times. This is calculated pre-IFRS 16 as our covenants are calculated on a frozen GAAP basis, see note 4 on page 28.

Interest cover (see note 5 on page 28) was 4.1 times (2021: 4.5 times) against our covenant of 3.5 times.

Exceptional items

	2022 $m	2021 $m
Aegis contract loss (revenue)	**-**	25.4
Aegis contract loss (cost of sales)	**-**	73.9
Power and Industrial EPC losses (revenue)	**8.0**	-
Power and Industrial EPC losses (cost of sales)	**17.0**	-
Impairment charge	**542.3**	-
Gain on divestment of business	**-**	(14.4)
Redundancy, restructuring and integration costs	**30.1**	73.9
Enterprise settlement	**35.6**	-
Investigation support costs and provisions	**(4.2)**	-
Asbestos yield curve, costs and charges	**21.5**	(3.1)
Russia exit costs and charges	**13.2**	-
Exceptional items included in continuing operations, before interest and tax	**663.5**	155.7
Unwinding of discount on asbestos provision	**5.9**	6.3
Tax charge/(credit) in relation to exceptional items	**5.2**	(1.2)
Impact of change in UK rate on prior year exceptional deferred tax	**-**	10.3
Recognition of deferred tax assets due to UK pension actuarial movements	**(41.6)**	-
Continuing exceptional items, net of interest and tax	**633.0**	171.1

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.

Power and Industrial EPC losses

The Power and Industrial EPC losses relates to events in 2022 which resulted in a further write down of fixed price contracts in the Power and Industrial EPC business, following the strategic decision to exit this market during 2021. By virtue of its size and nature of these projects being within a sector that the Group no longer operates, this was recorded as an exceptional charge through revenue and cost of sales. The negative revenue of $8.0 million represents the impact of a reduction in total value of the contract, is in relation to revenue recognised in prior years and is unchanged from the half year.

Aegis contract losses

The Aegis contract loss in 2021 of $99.3 million reflected an estimate of the full contract loss at that time.

Impairment charge of goodwill and intangible assets

The impairment charge recognised against goodwill and intangible assets amounts to $542.3 million and is recorded within exceptional items by virtue of its size. The impairment charge was triggered by the disposal of the Built Environment Consulting business, increases in discount rates and lower expectations of profitability during the forecast period.

The disposal of the Built Environment Consulting business and increasing discount rates increased the risk of an impairment charge being recognised at the year end, as outlined in the Group's interim condensed financial statements. The discount rate increased by 1.35% since the half year which was largely driven by increases to risk free rates and higher market volatility.

Included within the impairment charge of $542.3 million were impairments of $44.9 million and $4.2 million taken against the brand and customer relationships which were recognised on the acquisition of AFW. The Group performed an assessment over the brand asset recognised on acquisition of AFW. The carrying value of the brand was tested by considering its value in use, as it was determined that there is no readily available market to sell the brand as a standalone asset.

Redundancy, restructuring and integration costs

During the year to 31 December 2022, $30.1 million was incurred in relation to redundancy and restructuring activities. During 2022 the Group has continued to progress various initiatives which support the improved efficiency and enhancement of underlying group profitability in the medium to longer term. Included within the $30.1 million were costs of around $11.0 million in developing the new strategy which is expected to further enhance profitability and cash generation in the medium to long term.

Gain on sale of divestment of business

The gain in 2021 of $14.4 million relates to the disposal of the Group's interest in Sulzer Wood Limited.

Enterprise settlement

The Enterprise claim was concluded in November 2022, with the amount settled being in excess of the amount provided for. Overall, the amount paid to Enterprise was higher than our underlying legal assessment of the merits of the case, but further drawn-out litigation was likely to be costly and carried a risk that a court awarded a figure higher than the amount paid. The charge in the year was classed as an exceptional item both by its nature, a historic litigation settlement and by size.

Investigation support costs and provisions

The regulatory investigations were all closed out during the first half of 2021 and the agreed settlements were materially in line with the provision made at 31 December 2020. The $4.2 million credit relates to the release of some provisions made for additional legal and other costs which were ultimately not needed. Certain amounts due to the SFO and COFPS have been deferred in line with agreed payment schedules and the disclosures in the financial statements reflect this.

Asbestos

All asbestos costs have been treated as exceptional on the basis that movements in the provision are non-trading and can be large and driven by market conditions which are out with the Group's control. Excluding these amounts from the trading results improves the understandability of the underlying trading performance of the Group.

The $21.5 million charge (2021: credit $3.1 million) principally comprises a $52.8 million charge in the period and was a result of an updated actuarial review which updated the best estimate for recent claims experience and latest projections. This is offset by a credit of $31.3 million in 2022, which comprises of a $35.6 million yield curve credit as a result of higher discount rates (2021: $5.6 million) and $4.3 million (2021: $2.5 million) of costs in relation to managing the claims. The 30-year US Treasury rate has increased to 3.97%, from 1.90% at the end of December 2021, and led to the income statement credit.

$5.9 million of interest costs which relate to the unwinding of discount on the asbestos provision are also shown as exceptional (2021: $6.3 million).

Russia exit costs and charges

The Group has incurred costs of $7.0 million in relation to the exit of its business in Russia as a result of Government sanctions. The exceptional cost recognised during 2022 relates to early contract exits and associated losses, the closure of an office and other legal costs. In addition, the Group has impaired cash balances held within Russia by $6.2 million. The Group has confidence in being able to utilise the remaining balance of $5 million, disclosed as restricted cash in note 16 to the financial statements, to meet these exit costs.

Tax

An exceptional tax credit of $36.4 million (2021: charge $9.1 million) has been recorded in continuing operations during the period. It consists of a $5.2 million tax charge on exceptional items (2021: $1.2 million credit) and an exceptional credit of $41.6 million recognised due to the actuarial gain in relation to the UK defined benefit pension scheme. As deferred tax liabilities support the recognition of deferred tax assets, the additional $41.6 million of deferred tax assets have been recognised through exceptional items based on its size. In 2021, a $10.3 million tax charge was recognised relating to the change of the UK tax rate impacting on deferred tax balances created in prior years through 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.

	2022 $m	2021 $m
Loss from continuing operations before tax	**(694.5)**	(172.0)
Profit from discontinued operations, net of tax and before exceptional items	**63.3**	82.0
Tax charge in relation to joint ventures (note 13)	**9.9**	11.7
Amortisation (note 10)	**151.9**	189.9
Exceptional items (continuing operations)	**669.4**	162.0
Tax charge in relation to discontinued operations	**7.9**	13.4
Profit before tax, exceptional items and amortisation	**207.9**	287.0
Effective tax rate on total operations (excluding tax on exceptional items and amortisation)	**36.84%**	26.38%
Tax charge (excluding tax on exceptional items and amortisation)	**76.6**	75.7
Tax charge in relation to joint ventures	**(9.9)**	(11.7)
Tax charge in relation to exceptional items (continuing operations)	**5.2**	9.1
Recognition of deferred tax assets due to UK pension actuarial movements	**(41.6)**	-
Tax credit in relation to amortisation	**(11.5)**	(18.2)
Tax charge on discontinued operations	**(7.9)**	(13.4)
Tax charge from continuing operations per the income statement	**10.9**	41.5

The effective tax rate reflects the rate of tax applicable in the jurisdictions in which the Group operates and is adjusted for permanent differences between accounting and taxable profit and the recognition of deferred tax assets. Key adjustments impacting on the rate in 2022 are withholding taxes suffered on which full double tax relief is not available, the impact of the US Base Erosion and Anti Abuse Tax less the release of uncertain tax provisions reflecting the positive outcomes in relation to specific risks.

We anticipate that the tax rate will be 34% to 36% going forward reflecting the tax rates of the countries the Group operates in along with the withholding taxes in excess of double tax relief. There are factors that would impact on this on an annual basis such as actuarial movements on the UK pension scheme impacting on deferred tax asset recognition and changes in uncertain tax provisions.

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

Earnings per share

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

	2022			2021		
	Continuing operations $m	**Discontinued operations $m**	**Total $m**	Continuing operations (restated) $m	Discontinued operations (restated) $m	Total (restated) $m
(Losses)/earnings attributable to equity shareholders (basic pre-exceptional)	**(77.0)**	**63.3**	**(13.7)**	(46.4)	82.0	35.6
Exceptional items, net of tax	**(633.0)**	**290.4**	**(342.6)**	(171.1)	(4.0)	(175.1)
(Losses)/earnings attributable to equity shareholders (basic)	**(710.0)**	**353.7**	**(356.3)**	(217.5)	78.0	(139.5)
Number of shares (basic)	**680.4**	**680.4**	**680.4**	675.6	675.6	675.6
Number of shares (diluted)	**680.4**	**680.4**	**680.4**	675.6	675.6	675.6
Basic earnings per share (cents)	**(104.4)**	**52.0**	**(52.4)**	(32.2)	11.6	(20.6)
Diluted earnings per share (cents)	**(104.4)**	**52.0**	**(52.4)**	(32.2)	11.6	(20.6)
(Losses)/earnings attributable to equity shareholders (diluted)	**(710.0)**	**353.7**	**(356.3)**	(217.5)	78.0	(139.5)
Exceptional items, net of tax	**633.0**	**(290.4)**	**342.6**	171.1	4.0	175.1
Amortisation of intangibles on acquisition, net of tax	**52.5**	**-**	**52.5**	60.8	21.9	82.7
(Losses)/earnings attributable to equity shareholders (adjusted diluted)	**(24.5)**	**63.3**	**38.8**	14.4	103.9	118.3
(Losses)/earnings attributable to equity shareholders (adjusted basic)	**(24.5)**	**63.3**	**38.8**	14.4	103.9	118.3
Number of shares (diluted)	**680.4**	**680.4**	**680.4**	675.6	675.6	675.6
Number of shares (basic)	**680.4**	**680.4**	**680.4**	675.6	675.6	675.6
Adjusted diluted (cents)	**(3.6)**	**9.3**	**5.7**	2.1	15.4	17.5
Adjusted basic (cents)	**(3.6)**	**9.3**	**5.7**	2.1	15.4	17.5

Basic loss per share for the year was 52.4 cents (2021: 20.6 cents). The increase in loss per share is largely driven by an impairment charge on goodwill and intangible assets of $542.3 million partly offset by a post-tax gain on sale of discontinued operation of $297.1 million. Further details of this impairment charge and discontinued operation are explained within notes 10 and 7 of the financial statements.

Dividend

The Group's capital allocation policy was announced at the Capital Markets Day. The Board is committed to maintaining a strong balance sheet, with medium term target leverage range of around 0.5x to 1.5x, while investing in systems and software and addressing legacy issues. Beyond this, the Board will consider how best to create value for our shareholders from dividends, share buybacks or attractive acquisitions.

Cash flow and net debt

The cash flow for the year is set out below and includes both continuing and discontinued operations:

	Excluding leases 2022 $m	**Impact of Leases 2022 $m**	**Total 2022 $m**	Excluding leases 2021 $m	Impact of Leases 2021 $m	Total 2021 $m
Adjusted EBITDA	**337.0**	**121.0**	**458.0**	**418.5**	**135.4**	**553.9**
Less JV EBITDA	(50.8)	(7.7)	(58.5)	(54.0)	(6.7)	(60.7)
JV Dividends	30.1	-	30.1	26.3	-	26.3
Adjusted decrease in provisions (note 6)	(43.7)	-	(43.7)	(75.6)	-	(75.6)
Other	28.1	-	28.1	10.7	3.3	14.0
Adjusted cash flow generated from operations pre working capital	**300.7**	**113.3**	**414.0**	**325.9**	**132.0**	**457.9**
Increase in receivables	(97.5)	-	(97.5)	(70.1)	-	(70.1)
Adjusted decrease in payables (note 6)	(267.6)	-	(267.6)	(235.9)	-	(235.9)
(Increase)/decrease in inventory	(1.6)	-	(1.6)	0.1	-	0.1
Adjusted working capital movements	**(366.7)**	**-**	**(366.7)**	**(305.9)**	**-**	**(305.9)**
Adjusted cash (outflow)/ generated from operations (note 6)	**(66.0)**	**113.3**	**47.3**	**20.0**	**132.0**	**152.0**
Purchase of property, plant and equipment	(27.6)	-	(27.6)	(22.4)	-	(22.4)
Proceeds from sale of property, plant and equipment	7.1	-	7.1	22.1	-	22.1
Purchase of intangible assets	(109.2)	-	(109.2)	(92.5)	-	(92.5)
Interest received	4.5	-	4.5	3.1	-	3.1
Interest paid	(98.1)	-	(98.1)	(87.5)	-	(87.5)
Adjusted tax paid	(81.9)	-	(81.9)	(73.5)	-	(73.5)
Other	(39.6)	(6.3)	(45.9)	(8.2)	14.6	6.4
Non-cash movement in leases	-	(14.7)	(14.7)	-	(76.0)	(76.0)
Free cash flow (excluding exceptionals)	**(410.8)**	**92.3**	**(318.5)**	**(238.9)**	**70.6**	**(168.3)**
Cash exceptionals	(318.8)	14.6	(304.2)	(159.1)	21.0	(138.1)
Free cash flow	**(729.6)**	**106.9**	**(622.7)**	**(398.0)**	**91.6**	**(306.4)**
Divestments	1,729.4	-	1,729.4	19.3	-	19.3
Decrease/(increase) in net debt	**999.8**	**106.9**	**1,106.7**	**(378.7)**	**91.6**	**(287.1)**
Opening net debt	**(1,393.0)**	**(449.8)**	**(1,842.8)**	**(1,014.3)**	**(541.4)**	**(1,555.7)**
Closing net debt	**(393.2)**	**(342.9)**	**(736.1)**	**(1,393.0)**	**(449.8)**	**(1,842.8)**

Closing net debt at 31 December 2022 including leases was $736.1 million (2021: $1,842.8 million). Included within closing net debt is the IFRS 16 lease liability which is the net present value of the lease payments that are not paid at the commencement date of the lease and subsequently increased by the interest cost and reduced by the lease payment made. The lease liability as at 31 December 2022 was $342.9 million (2021: $449.8 million). All covenants on the debt facilities are measured on a frozen GAAP basis and therefore exclude the impact of IFRS 16.

Closing net debt excluding leases as at 31 December 2022 was $393.2 million (2021: $1,393.0 million). The reduction in net debt excluding leases of $999.8 million is mainly due to the proceeds from the divestment of the Built Environment Consulting business offset by higher cash exceptionals and a higher adjusted cash outflow from operations, due to a large working capital outflow. The monthly average net debt excluding leases in 2022 was $1,489.1 million (2021: $1,680.0 million). The cash balance and undrawn portion of the Group's committed banking facilities can fluctuate throughout the year, and the net debt at December is significantly lower than the 2022 average net debt due to the receipt of the disposal proceeds in September 2022. Around the covenant remeasurement dates of 30 June and 31 December the Group's net debt excluding leases is typically lower than the monthly averages due to a combination of factors including a strong focus on collection of receipts from customers.

Cash generated from operations pre-working capital decreased by $43.9 million to $414.0 million primarily as a result of the reduction in EBITDA. The movement in provisions in 2022 includes utilisations of the provision of around $40m and the net non-cash credit to EBITDA and is caused by releases to EBITDA exceeding the EBITDA charge of new provisions recognised. The release in 2022 is driven by the Group concluding on a number of historic litigation and insurance and property provisions which are no longer necessary following resolution of disputes or the underlying risk.

There was a working capital outflow of $366.7 million (2021: $305.9 million). There was an improvement in activity levels in the final quarter of 2022 compared with 2021, and days sales outstanding ("DSO") has remained broadly similar, leading to a higher trade receivables and gross amounts due from customers, resulting in an outflow during 2022.

The outflow in the year due to payables of $267.6 million is higher than 2021. The large outflow in 2022 was due to quicker payments to suppliers, which led to a large reduction in the year end payables balance. The normalisation of payables was sign-posted as a use of the Built Environment Consulting business proceeds.

The Group uses a receivables financing facility of $200.0 million. The amount utilised at 31 December 2022 was $200.0 million (2021: $200.0 million). The facility is non-recourse to the Group and so is not included in our net debt.

Cash exceptionals have increased by $166.1 million to $304.2 million in 2022 and mainly relates to the settlement of known legal claims and asbestos payments, including the Enterprise settlement of $115 million, the investigation payments of around $38 million in respect of the investigation which was provided for in 2020 and asbestos payments of around $40 million. The remaining cash exceptional mainly relates to the legacy Aegis contract of $48 million and restructuring costs of around $35 million, which include the costs of developing the new strategy.

The free cash outflow of $622.7 million (2021: $306.4 million) has increased by $316.3 million, largely due to the $166.1 million and $104.7 million adverse movements in cash exceptionals and cash flow from operations respectively. The remaining adverse movement of $45.5 million in free cash flow is due to:

- Other outflows increased by $52.3 million to $45.9 million and principally comprise of foreign exchange movements of $25.4 million in net debt excluding leases (2021: $5.5 million) and movements on prepaid debt fees and accrued interest charges totalling $21.1 million (2021: inflow of $12.1 million).
- Proceeds from sale on property, plant and equipment decreased by $15.0 million to $7.1 million due to the one-off sale and lease back of a property in 2021 and an increase of $16.7 million related to the purchase of intangible assets, including software and investment in ERP improvements throughout the Group.
- There was an increase in tax payments during 2022 of $8.4 million due to the settlement of uncertain tax provisions ("UTPs"), which had been provided for in previous periods.
- Net interest paid in the period increased to $93.6 million (2021: $84.4 million) and is due to higher prevailing interest rates and net debt during the period.
- There was an offsetting reduction in lease liabilities of $61.3 million due to disposals of the lease liability following the sale of the Built Environment Consulting business.

Net cash from divestments of $1,729.4 million relates to the disposal of our Built Environment Consulting business in September, and includes taxes paid of around $22 million on the disposal.

Cash conversion, calculated as cash generated from operations as a percentage of adjusted EBITDA (less JV EBITDA) reduced to 11.8% (2021: 30.8%) primarily due to large working capital outflow during 2022.

Sources and uses of cash

The decrease in adjusted cash generated from operations from $152.0 million in 2021 to $47.3 million in 2022 reflects the lower EBITDA in the year and large working capital outflows.

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 of our debt facilities;
- Capital expenditure through investments in systems and software;
- Maintain financial strength to deal with legacy issues;
- Potential returns to our shareholders; and
- Potential acquisitions.

Summary balance sheet

	2022 $m	2021 $m
Goodwill and intangible assets	**4,309.1**	6,075.3
Right of use assets	**276.0**	356.1
Other non-current assets	**918.0**	790.6
Trade and other receivables	**1,545.0**	1,791.3
Trade and other payables	**(1,687.6)**	(1,998.6)
Net debt excluding leases	**(393.2)**	(1,393.0)
Lease liabilities	**(342.9)**	(449.8)
Provisions	**(459.7)**	(635.2)
Other net liabilities	**(435.2)**	(451.4)
Net assets	**3,729.5**	4,085.3
Net current liabilities	**(235.0)**	(367.9)

At 31 December 2022, the Group had net current liabilities of $235.0 million (2021: $367.9 million).

Goodwill and intangible assets include $2,523.5 million (2021: $4,228.7 million) of goodwill and intangibles relating to the acquisition of Amec Foster Wheeler. The balance has decreased due to the disposal of the Built Environment Consulting business leading to a reduction in carrying amount of $995.6 million; an impairment charge of $542.3 million, and amortisation of $64.4 million.

Right of use assets and lease liabilities amount to $276.0 million (2021: $356.1 million) and $342.9 million (2021: $449.8 million) respectively.

The reduction in trade and other receivables is primarily due to the disposal of the Built Environment Consulting business which was partially offset by increased activity levels in the final quarter of the year compared with the same period in 2021. There have been no instances of material default by our customers as a result of the current market conditions.

Trade and other payables have decreased by $311.0 million since December 2021 and this is mainly due to quicker payments to suppliers, which led to a large reduction in the year end payables balance, and the disposal of the Built Environment Consulting business.

Provisions

Total provisions as at 31 December 2022 were $459.7 million (2021: $635.2 million) and comprise of asbestos liabilities of $311.4 million (2021: $342.1 million), litigation related provisions of $12.8 million (2021: $93.3 million), project related provisions of $63.3 million (2021: $112.2 million), insurance provisions of $46.2 million (2021: $55.2 million) and property provisions of $26.0 million (2021: $32.4 million).

Largely as a result of the acquisition of AFW, the Group is subject to claims by individuals who allege that they have suffered personal injury from exposure to asbestos primarily in connection with equipment allegedly manufactured by certain subsidiaries during the 1970s or earlier. The overwhelming majority of claims that have been made and are expected to be made are in the USA. At 31 December 2022, the Group has net asbestos related liabilities including current liabilities and insurance recovery assets of $335.4 million (2021: $349.1 million).

The Group expects to have net cash outflows of around $38 million as a result of asbestos liability indemnity and defence payments in excess of insurance proceeds during 2023. 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.

Litigation related provisions reduced from $93.3 million to $12.8 million in 2022, largely as a result of the settlement the Enterprise case in November 2022.

Full details of provisions are provided in note 21 to the Group financial statements.

Pensions

The Group operates a number of defined benefit pension schemes in the UK and US, alongside a number of defined contribution plans. At 31 December 2022, the UK defined benefit pension plan had a surplus of $432.4 million (2021: $259.6 million) and other schemes had deficits totalling $73.2 million (2021: $74.7 million).

The Group has total pension scheme assets of $2,892.2 million (2021: $4,811.5 million) and pension scheme obligations of $2,533.0 million (2021: $4,626.6 million) and is therefore 114% (2021: 104%) funded on an IAS 19 basis. The reduction in the scheme liabilities is driven by a higher discount rate used in the actuarial assumptions.

In assessing the potential liabilities, judgement is required to determine the assumptions for inflation, discount rate and member longevity. The assumptions at 31 December 2022 showed an increase in the discount rate which results in lower scheme liabilities and higher RPI inflation rates, thereby increasing the surplus compared to 2021. Full details of pension assets and liabilities are provided in note 33 to the Group financial statements.

In addition, our main UK defined benefit scheme (WPP) was 119% funded based on its significant surplus of $432 million on an IAS 19 basis, and is currently expected to be around 105% funded with a surplus of around £100 million ($130 million) on the more prudent Technical Provisions basis at 31 March 2023, consistent with the assumptions used at the last triennial actuarial valuation. The Group is currently working closely with the Trustee to agree a preferred direction regarding the future of the plan. Options being assessed include moving to a buy-in insured basis and eventual buy-out with a third party as soon as is reasonably practical, or to continue to run the WPP on for a limited number of years which could potentially generate further surplus. Any potential further surplus that might arise from running the scheme on could benefit both the Group and pension members, ensuring that appropriate safeguards for both the funding position and members' interests are taken into account at all times.

Contingent liabilities

Details of the Group's contingent liabilities are set out in note 34 to the financial statements.

Divestments

During 2022 the Group disposed of the Built Environment Consulting business for $1,729.4 million, which includes the impact of taxes paid on the disposal. The final proceeds from the Built Environment Consulting business will be finalised during the first half of 2023 upon agreement of the completion balance sheet between the Group and WSP.

Note

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2022 or 2021 but is derived from those accounts. Statutory accounts for 2021 have been delivered to the registrar of companies, and those for 2022 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

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

Notes

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

	2022	2021
	$m	$m
Operating loss per income statement	**(568.3)**	(62.1)
Share of joint venture finance expense and tax (note 13)	**14.3**	15.3
Exceptional items (note 5)	**663.5**	155.7
Amortisation (including joint ventures)	**153.4**	169.1
Depreciation (including joint ventures)	**29.3**	35.1
Depreciation of right of use assets	**90.5**	85.9
Impairment of PP&E and right of use assets	**2.4**	5.3
Adjusted EBITDA (continuing operations)	**385.1**	404.3
Discontinued operation		
Operating profit (discontinued)	**66.2**	94.4
Exceptional items (note 5)	**6.7**	4.0
Amortisation (including joint ventures)	**-**	22.6
Depreciation (including joint ventures)	**-**	4.0
Depreciation of right of use assets	**-**	23.9
Impairment of PP&E and right of use assets	**-**	0.7
Adjusted EBITDA (discontinued operation)	**72.9**	149.6
Total Group Adjusted EBITDA	**458.0**	553.9

2. Adjusted diluted earnings per share ("AEPS") is calculated by dividing earnings attributable to owners 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 2022, AEPS was not adjusted to assume conversion of all potentially dilutive ordinary shares because the unadjusted result is a loss.

3. Number of people includes both employees and contractors at 31 December 2022.
4. Net Debt to Adjusted EBITDA cover on a covenant and reported basis is presented in the table below:

	2022	2021
	$m	$m
Net debt excluding lease liabilities (reported basis) (note 30)	**393.2**	1,393.0
Covenant adjustments	**16.2**	13.5
Net debt (covenant basis)	**409.4**	1,406.5
Adjusted EBITDA (covenant basis)	**315.1**	448.0
Net debt to Adjusted EBITDA (covenant basis) – times	**1.30**	3.14
Adjusted EBITDA (reported basis)	**294.4**	418.5
Net debt to Adjusted EBITDA (reported basis) - times	**1.34**	3.33

Adjusted EBITDA (covenant basis) excludes Adjusted EBITDA from the discontinued operation and the impact of leases. The covenant adjustment to net debt relates to finance leases which are adjusted for in line with the funding agreements. Note: the covenant basis shown above refers to the measure as calculated for our RCF. The measure used for our USPP and UKEF is not materially different from the reported measure shown above.

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

	2022	2021
	$m	$m
Net finance expense	**109.8**	92.6
Covenant adjustments	**(4.4)**	(6.7)
Non-recurring net finance expense	**(37.5)**	-
Net finance expense (covenant basis)	**67.9**	85.9
Adjusted EBITA (covenant basis)	**273.6**	408.6
Interest cover (covenant basis)	**4.0**	4.8
Net finance expense	**109.8**	92.6
Non-recurring net finance expense	**(37.5)**	-
Recurring net finance expense	**72.3**	92.6
Adjusted EBITDA (reported basis)	**294.4**	418.5
Interest cover (reported basis) – times	**4.1**	4.5

6. Reconciliation to GAAP measures between consolidated cash flow statement and cash flow and net debt reconciliation

	2022	2021
	$m	$m
Decrease in provisions	**(123.1)**	(75.6)
Prior year cash exceptionals	**79.4**	-
Adjusted movement in provisions	**(43.7)**	(75.6)
Decrease in payables	**(398.9)**	(326.1)
Prior year cash exceptionals	**131.3**	90.2
Adjusted decrease in payables	**(267.6)**	(235.9)
Tax paid	**(103.9)**	(73.5)
Tax paid on disposal of business	**22.0**	-
Adjusted tax paid	**(81.9)**	(73.5)
Disposal of businesses (net of cash disposed)	**1,751.4**	19.3
Tax paid on disposal of business	**(22.0)**	-
Divestments	**1,729.4**	19.3
Adjusted cash generated from operations	**47.3**	152.0
Cash exceptionals	**(304.2)**	(138.1)
Cash (outflow)/generated from operations	**(256.9)**	13.9
Purchase of property, plant and equipment	**(27.6)**	(22.4)
Proceeds from sale of property, plant and equipment	**7.1**	22.1
Purchase of intangible assets	**(109.2)**	(92.5)
Interest received	**4.5**	3.1
Interest paid	**(98.1)**	(87.5)
Adjusted tax paid	**(81.9)**	(73.5)
Other	**(45.9)**	6.4
Non-cash movement in leases	**(14.7)**	(76.0)
Impact of leases	**(106.9)**	(91.6)
Free cash flow	**(729.6)**	(398.0)

Decreases in provisions and payables, cash generated from operations and tax paid have been adjusted to show exceptional items separately, in order to present significant items separately from the rest of the cash flow either by virtue of size or nature and reflects how the Group evaluates cash performance of the business.

7. Constant currency references. Growth rates shown at constant currency are calculated by comparing FY22 to FY21 restated at FY22 currency rates. This additional disclosure is made to help users better understand the growth of our business.

8. Adjusted EBITDA Margin. Adjusted EBITDA margin is adjusted EBITDA shown as a percentage of revenue. This measure is used by management to measure the performance of businesses, and is one of our medium term targets.

9. Revenue from sustainable solutions. Estimated share of FY22 revenue as defined by Wood. This figure is referred to across this document. Sustainable solutions consist of activities related to: renewable energy, hydrogen, carbon capture & storage, electrification and electricity transmissions & distribution, LNG, waste to energy, sustainable fuels & feedstocks and recycling, processing of energy transition minerals, life sciences, and decarbonisation in oil & gas, refining & chemicals, minerals processing and other industrial processes. On the case of mixed scopes including a decarbonisation element, these are only included in decarbonisation if 75% or more of the scope relates to that element, in which case the total revenue is recorded in decarbonisation.

JOHN WOOD GROUP PLC

GROUP FINANCIAL STATEMENTS

FOR THE YEAR TO 31 DECEMBER 2022

Company Registration Number SC036219

Consolidated income statement

for the year to 31 December 2022

	Note	2022 Pre-exceptional items $m	2022 Exceptional items $m	2022 Total $m	2021 (restated*) Pre-exceptional items $m	2021 (restated*) Exceptional items $m	2021 (restated*) Total $m
Continuing operations							
Revenue	**1,2,5**	**5,442.2**	**(8.0)**	**5,434.2**	5,237.7	(25.4)	5,212.3
Cost of sales	**5**	**(4,776.8)**	**(17.0)**	**(4,793.8)**	(4,617.8)	(73.9)	(4,691.7)
Gross profit		**665.4**	**(25.0)**	**640.4**	619.9	(99.3)	520.6
Administrative expenses	**5**	**(600.6)**	**(96.2)**	**(696.8)**	(557.8)	(56.4)	(614.2)
Impairment of goodwill and intangible assets	**5**	**-**	**(542.3)**	**(542.3)**	-	-	-
Share of post-tax profit from joint ventures	**13**	**30.4**	**-**	**30.4**	31.5	-	31.5
Operating profit/(loss)		**95.2**	**(663.5)**	**(568.3)**	93.6	(155.7)	(62.1)
Finance income	**3**	**6.9**	**-**	**6.9**	3.3	-	3.3
Finance expense	**3,5**	**(127.2)**	**(5.9)**	**(133.1)**	(106.9)	(6.3)	(113.2)
Loss before taxation from continuing operations	**4,5**	**(25.1)**	**(669.4)**	**(694.5)**	(10.0)	(162.0)	(172.0)
Taxation	**5,6**	**(47.3)**	**36.4**	**(10.9)**	(32.4)	(9.1)	(41.5)
Loss for the year from continuing operations		**(72.4)**	**(633.0)**	**(705.4)**	(42.4)	(171.1)	(213.5)
Discontinued operation							
Profit/(loss) from discontinued operations, net of tax	**7**	**63.3**	**290.4**	**353.7**	82.0	(4.0)	78.0
(Loss)/profit for the period		**(9.1)**	**(342.6)**	**(351.7)**	39.6	(175.1)	(135.5)
(Loss)/profit attributable to:							
Owners of the parent		**(13.7)**	**(342.6)**	**(356.3)**	35.6	(175.1)	(139.5)
Non-controlling interests	**29**	**4.6**	**-**	**4.6**	4.0	-	4.0
		(9.1)	**(342.6)**	**(351.7)**	39.6	(175.1)	(135.5)
Earnings per share (expressed in cents per share)							
Basic	**9**			**(52.4)**			(20.6)
Diluted	**9**			**(52.4)**			(20.6)
Earnings per share – continuing operations (expressed in cents per share)							
Basic	**9**			**(104.4)**			(32.2)
Diluted	**9**			**(104.4)**			(32.2)

The notes on pages 38 to 121 are an integral part of these consolidated financial statements.

* The comparative information has been restated due to a discontinued operation outlined in note 7.

Consolidated statement of comprehensive income/expense

for the year to 31 December 2022

	Note	2022 $m	2021 (restated*) $m
Loss for the year		**(351.7)**	(135.5)
Other comprehensive income from continuing operations			
Items that will not be reclassified to profit or loss			
Re-measurement gains on retirement benefit obligations	**33**	**168.0**	76.2
Movement in deferred tax relating to retirement benefit obligations	**6**	**(41.6)**	(9.5)
Total items that will not be reclassified to profit or loss		**126.4**	66.7
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges	**28**	**5.1**	7.9
Tax on derivative financial instruments	**6**	**(1.7)**	(3.4)
Exchange movements on retranslation of foreign operations	**28**	**(165.1)**	(51.0)
Total items that may be reclassified subsequently to profit or loss		**(161.7)**	(46.5)
Other comprehensive (expense)/income from continuing operations for the year, net of tax		**(35.3)**	20.2
Other comprehensive (expense)/income from discontinued operations			
Re-measurement gains on retirement benefit schemes	**33**	**2.9**	7.1
Exchange movements on retranslation of foreign operations	**28**	**(57.9)**	(5.3)
Other comprehensive (expense)/income from discontinued operations for the year, net of tax		**(55.0)**	1.8
Total comprehensive expense for the year		**(442.0)**	(113.5)
Total comprehensive expense for the year is attributable to:			
Owners of the parent		**(446.6)**	(117.5)
Non-controlling interests		**4.6**	4.0
		(442.0)	(113.5)

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 comparative information has been restated due to a discontinued operation outlined in note 7.

The notes on pages 38 to 121 are an integral part of these consolidated financial statements.

Consolidated balance sheet

as at 31 December 2022

	Note	2022 $m	2021 $m
Assets			
Non-current assets			
Goodwill and other intangible assets	**10**	**4,309.1**	6,075.3
Property plant and equipment	**11**	**82.4**	102.2
Right of use assets	**12**	**276.0**	356.1
Investment in joint ventures	**13**	**156.5**	169.7
Other investments	**13**	**56.0**	75.9
Long term receivables	**15**	**129.5**	107.5
Retirement benefit scheme surplus	**33**	**432.4**	259.6
Deferred tax assets	**22**	**61.2**	75.7
		5,503.1	7,222.0
Current assets			
Inventories	**14**	**11.1**	15.9
Trade and other receivables	**15**	**1,545.0**	1,791.3
Financial assets	**15**	**10.8**	7.7
Income tax receivable		**40.7**	55.2
Assets held for sale	**31**	**21.0**	-
Cash and cash equivalents	**16**	**536.7**	503.0
		2,165.3	2,373.1
Total assets		**7,668.4**	9,595.1
Liabilities			
Current liabilities			
Borrowings	**18**	**345.9**	281.9
Trade and other payables	**17**	**1,687.6**	1,998.6
Income tax liabilities		**218.1**	183.2
Lease liabilities	**12**	**83.2**	118.3
Provisions	**21**	**44.9**	159.0
Liabilities held for sale	**31**	**20.6**	-
		2,400.3	2,741.0
Net current liabilities		**(235.0)**	(367.9)
Non-current liabilities			
Borrowings	**18**	**584.0**	1,614.1
Deferred tax liabilities	**22**	**100.1**	72.5
Retirement benefit scheme deficit	**33**	**73.2**	74.7
Lease liabilities	**12**	**259.7**	331.5
Other non-current liabilities	**19**	**106.8**	199.8
Asbestos related litigation	**21**	**311.4**	342.1
Provisions	**21**	**103.4**	134.1
		1,538.6	2,768.8
Total liabilities		**3,938.9**	5,509.8
Net assets		**3,729.5**	4,085.3
Equity attributable to owners of the parent			
Share capital	**24**	**41.3**	41.3
Share premium	**25**	**63.9**	63.9
Retained earnings	**26**	**1,224.4**	1,415.0
Merger reserve	**27**	**2,540.8**	2,540.8
Other reserves	**28**	**(142.4)**	21.0
Total equity attributable to owners of the parent		**3,728.0**	4,082.0
Non-controlling interests	**29**	**1.5**	3.3
Total equity		**3,729.5**	4,085.3

The financial statements on pages 31 to 121 were approved by the board of directors on 27 March 2023 and signed on its behalf by:

Ken Gilmartin, Director David Kemp, Director

The notes on pages 38 to 121 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

for the year to 31 December 2022

	Note	Share capital $m	Share premium $m	Retained earnings $m	Merger reserve $m	Other reserves $m	Equity attributable to owners of the parent $m	Non-controlling interests $m	Total equity $m
At 1 January 2021		41.1	63.9	1,455.2	2,540.8	69.0	**4,170.0**	2.8	**4,172.8**
(Loss)/Profit for the year		-	-	(139.5)	-	-	**(139.5)**	4.0	**(135.5)**
Other comprehensive income/(expense):									
Re-measurement gains on retirement benefit schemes	**33**	-	-	76.2	-	-	**76.2**	-	**76.2**
Re-measurement gains on retirement benefit schemes (discontinued)	**33**	-	-	7.1	-	-	**7.1**	-	**7.1**
Movement in deferred tax relating to retirement benefit schemes	**6**	-	-	(9.5)	-	-	**(9.5)**	-	**(9.5)**
Cash flow hedges	**28**	-	-	-	-	7.9	**7.9**	-	**7.9**
Tax on derivative financial instruments	**6**	-	-	(3.4)	-	-	**(3.4)**	-	**(3.4)**
Net exchange movements on retranslation of foreign operations	**28**	-	-	-	-	(51.0)	**(51.0)**	-	**(51.0)**
Net exchange movements on retranslation of foreign operations (discontinued)	**28**	-	-	-	-	(5.3)	**(5.3)**	-	**(5.3)**
Total comprehensive (expense)/income for the year		**-**	**-**	**(69.1)**	**-**	**(48.4)**	**(117.5)**	**4.0**	**(113.5)**
Transactions with owners:									
Dividends paid	**8,29**	-	-	-	-	-	**-**	(2.7)	**(2.7)**
Credit relating to share based charges	**23**	-	-	22.1	-	-	**22.1**	-	**22.1**
Deferred tax impact of rate change in equity	**6**	-	-	4.5	-	-	**4.5**	-	**4.5**
Other tax movements in equity	**6**	-	-	(0.1)	-	-	**(0.1)**	-	**(0.1)**
Shares allocated to employee share trusts	**26**	0.2	-	(0.2)	-	-	**-**	-	**-**
Exchange movements in respect of shares held by employee share trusts	**26**	-	-	1.1	-	-	**1.1**	-	**1.1**
Purchase of company shares by employee share trust for the Share Incentive Plan (SIP)	**26**	-	-	1.5	-	-	**1.5**	-	**1.5**
Net exchange movements on disposal of foreign currency operations	**28**	-	-	-	-	0.4	**0.4**	-	**0.4**
Transactions with non-controlling interests	**29**	-	-	-	-	-	**-**	(0.8)	**(0.8)**
At 31 December 2021		**41.3**	**63.9**	**1,415.0**	**2,540.8**	**21.0**	**4,082.0**	**3.3**	**4,085.3**

Consolidated statement of changes in equity (continued)

for the year to 31 December 2022

	Note	Share capital $m	Share premium $m	Retained earnings $m	Merger reserve $m	Other reserves $m	Equity attributable to owners of the parent $m	Non-controlling interests $m	Total equity $m
At 1 January 2022		41.3	63.9	1,415.0	2,540.8	21.0	**4,082.0**	3.3	**4,085.3**
(Loss)/Profit for the year		-	-	(356.3)	-	-	**(356.3)**	4.6	**(351.7)**
Other comprehensive income/(expense):									
Re-measurement gains on retirement benefit schemes	**33**	-	-	168.0	-	-	**168.0**	-	**168.0**
Re-measurement gains on retirement benefit schemes (discontinued)	**33**	-	-	2.9	-	-	**2.9**	-	**2.9**
Movement in deferred tax relating to retirement benefit schemes	**6**	-	-	(41.6)	-	-	**(41.6)**	-	**(41.6)**
Cash flow hedges	**28**	-	-	-	-	5.1	**5.1**	-	**5.1**
Tax on derivative financial instruments	**6**	-	-	(1.7)	-	-	**(1.7)**	-	**(1.7)**
Net exchange movements on retranslation of foreign operations	**28**	-	-	-	-	(165.1)	**(165.1)**	-	**(165.1)**
Net exchange movements on retranslation of foreign operations (discontinued)	**28**	-	-	-	-	(57.9)	**(57.9)**	-	**(57.9)**
Total comprehensive (expense)/income for the year		**-**	**-**	**(228.7)**	**-**	**(217.9)**	**(446.6)**	**4.6**	**(442.0)**
Transactions with owners:									
Dividends paid	**8,29**	-	-	-	-	-	**-**	(1.1)	**(1.1)**
Credit relating to share based charges	**23**	-	-	20.7	-	-	**20.7**	-	**20.7**
Deferred tax impact of rate change in equity	**6**	-	-	(0.8)	-	-	**(0.8)**	-	**(0.8)**
Other tax movements in equity	**6**	-	-	(1.3)	-	-	**(1.3)**	-	**(1.3)**
Exchange movements in respect of shares held by employee share trusts	**26**	-	-	12.5	-	-	**12.5**	-	**12.5**
Purchase of company shares by employee share trust for the Share Incentive Plan (SIP)	**26**	-	-	1.7	-	-	**1.7**	-	**1.7**
Net exchange movements on disposal of foreign currency operations	**28**	-	-	-	-	54.5	**54.5**	-	**54.5**
Transactions with non-controlling interests	**29**	-	-	5.3	-	-	**5.3**	(5.3)	**-**
At 31 December 2022		**41.3**	**63.9**	**1,224.4**	**2,540.8**	**(142.4)**	**3,728.0**	**1.5**	**3,729.5**

The notes on pages 38 to 121 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

for the year to 31 December 2022

	Note	**2022 $m**	2021 $m
Reconciliation of loss before tax to cash generated from operations:			
Loss for the period		**(351.7)**	(135.5)
Adjustments (excluding share of joint ventures)			
Depreciation	**11**	**25.2**	34.9
Depreciation on right of use assets	**12**	**82.3**	101.9
Gain on disposal of leases		**-**	(1.0)
Gain on disposal of property plant and equipment	**4**	**(1.6)**	(10.0)
Impairment of goodwill and intangible assets	**10**	**542.3**	-
Impairment of property, plant and equipment	**11**	**0.4**	4.0
Impairment of right of use assets	**12**	**-**	2.0
Impairment of joint ventures	**13**	**2.0**	-
Gain on disposal of investment in joint ventures	**5**	**-**	(14.4)
Amortisation of intangible assets	**10**	**151.9**	189.9
Share of post-tax profit from joint ventures	**13**	**(30.4)**	(31.5)
Gain on disposal of business	**7**	**(514.5)**	-
Net finance costs	**3,7**	**127.9**	112.9
Share based charges	**23**	**20.7**	22.1
Decrease in provisions	**21**	**(123.1)**	(75.6)
Dividends from joint ventures	**13**	**30.1**	26.3
Other exceptional items – non-cash impact	**1**	**35.3**	126.2
Tax charge	**6**	**236.2**	54.9
Changes in working capital (excluding effect of acquisition and divestment of subsidiaries)			
(Increase)/decrease in inventories		**(1.6)**	0.1
Increase in receivables		**(97.5)**	(70.1)
Decrease in payables		**(398.9)**	(326.1)
Exchange movements		**8.1**	2.9
Cash (outflow)/generated from operations		**(256.9)**	13.9
Tax paid		**(103.9)**	(73.5)
Net cash used in operating activities		**(360.8)**	(59.6)
Cash flows from investing activities			
Disposal of businesses (net of cash disposed)	**7**	**1,751.4**	19.3
Purchase of property plant and equipment	**11**	**(27.6)**	(22.4)
Proceeds from sale of property plant and equipment		**7.1**	22.1
Purchase of intangible assets	**10**	**(109.2)**	(92.5)
Interest received		**4.5**	3.1
Cash from short term investments and restricted cash	**16**	**-**	12.5
Repayment of loans from joint ventures		**-**	1.0
Net cash generated from/(used in) investing activities		**1,626.2**	(56.9)

Consolidated cash flow statement (continued)

for the year to 31 December 2022

Cash flows from financing activities			
Repayment of short-term borrowings	**30**	**(35.0)**	(33.5)
Proceeds from short-term borrowings	**30**	**88.0**	-
Proceeds from long term borrowings	**30**	**-**	664.9
Repayment of long-term borrowings	**30**	**(1,039.1)**	(335.6)
Payment of lease liabilities	**30**	**(121.6)**	(167.6)
Proceeds from SIP shares	**26**	**1.7**	1.5
Interest paid		**(98.1)**	(87.5)
Dividends paid to non-controlling interests	**29**	**(1.1)**	(2.7)
Net cash (used in)/generated from financing activities		**(1,205.2)**	39.5
Net increase/(decrease) in cash and cash equivalents	**30**	**60.2**	(77.0)
Effect of exchange rate changes on cash and cash equivalents	**30**	**(26.5)**	(5.0)
Opening cash and cash equivalents		**503.0**	585.0
Closing cash and cash equivalents	**16**	**536.7**	503.0

The repayment of long-term borrowings of $1,039.1m includes the partial repayment of $400.0m of the United Kingdom Export Facility, the repayment of $416.3m of the senior loan notes and the reduction in utilisation of the long-term revolving credit facility of $222.8m.

Payment of lease liabilities includes the cash payments for the principal portion of lease payments of $103.7m (2021: $147.3m) and for the interest portion of $17.9m (2021: $20.3m). The classification of interest paid within financing activities is in line with the Group accounting policy.

The Group has elected to present a cash flow statement that includes an analysis of all cash flows in total, including both continuing and discontinued operations. Amounts related to the discontinued operation by operating, investing and financing activities are disclosed in note 7.

The notes on pages 38 to 121 are an integral part of these consolidated financial statements.

John Wood Group PLC

Notes to the financial statements
For the year ended 31 December 2022

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 and materials 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 UK-adopted international accounting standards. The Group financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through the income statement. The financial statements are presented in US dollars and all values are rounded to the nearest $0.1m, unless otherwise stated.

Going concern
The directors have undertaken a rigorous assessment of going concern and liquidity over a period of at least 12 months from the date of approval of these financial statements (the going concern period), which includes financial forecasts up to the end of 2024 to reflect severe, but plausible downside scenarios. The directors have considered as part of this assessment the impact of the events that happened post balance sheet date and up to the date of issue of these financial statements.

The Built Environment Consulting business disposal was completed in September, leading to the receipt of gross proceeds of $1,805.3m and has led to a significant reduction in net debt (excluding leases) to $393.2m at 31 December 2022 compared with $1,393m at 31 December 2021. The proceeds have principally been used to pay down the Group's debt facilities including a $400m repayment of the $600m term loan and $416.3m repayment of the US private placement loan notes.

In order to satisfy themselves that they have adequate resources for the going concern assessment period, the directors have reviewed the Group's existing debt levels, the forecast compliance with debt covenants, and the Group's ability to generate cash from trading activities. As of 31 December 2022, the Group's principal debt facilities comprise a $1,200.0m revolving credit facility maturing in October 2026; a $200.0m term loan maturing in July 2026 and $352.0m of US private placement debt repayable in various tranches between July 2024 and July 2031, with around 75% due in 2025 or later. At 31 December 2022, the Group had headroom of $1,157.9m under its principal debt facilities and a further $109.7m of other undrawn borrowing facilities, and the Group expect to have sufficient levels of headroom in the severe but plausible downside scenario modelled.

At 31 December 2022, the Group had net current liabilities of $235.0m (2021: $367.9 million).

The directors have considered a range of scenarios on the Group's future financial performance and cash flows. These scenarios reflect our outlook for the broad range of end markets that the Group operates in, whilst also considering the order book visibility and the restored financial strength of the Group's balance sheet. The Group anticipates growth in priority markets and geographies including conventional energy, which the directors have increased confidence in due to the current market focus on energy security. In addition, the process and chemicals business has strong growth drivers including decarbonisation of facilities and population growth, which facilitates increased demand for chemicals products. The order book as at December 2022 includes a high level of revenue coverage for 2023 which is also improved from prior years and in conjunction with the strong market drivers described above, gives the directors improved confidence in the underlying forecasts.

The directors have also considered severe, but plausible downside scenarios which reflect further material reductions in revenue of between 5% and 10% and a 1% reduction in gross margin from the base scenario, which is the Board approved forecast, the basis of which is described above. This could result from a worsening economic climate which could lead to deferrals or cancellations of contracts by our clients. In each of the scenarios modelled, the financial covenants were passed with significant facility headroom remaining available. In the going concern forecast period, for the June 2023 covenants, due to higher interest rates and elevated levels of net debt, in the 12 months prior the interest cover ratio reduced, but the covenants are forecast to pass after adjusting for the non-recurring interest which arose on facilities repaid and cancelled during 2022. These repayments were made subsequent to the disposal of the Built Environment Consulting business. In addition, the directors considered the impact of the removal of the receivables financing facility (which is not committed) of $200m and adverse movements in working capital as further severe sensitivities. The Group still had sufficient headroom to meet its liabilities as they fall due with these additional sensitivities.

Consequently, the directors are confident that the Group and company will have sufficient funds to continue to meet their 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.

Accounting Policies (continued)

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

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

(a) Revenue recognition on fixed price and long-term contracts (estimate)
The Group has a large number of fixed price long-term contracts which are accounted for in accordance with IFRS 15 and require estimates to be made for contract revenue. These contracts do not typically generate individually material revenue however they are material in aggregate. Contract revenues are affected by uncertainties that depend on the outcome of future events. Lump sum revenue from continuing operations amounted to $1,179.8m in 2022 (2021: $1,272.4m).

Uncertainties include the estimation of:

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

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

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

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

On the Aegis contract, management deem that the Company is entitled to variable considerations under the existing contractual arrangements. Only the proportion of this deemed entitlement that is assessed as highly probable is recognised as part of the revenue calculation. The assessment of the proportion of the deemed entitlement to VOs that is considered to be highly probable is a judgement made by management in consultation with internal and external experts. The amount of the accumulated recognised VOs in relation to the Aegis contract is material. Refer to note 21 for further details of the provisions recognised in respect of this contract.

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

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.

Accounting Policies (continued)

(b) Impairment of goodwill (estimate)

The Group carries out impairment reviews whenever events or changes in circumstance indicate that the carrying value of goodwill may not be recoverable. In addition, the Group carries out an annual impairment review. Management expectations are formed in line with performance to date and experience, as well as available external market data.

An impairment loss is recognised when the recoverable amount of goodwill is less than the carrying amount. The impairment tests are carried out by CGU ('Cash Generating Unit') and reflect the latest Group budgets and forecasts as approved by the Board. The budgets and forecasts are based on various assumptions relating to the Group's businesses including assumptions relating to market outlook, resource utilisation, contract awards and contract margins. The outlook for the Group is discussed in the Chief Executive's Review. Pre-tax discount rates of between 12.2% and 13.2% have been used to discount the CGU cash flows and a terminal value is applied using long term growth rates of 2.4%. A sensitivity analysis has been performed allowing for possible changes to the key assumptions used in the impairment model.

See note 10 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. The Enterprise claim was settled in 2022, with the amount settled being in excess of the amount provided for. Overall, the amount paid to Enterprise was higher than our underlying legal assessment of the merits of the case, but further drawn-out litigation was likely to be costly and carried a risk that a court awarded a figure higher than the amount paid. The excess payment was classed as an exceptional item both by its nature, a historic litigation settlement and by size.

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

The critical assumptions applied in determining the asbestos provision include: indemnity settlement amount, forecasted number of new claims, estimated defence costs and the discount rate. The Group uses a 30-year US Treasury bond rate to discount its asbestos liabilities. The 30-year US Treasury rate, has increased to 3.97% from 1.9% at the end of December 2021. This has resulted in a credit of $35.6m being recognised through the income statement and has been treated as exceptional due to being outwith the control of the Group. 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.

The Group also recorded a $52.8m exceptional charge with respect to the asbestos liability in the period and was a result of an updated actuarial review which updated the best estimate for recent claims experience and latest projections. Further details of the asbestos liabilities are provided in note 21 including a sensitivity analysis showing the impact of changes to the key assumptions.

(d) Retirement benefit schemes (estimate)

The value of the Group's retirement benefit schemes surplus/deficit is determined on an actuarial basis using several assumptions. Changes in these assumptions will impact the carrying value of the surplus/deficit. A sensitivity analysis showing the impact of changes to these assumptions is provided in note 33. The principal assumptions that impact the carrying value are the discount rate, the inflation rate and life expectancy. The Group determines the appropriate assumptions to be used in the actuarial valuations at the end of each financial year following consultation with the retirement benefit schemes' actuaries. In determining the discount rate, consideration is given to the interest rates of high-quality corporate bonds in the currency in which the benefits will be paid and that have terms to maturity similar to those of the related retirement benefit obligation. The inflation rate is derived from the yield curve used in deriving the discount rate and adjusted by an agreed risk premium. Assumptions regarding future mortality are based on published statistics and the latest available mortality tables. The Group, in conjunction with the schemes' actuaries, continues to monitor the impact of the Covid-19 pandemic on mortality data. The tax rate applied to the surplus of the UK scheme is 25%, on the basis that 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 33.

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:

	2022	2021
Average rate £1 = $	**1.2324**	1.3757
Closing rate £1 = $	**1.2029**	1.3545

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 contacts

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

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

A claim is an amount that the contractor seeks to collect from the customer as reimbursement for costs whose inclusion in the contract price is disputed, and may arise from, for example, delays caused by the customer, errors in specification or design and disputed variations in contract work. Claims are also usually variable considerations and are included in contract revenue only to the extent that it is highly probable that a significant reversal of revenue will not occur. Appropriate legal advice is taken in advance of any material revenue being recognised in respect of claims.

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

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

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

Exceptional items
Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Group's financial performance. Transactions which may give rise to material exceptional items include gains and losses on divestment of businesses; write downs or impairments of assets including goodwill; restructuring and redundancy costs or provisions; litigation or regulatory settlements; asbestos related income or charges; tax provisions or payments; provisions for onerous contracts and acquisition and divestment costs. The tax impact on these transactions is shown separately in the exceptional items note to the financial statements (note 5).

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

Finance expense/income
Interest income and expense is recorded in the income statement in the period to which it relates. Arrangement fees and expenses in respect of the Group's debt facilities are amortised over the period which the Group expects the facility to be in place. Interest relating to the unwinding of discount on deferred and contingent consideration, IFRS 16 lease liabilities and asbestos liabilities is included in finance expense. Interest expense and interest income on scheme assets relating to the Group's retirement benefit schemes are also included in finance income/expense. See note 3 for further details.

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

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

Dividends payable
Dividends to the Group's shareholders are recognised as a liability in the period in which the dividends are approved by shareholders. Interim dividends are recognised when paid. See note 8 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	16 years

As detailed in note 10, the Group has reassessed the useful life of the brand intangible asset to 16 years following a review of the use of the brand in each of the CGUs. Following this review, an impairment charge of $44.9m was booked and the remaining useful life was reduced accordingly. The anticipated amortisation charge in 2023 to be taken against the brand is around $25m based on 2022 average exchange rates and compares with the $24.1m charge booked in 2022.

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 10 for further details of goodwill impairment testing and note 13 for details of impairment of investment in joint ventures.

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

Accounting Policies (continued)

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. 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 15 for further details.

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

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

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

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

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

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

See note 6 and 22 for details.

The tax charge represents the sum of tax currently payable and deferred tax. Tax currently payable is based on the taxable profit for the year. Taxable profit differs from the profit reported in the income statement due to items that are not taxable or deductible in any period

Accounting Policies (continued)

and also due to items that are taxable or deductible in a different period. The Group's liability for current tax is calculated using tax rates enacted or substantively enacted at the balance sheet date.

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

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

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

Deferred tax 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.

Accounting Policies (continued)

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

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

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

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

Retirement benefit scheme surplus/deficit

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

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

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

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

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

Provisions

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

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

See note 21 for further details.

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.

Accounting Policies (continued)

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.

Awards are allocated under the Group's Long Term Plan ('LTP') which is the incentive plan in place for executive directors and certain senior executives. The charge for awards granted under the LTP is based on the fair value of those awards 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.

Employees may also be granted non-performance awards either in the form of conditional share awards or share options. These awards typically have a three year vesting period.

The Group has an Employee Share Plan ("ESP") under which employees contribute regular monthly amounts which are used to purchase shares over a one year period. At the end of the year the participating employees are awarded one free share for every two shares purchased providing they remain in employment for a further year. A charge is calculated for the award of free shares and accrued over the vesting period with the corresponding credit taken to retained earnings. The Group introduced the Share Incentive Plan ("SIP") in 2021. Under the plan, which is recognised by HM Revenue and Customs, employees contribute regular monthly amounts of up to £150 per month to purchase shares. The participating employees are awarded one free share for every two purchased, provided that they hold the purchased shares for 3 years and remain in employment.

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

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

Merger reserve
Where an acquisition qualifies for merger relief under Section 612 of the Companies Act 2006, the premium arising on the issue of shares to fund the acquisition is credited to a merger reserve. See note 27 for further information.

Discontinued operations
The Group has classified its Built Environment Consulting business as a discontinued operation for the reporting period ending 31 December 2022. A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative income statement and statement of comprehensive income are presented as if the operation had been discontinued from the start of the comparative period. Classification as held for sale was from 1 January 2022 and in September 2022, the sale of this business was completed. Details are outlined in note 7.

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. Our financial reporting segments reflect our current operating model which consists of Projects, Operations, Consulting and Investment Services ("IVS"). Projects is focused on providing front-end engineering services, procurement and project management. Our Operations segment focuses on improving operational efficiency by providing maintenance, modification and operation services. Consulting is a multi-sector specialist technical consultancy division providing innovative thinking needed to maximise value at every stage of the asset life cycle. Investment Services manages a range of legacy or non-core businesses and investments with a view to generating value via remediation and restructuring.

Due to changes made to internal management reporting from 1 January 2022, the Group is reporting a new operating segment known as Built Environment Consulting. This operating segment reflects the Built Environment Consulting business which has been disposed of in 2022 and was reported within the Consulting segment in prior periods. Comparatives have been restated to show this change, as noted throughout the financial statements.

Accounting Policies (continued)

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

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

Research and development government credits

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

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

The disclosure of impact of new and future accounting standards
Standards issued but not yet effective

The Group is required to comply with the requirements of IFRS 17 *Insurance Contracts* for reporting periods beginning on or after 1 January 2023. The new accounting standard sets out the requirements that the Group should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds.

The Group is undertaking an assessment of its insurance contracts held under its captive insurance company, Garlan Insurance Limited, and will fully adopt this standard from 1 January 2023. At this stage, the impact of the accounting standard is not expected to have a material impact on the Group financial statements.

Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* clarifies that for the purposes of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling the contract. The Group undertook a review of its material onerous contracts and concluded that the amendment to the accounting standard is not expected to have a material impact on the Group financial statements.

Amendments to other existing standards do not have a material impact on the financial statements.

Notes to the financial statements
For the year ended 31 December 2022

1 Segmental reporting

During the year, the Group monitored activity and performance through five operating segments; Projects, Operations, Consulting, Built Environment Consulting and Investment Services ('IVS'). The Group is reporting a new Built Environment Consulting segment due to changes made to internal management reporting in respect of the sale of the Built Environment Consulting business. Built Environment Consulting is a new segment in addition to the reportable segments previously shown in the 2021 Annual Report. Comparatives in the table below have been restated to reflect this change.

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 reportable operating segments for the year ended 31 December 2022 includes the following:

Reportable operating segments	**Revenue** (3)		**Adjusted EBITDA**(1)		**Operating profit/(loss)**	
	2022 $m	2021 $m	**2022 $m**	2021 $m	**2022 $m**	2021 $m
Projects	**2,211.2**	2,339.8	**168.7**	167.7	**(125.3)**	(19.6)
Operations	**2,406.9**	2,098.1	**147.6**	171.6	**(344.3)**	57.8
Consulting (restated) (4)	**625.3**	599.2	**73.1**	77.2	**(6.2)**	32.5
Built Environment Consulting (discontinued) (4)	**881.1**	1,188.3	**72.9**	149.6	**66.2**	94.4
Investment Services	**198.8**	200.6	**69.3**	64.4	**46.2**	(52.1)
Central costs (2)	**-**	-	**(73.6)**	(76.6)	**(138.7)**	(80.7)
Total Group	**6,323.3**	6,426.0	**458.0**	553.9	**(502.1)**	32.3
Elimination of discontinued operation (4)	**(881.1)**	(1,188.3)	**(72.9)**	(149.6)	**(66.2)**	(94.4)
Total (continuing operations)	**5,442.2**	5,237.7	**385.1**	404.3	**(568.3)**	(62.1)
Finance income					**6.9**	3.3
Finance expense					**(133.1)**	(113.2)
Loss before taxation from continuing operations					**(694.5)**	(172.0)
Taxation					**(10.9)**	(41.5)
Loss for the year from continuing operations					**(705.4)**	(213.5)
Profit from discontinued operation, net of tax					**353.7**	78.0
Loss for the year					**(351.7)**	(135.5)

Notes

1. A reconciliation of operating profit/(loss) to Adjusted EBITDA is provided in the table below. Adjusted EBITDA is provided as it is a unit of measurement used by the Group in the management of its business. Adjusted EBITDA is stated before exceptional items (see note 5).
2. Central includes the costs of certain Group management personnel, along with an element of Group infrastructure costs.
3. Revenue arising from sales between segments is not material, and does not include the impact of the exceptional item disclosed on the face of the income statement of $8.0m (2021: $25.4m) which is in respect of the Projects (2021: Investment Services) operating segment.
4. The Group's Built Environment Consulting business, shown by the operating segment named 'Built Environment Consulting', was previously included within the Consulting segment. Built Environment Consulting has been classified as a discontinued operation for the year ended 31 December 2022 (see note 7) and the comparative periods have been restated to show the results of this discontinued operation.

1 Segmental reporting (continued)

Reconciliation of Alternative Performance Measures

	2022 $m	2021 $m
Operating loss per income statement	**(568.3)**	(62.1)
Share of joint venture finance expense and tax (note 13)	**14.3**	15.3
Exceptional items (note 5)	**663.5**	155.7
Amortisation (including joint ventures)	**153.4**	169.1
Depreciation (including joint ventures)	**29.3**	35.1
Depreciation of right of use assets	**90.5**	85.9
Impairment of joint venture investments, PP&E and right of use assets	**2.4**	5.3
Adjusted EBITDA (continuing operations)	**385.1**	404.3
Discontinued operation		
Operating profit (discontinued)	**66.2**	94.4
Exceptional items (note 5)	**6.7**	4.0
Amortisation (including joint ventures)	**-**	22.6
Depreciation (including joint ventures)	**-**	4.0
Depreciation of right of use assets	**-**	23.9
Impairment of PP&E and right of use assets	**-**	0.7
Adjusted EBITDA (discontinued operation)	**72.9**	149.6
Total Group Adjusted EBITDA	**458.0**	553.9

Upon classification as a discontinued operation and held for sale on 1 January 2022, the Built Environment Consulting disposal group was not depreciated or amortised in line with the IFRS 5 accounting standard.

Analysis of joint venture profits by segment	**Adjusted EBITDA**		**Operating profit**	
	2022 $m	2021 $m	**2022 $m**	2021 $m
Projects	**3.9**	3.5	**3.5**	3.2
Operations	**15.2**	13.2	**13.0**	12.0
Consulting	**-**	0.1	**-**	0.1
Investment Services	**39.4**	43.9	**28.2**	31.5
Total	**58.5**	60.7	**44.7**	46.8

The main joint ventures contributing to Adjusted EBITDA and Operating Profit within the Investment Services segment are EthosEnergy and RWG. The results of these joint ventures are disclosed further in note 13.

1 Segmental reporting (continued)

Other segment items

At 31 December 2022	Projects $m	Operations $m	Consulting $m	Built Environment Consulting $m	Investment Services $m	Unallocated $m	Total $m
Capital expenditure							
PP&E	**7.3**	**11.6**	**1.3**	**3.1**	**3.2**	**1.1**	**27.6**
Intangible assets	**43.3**	**49.5**	**18.2**	**0.2**	**-**	**4.7**	**115.9**
Non-cash expense							
Depreciation	**8.7**	**10.3**	**1.0**	**-**	**1.1**	**4.1**	**25.2**
Depreciation of right of use assets	**34.4**	**17.5**	**8.3**	**-**	**10.6**	**11.5**	**82.3**
Amortisation	**77.7**	**36.7**	**27.5**	**-**	**-**	**10.0**	**151.9**
Impairment of intangible assets	**113.3**	**396.3**	**32.7**	**-**	**-**	**-**	**542.3**
Exceptional items (non-cash element)	**14.3**	**-**	**1.8**	**-**	**-**	**19.2**	**35.3**

At 31 December 2021	Projects $m	Operations $m	Consulting $m	Built Environment Consulting $m	Investment Services $m	Unallocated $m	Total $m
Capital expenditure							
PP&E	7.1	8.3	2.2	3.0	-	1.8	22.4
Intangible assets	28.6	33.0	30.7	0.3	-	1.6	94.2
Non-cash expense							
Depreciation	9.9	12.8	1.0	4.1	1.0	6.1	34.9
Depreciation of right of use assets	36.9	17.4	12.0	24.0	3.3	8.3	101.9
Amortisation	93.9	27.7	23.4	22.6	-	22.3	189.9
Exceptional items (non-cash element)	1.3	35.4	7.3	-	101.6	(19.4)	126.2

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

Depreciation in respect of joint ventures totals $4.1m (2021: $4.2m), depreciation in respect of joint venture right of use assets totals $8.2m (2021: $7.9m) and joint venture amortisation amounts to $1.5m (2021: $1.8m).

	Non-current assets		**Revenue (Continuing operations)**	
Geographical segments	**2022 $m**	2021 $m	**2022 $m**	2021 $m
United States of America	**2,082.2**	3,214.9	**1,423.5**	1,655.4
United Kingdom	**803.4**	960.4	**731.5**	702.2
Canada	**436.8**	728.5	**383.2**	339.2
Norway	**103.2**	112.1	**342.3**	193.2
Australia	**150.3**	196.6	**331.9**	344.5
Brunei	**10.2**	11.5	**232.9**	210.3
Saudi Arabia	**102.6**	105.2	**187.5**	83.4
Singapore	**96.6**	104.3	**109.0**	142.4
Germany	**15.3**	16.5	**89.2**	163.3
Kuwait	**220.7**	234.4	**70.3**	131.1
Rest of the world	**858.7**	1,094.8	**1,540.9**	1,272.7
Total	**4,880.0**	6,779.2	**5,442.2**	5,237.7

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 in the table above analyses total revenue and does not reflect the $8.0m (2021: $25.4m) exceptional item as disclosed on the Income Statement.

2 Revenue

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

In the following table, revenue is disaggregated by primary geographical market and major service line. The tables provided below analyses total revenue excluding our share of joint venture revenue.

Primary geographical market	**Projects 2022 $m**	Projects 2021 $m	**Operations 2022 $m**	Operations 2021 $m	**Consulting 2022 $m**	Consulting 2021 (restated) $m	**Built Environment Consulting 2022 (discontinued) $m**	Built Environment Consulting 2021 (discontinued) $m	**IVS 2022 $m**	IVS 2021 $m	**Total 2022 $m**	Total 2021 $m
USA	**593.7**	856.3	**457.5**	459.9	**233.3**	194.7	**544.7**	767.0	**139.0**	144.5	**1,968.2**	2,422.4
Europe	**379.1**	374.7	**820.4**	723.5	**188.2**	174.0	**62.3**	110.2	**27.5**	23.8	**1,477.5**	1,406.2
Rest of the world	**1,238.4**	1,108.8	**1,129.0**	914.7	**203.8**	230.5	**274.1**	311.1	**32.3**	32.3	**2,877.6**	2,597.4
Revenue	**2,211.2**	2,339.8	**2,406.9**	2,098.1	**625.3**	599.2	**881.1**	1,188.3	**198.8**	200.6	**6,323.3**	6,426.0
Major service lines												
Energy												
Oil & Gas	**704.7**	578.2	**1,989.7**	1,647.7	**316.6**	350.4	**-**	**-**	**18.7**	1.1	**3,029.7**	2,577.4
Power	**145.0**	97.2	**93.5**	70.4	**8.8**	13.0	**-**	**-**	**39.0**	64.7	**286.3**	245.3
Renewables, Hydrogen and Carbon Capture	**112.5**	258.2	**28.6**	25.1	**76.7**	59.0	**-**	**-**	**5.0**	2.3	**222.8**	344.6
Materials												
Refining & Chemicals	**801.3**	836.0	**224.9**	246.0	**62.5**	61.7	**-**	**-**	**-**	5.4	**1,088.7**	1,149.1
Minerals Processing and Life Sciences	**417.4**	441.1	**19.5**	22.1	**43.9**	57.0	**-**	**-**	**-**	39.7	**480.8**	559.9
Other												
Built Environment	**5.4**	5.8	**44.2**	68.8	**10.2**	5.5	**881.1**	1,188.3	**136.1**	87.4	**1,077.0**	1,355.8
Industrial Processes	**24.9**	123.1	**6.5**	18.0	**100.8**	42.9	-	**-**	**-**	-	**132.2**	184.0
Other	**-**	0.2	**-**	-	**5.8**	9.7	-	-	**-**	-	**5.8**	9.9
Revenue	**2,211.2**	2,339.8	**2,406.9**	2,098.1	**625.3**	599.2	**881.1**	1,188.3	**198.8**	200.6	**6,323.3**	6,426.0

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

2 Revenue (continued)

Revenue from continuing operations in 2022 included $4,262.4m (78%) (2021: $3,965.3m, 74%) from reimbursable contracts and $1,179.8m (22%) (2021: $1,272.4m, 26%) from lump sum contracts. The calculation of revenue from lump sum contracts is based on estimates and the amount recognised could increase or decrease.

Included within Operations is $6.2m (2021: $7.5m) of revenue which had no associated cost.

	Continuing operations		Discontinued operations		Total	
	2022 $m	2021 $m	**2022 $m**	2021 $m	**2022 $m**	2021 $m
Total revenue	**5,442.2**	5,237.7	**881.1**	1,188.3	**6,323.3**	6,426.0

Total revenue does not reflect the $8.0m (2021: $25.4m) exceptional item as disclosed on the Income Statement. This exceptional item relates to the Projects (2021: Investment Services) business unit.

Contract assets and liabilities

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

	2022 $m	2021 $m
Trade receivables	**679.6**	729.6
Non-current contract assets	**97.0**	66.5
Gross amounts due from customers	**556.9**	628.1
Gross amounts due to customers	**(113.0)**	(202.5)
	1,220.5	1,221.7

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.

Non-current contract assets of $97.0m includes $72.9m of gross amounts due from customers and $1.4m of trade receivables in relation to the Aegis contract as at 31 December 2022. The corresponding balances as at 31 December 2021 amounted to $66.5m, with $46.6m included in gross amounts due from customers and $19.9m of trade receivables. The increase in the non-current contract assets is mainly as a result of the Aegis contract progression towards completion. The Group has classified the receivable balances as non-current due to the element of uncertainty surrounding the timing of the receipt of these balances. Refer to note 21 for further details of the provisions recognised in respect of this contract.

Trade receivables and gross amounts due from customers are included within the 'Trade and other receivables' heading in the Group balance sheet. Gross amounts due to customers and deferred income are included within the 'Trade and other payables' heading in the Group balance sheet. A reduction in each of the balances outlined above is observed as a result of the disposal of the Built Environment Consulting business.

Revenue recognised in 2022 which was included in gross amounts due to customers and deferred income at the beginning of the year of $194.0m represents amounts included within contract liabilities at 1 January 2022. Revenue recognised from performance obligations satisfied in previous periods of $14.6m represents revenue recognised in 2022 for performance obligations which were considered operationally complete at 31 December 2021.

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 2022 was as follows:

$m	Year 1	Year 2	Total
Revenue	3,539.3	1,905.8	**5,445.1**

2 Revenue (continued)

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 represents contractually agreed backlog and does not include any amounts of variable consideration which are constrained. The Group continues to move into a reimbursable contract model, moving away from lump sum contracts which are inherently riskier. 83% of future performance obligations relate to reimbursable contracts and the remainder to lump sum.

3 Finance expense/(income)

	2022 $m	2021 $m (restated)
Interest payable on senior loan notes	**40.3**	35.9
Interest payable on borrowings	**47.2**	32.8
Amortisation of bank facility fees	**10.5**	7.4
Unwinding of discount on other liabilities	**0.9**	0.1
Lease interest (note 12)	**16.4**	17.7
Other interest expense	**11.9**	13.0
Finance expense – continuing operations (pre-exceptional items)	**127.2**	106.9
Unwinding of discount on asbestos provision (note 5)	**5.9**	6.3
Finance expense - total	**133.1**	113.2
Interest receivable	**(4.5)**	(3.1)
Interest income – retirement benefit obligations (note 33)	**(2.4)**	(0.2)
Finance income	**(6.9)**	(3.3)
Finance expense – total – net	**126.2**	109.9

Net interest expense of $4.4m (2021: $3.6m) has been deducted in arriving at the share of post-tax profit from joint ventures.

The unwinding of discount on the asbestos provision is $5.9m (2021: $6.3m) and includes the unwinding of discount on long-term asbestos receivables (note 21). This is presented within exceptional items in line with the Group's accounting policies.

4 Profit before taxation

	2022 $m	2021 $m
The following items have been charged/(credited) in arriving at profit before taxation:		
Employee benefits expense (note 32)	**3,130.0**	3,141.8
Amortisation of intangible assets (note 10)	**151.9**	189.9
Depreciation of property plant and equipment (note 11)	**25.2**	34.9
Depreciation of right of use assets (note 12)	**82.3**	101.9
Gain on disposal of property plant and equipment	**(1.6)**	(10.0)
Impairment of intangible assets	**542.3**	-
Foreign exchange losses	**4.2**	2.0

Depreciation of property plant and equipment is included in cost of sales or administrative expenses in the income statement. Amortisation of intangible assets is included in administrative expenses in the income statement.

An impairment charge of $542.3m was recorded against intangible assets and related to goodwill, brands and customer relationships.

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:

	2022 $m	2021 $m
Fees payable to the Group's auditors and its associate firms for		
Audit of parent company and consolidated financial statements	**8.7**	5.5
Audit of financial statements of subsidiaries of the Company	**2.4**	2.8
Total statutory audit fees	**11.1**	8.3
Fees payable to the Group's auditor for the audit of non-statutory financial statements	**0.6**	-
Audit related assurance services	**0.5**	0.4
Other assurance services	**1.4**	-
Tax and other services	**-**	0.1
	13.6	8.8

The ratio of audit related services to other non-audit services is 1: 0.18.

The fees of $8.7m disclosed for 'Audit of parent company and consolidated financial statements' disclosed in 2022 include $1.8m fees relating to audit work performed in respect of the 2021 consolidated financial statements.

Fees payable to the Group's auditor for the audit of non-statutory financial statements relate to the audit of carve-out financial statements of Built Environment Consulting.

Other assurance services are Reporting Accountant services performed by KPMG in relation to the Built Environment Consulting business disposal.

5 Exceptional items

	2022 $m	2021 $m
Exceptional items included in continuing operations		
Aegis contract loss (revenue)	**-**	25.4
Aegis contract loss (cost of sales)	**-**	73.9
Power and Industrial EPC losses (revenue)	**8.0**	-
Power and Industrial EPC losses (cost of sales)	**17.0**	-
Impairment of goodwill and intangible assets (note 10)	**542.3**	-
Gain on sale of business	**-**	(14.4)
Redundancy, restructuring and integration costs	**30.1**	73.9
Investigation support costs and provisions	**(4.2)**	-
Enterprise settlement	**35.6**	-
Asbestos yield curve, costs and charges	**21.5**	(3.1)
Russia exit costs and charges	**13.2**	-
Exceptional items included in continuing operations, before interest and tax	**663.5**	155.7
Unwinding of discount on asbestos provision	**5.9**	6.3
Tax charge/(credit) in relation to exceptional items	**5.2**	(1.2)
Impact of change in UK rate on prior year exceptional deferred tax	**-**	10.3
Recognition of deferred tax assets due to UK pension actuarial movements	**(41.6)**	-
Exceptional items included in continuing operations, net of interest and tax	**633.0**	171.1

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.

Power and Industrial EPC losses

The Power and Industrial EPC losses relates to events in 2022 which resulted in a further write down of fixed price contracts in the Power and Industrial EPC business, following the strategic decision to exit this market during 2021. By virtue of its size and nature of these projects being within a sector that the Group no longer operates, this was recorded as an exceptional charge through revenue and cost of sales. The negative revenue of $8.0m represents the impact of a reduction in total value of the contract and is in relation to revenue recognised in prior years.

Aegis contract loss
The Aegis contract loss in 2021 of $99.3m reflected an estimate of the full contract loss at that time.

Impairment charge of goodwill and intangible assets

The impairment charge recognised against goodwill and intangible assets amounts to $542.3m and is recorded within exceptional items by virtue of its size. The impairment charge was triggered by the disposal of the Built Environment Consulting business, increases in discount rates and lower expectations of profitability during the forecast period.

The disposal of the Built Environment Consulting business and increasing discount rates increased the risk of an impairment charge being recognised at the year end, as outlined in the Group's interim condensed financial statements. The discount rate increased by 1.35% since the half year which was largely driven by increases to risk free rates and higher market volatility.

Included within the impairment charge of $542.3m were impairments of $44.9m and $4.2m taken against the brand and customer relationships which were recognised on the acquisition of AFW. The Group performed an assessment over the brand asset recognised on acquisition of AFW. The carrying value of the brand was tested by considering its value in use, as it was determined that there is no readily available market to sell the brand as a standalone asset.

5 Exceptional items (continued)

Redundancy, restructuring and integration costs

During the year to 31 December 2022, $30.1m was incurred in relation to redundancy and restructuring activities. During 2022 the Group has continued to progress various initiatives which support the improved efficiency and enhancement of underlying group profitability in the medium to longer term. Included within the $30.1m were costs of around $11m in developing the new strategy which is expected to further enhance profitability and cash generation in the medium to long term.

Gain on sale of divestment of business

The gain in 2021 of $14.4m relates to the disposal of the Group's interest in Sulzer Wood Limited.

Enterprise settlement

The Enterprise claim was concluded in November 2022, with the amount settled being in excess of the amount provided for. Overall, the amount paid to Enterprise was higher than our underlying legal assessment of the merits of the case, but further drawn-out litigation was likely to be costly and carried a risk that a court awarded a figure higher than the amount paid. The charge in the year was classed as an exceptional item both by its nature, i.e. a historic litigation settlement, and by size.

Investigation support costs and provisions

The regulatory investigations were all closed out during the first half of 2021 and the agreed settlements were materially in line with the provision made at 31 December 2020. The $4.2m credit relates to the release of some provisions made for additional legal and other costs which were ultimately not needed. Certain amounts due to the SFO and COFPS have been deferred in line with agreed payment schedules and the disclosures in the financial statements reflect this.

Asbestos

All asbestos costs have been treated as exceptional on the basis that movements in the provision are non-trading and can be large and driven by market conditions which are out with the Group's control. Excluding these amounts from the trading results improves the understandability of the underlying trading performance of the Group.

The $21.5m charge (2021: credit $3.1m) principally comprises a $52.8m charge in the period that was a result of an updated actuarial review which updated the best estimate for recent claims experience and latest projections. This is offset by a credit of $31.3m in 2022, which comprises of a $35.6m yield curve credit as a result of higher discount rates (2021: $5.6m) and $4.3m (2021: $2.5m) of costs in relation to managing the claims. The 30-year US Treasury rate has increased to 3.97%, from 1.90% at the end of December 2021, and led to the income statement credit.

$5.9m of interest costs which relate to the unwinding of discount on the asbestos provision are also shown as exceptional (2021: $6.3m).

Russia exit costs and charges

The Group has incurred costs of $7.0m in relation to the exit of its business in Russia as a result of Government sanctions. The exceptional cost recognised during 2022 relates to early contract exits and associated losses, the closure of an office and other legal costs. In addition, the Group has impaired cash balances held within Russia by $6.2m. The Group has confidence in being able to utilise the remaining balance of $5m, disclosed as restricted cash in note 16, to meet these exit costs.

Tax

An exceptional tax credit of $36.4m (2021: $9.1m charge) has been recorded in continuing operations during the period. It consists of a $5.2m tax charge on exceptional items (2021: $1.2m credit) and an exceptional credit of $41.6m recognised due to the actuarial gain in relation to the UK defined benefit pension scheme. As deferred tax liabilities support the recognition of deferred tax assets, the additional $41.6m of deferred tax assets have been recognised through exceptional items based on its size. In 2021, a $10.3m tax charge was recognised relating to the change of the UK tax rate impacting on deferred tax balances created in prior years through exceptional items.

6 Taxation

	2022 $m	2021 $m
Current tax		
Current year	**188.5**	104.7
Adjustment in respect of prior years	**(14.8)**	(29.5)
	173.7	75.2
Deferred tax		
Origination and reversal of temporary differences	**62.7**	(23.7)
Adjustment in respect of prior years	**(0.2)**	3.4
	62.5	(20.3)
Total tax charge	**236.2**	54.9
Comprising		
Tax on continuing operations before exceptional items	**47.3**	32.4
Tax charge in relation to exceptional items (note 5)	**5.2**	9.1
Recognition of deferred tax assets due to UK pension actuarial movements (note 5)	**(41.6)**	-
Tax on discontinued operations	**225.3**	13.4
Total tax charge	**236.2**	54.9

Tax credited to other comprehensive income/expense	**2022 $m**	2021 $m
Deferred tax movement on retirement benefit liabilities	**41.6**	9.5
Tax on derivative financial instruments	**1.7**	3.4
Total credited to other comprehensive income/expense	**43.3**	12.9

Tax charged/(credited) to equity	**2022 $m**	2021 $m
Deferred tax impact of rate change	**0.8**	(4.5)
Other	**1.3**	0.1
Total charged/(credited) to equity	**2.1**	(4.4)

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

6 Taxation (continued)

Reconciliation of applicable tax charge at statutory rates to tax charge	2022 $m	2021 $m
Loss before taxation from continuing operations	**(694.5)**	(172.0)
Profit before taxation from discontinued operations (note 7)	**64.5**	91.4
Gain on sale of discontinued operation (note 7)	**514.5**	-
Less: Share of post-tax profit from joint ventures (note 13)	**(30.4)**	(31.5)
Loss before taxation from total operations (excluding profits from joint ventures)	**(145.9)**	(112.1)
Applicable tax charge at statutory rates	**36.5**	(16.6)
Effects of:		
Non-deductible expenses	**8.2**	11.4
Non-taxable income	**(1.0)**	(4.2)
Non-deductible expenses - exceptional	**332.8**	1.1
Non-taxable income - exceptional	**(0.3)**	(3.0)
Deferred tax recognition:		
Recognition of deferred tax assets not previously recognised	**(4.3)**	(19.4)
Utilisation of tax assets not previously recognised	**(12.4)**	(12.7)
Current year deferred tax assets not recognised	**37.7**	66.9
Write off of previously recognised deferred tax assets	**5.2**	22.4
Recognition due to UK pension actuarial loss	**(41.6)**	-
Utilisation of unrecognised deferred tax assets due to the Built Environment Consulting disposal	**(145.5)**	-
Irrecoverable withholding tax	**20.4**	10.4
US Base Erosion and Anti-abuse Tax	**6.7**	-
CFC charges	**2.3**	2.0
Uncertain tax provisions	**7.5**	23.6
Uncertain tax provisions prior year adjustments	**(26.7)**	(24.9)
Uncertain tax provisions prior year adjustments – Exceptional	**1.5**	-
Prior year adjustments	**7.7**	0.9
Prior year adjustments - exceptional	**2.5**	(2.2)
Impact of change in rates on deferred tax	**(1.0)**	(0.8)
Total tax charge	**236.2**	54.9
Comprising		
Tax charge on continuing operations	**10.9**	41.5
Tax charge on discontinued operations	**225.3**	13.4
Total tax charge	**236.2**	54.9

The weighted average of statutory tax rates is (25.0%) in 2022 (2021: 14.8%). The negative tax rate in 2022 reflects the overall profit before tax being a small loss, and the geographical split resulting in a taxable gain in relation to the disposal of the Built Environment Consulting business in the US, with losses in lower tax jurisdictions such as the UK.

The non-deductible expenses - exceptional relates to the impairment of goodwill, non-deductible expenses in relation to the Built Environment Consulting business disposal, and the impact of permanent adjustments relating to the taxable gain on disposal of the Built Environment Consulting business.

6 Taxation (continued)

The adjustments in respect of prior years largely relate to the release of uncertain tax positions as the final outcome on certain issues was agreed with tax authorities during the year or the statute of limitations for audit by the tax authorities expiring without challenge. The most significant element relates to a provision in Saudi Arabia, accrued in 2021, which has reduced as the Group has utilised an amnesty to settle the tax liability without penalty and without limiting the ability to appeal. The benefit is $11.7m, no other movements are individually significant.

The utilisation of deferred tax assets not previously recognised primarily relates to the utilisation of losses in the US against the gain on disposal of the Built Environment Consulting business.

In 2021 deferred tax of $18.3m in relation to undistributed reserves in Chile and Russia was released as it is not anticipated distributions will be paid in the foreseeable future triggering a tax liability. This amount was included within irrecoverable withholding tax.

During the year, the UK defined benefit pension fund asset on the Wood Pension Plan increased due to actuarial gains of $166.3m, resulting in the associated deferred tax liability increasing, with a debit shown in Other Comprehensive Income. The deferred tax liability supports the recognition of deferred tax assets, and as a result $41.6m (2021: $12.5m) has been recognised and a corresponding credit recognised in the profit and loss account. Due to the size of the credit in 2022 this has been recognized as an exceptional item.

Net income tax liabilities in the Group balance sheet include $108.0m (2021: $135.6m) 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 ($36.4m, 2021: $49.2m), group financing ($25.2m, 2021: $27.1m) and transfer pricing and tax residence ($9.6m, 2021: $9.2m). 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, $72.9m are currently under audit by tax authorities and the provision reflects the maximum potential liability reflecting the outcome of the audits being either no liability or the full risk being challenged. The outcome of the audits will determine if there is a credit to taxation in 2023. The remaining $35.1m comprises uncertain tax positions not yet under audit, none of which are individually material. Of the $35.1m, $0.7m will become statute barred for tax authority audit during 2023 if the tax authorities do not commence an audit.

Factors affecting the tax charge in future years

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

On 8 October 2021, 136 countries signed up to the OECDs Inclusive Framework. This includes an agreement for a minimum level of tax of 15% which it is planned will be in place for 2024. Based on the 2022 results, this would have resulted in an increase in the tax charge of $3.6m reflecting additional tax on profits in the UAE and the captive insurance company in Guernsey.

During 2022, the actuarial gain in relation to the UK pension fund has resulted in a recognition of deferred tax assets which can now be supported by the deferred tax liability related to the pensions asset. Whilst the movement in the deferred tax liability is taken to Other Comprehensive Income, the additional recognition of assets is taken to the Income Statement. The future tax charge will therefore be impacted by movements in the pension asset valuation with actuarial gains increasing deferred tax asset recognition and actuarial losses decreasing recognition. The deferred tax liability in relation to the UK pension fund at 31 December 2022 is $108.1m.

The UK Government announced in its budget on 3 March 2021, a rise in the rate of Corporation Tax from 19% to 25% from 1 April 2023. The increase is reflected in deferred tax in the accounts, however there is no impact as deferred tax assets are only recognised to the extent there are deferred tax liabilities in the UK. We anticipate the tax charge and cash tax payable is likely to increase from the 2023 year end onwards as a result of the rate rise.

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

Tax Policy

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

7 Discontinued operation

In September 2022, the Group announced it had completed an agreement to sell the Built Environment Consulting business, which is included within the Built Environment Consulting operating segment. This follows the strategic review outlined in the 2021 Annual Report and allows the Group to strengthen its balance sheet position and deliver value to shareholders.

The Built Environment Consulting business was classified as a discontinued operation from 1 January 2022, at which point the conditions under IFRS 5 were met. The comparative Group income statement and statement of comprehensive income have been restated to show the discontinued operation separately from continuing operations.

(i) Results of discontinued operation

	Note	**2022 $m**	2021 $m
External revenue		**881.1**	1,188.3
Cost of sales		**(759.6)**	(1,024.1)
Gross profit		**121.5**	164.2
Administrative expenses		**(48.6)**	(65.8)
Exceptional items – administrative expenses		**(6.7)**	(4.0)
Operating profit		**66.2**	94.4
Finance expense		**(1.7)**	(3.0)
Profit before tax		**64.5**	91.4
Taxation		**(7.9)**	(13.4)
Results from operating activities, net of tax		**56.6**	78.0
Gain on sale of discontinued operation		**514.5**	-
Income tax on gain on sale of discontinued operation (exceptional)		**(217.4)**	-
Profit from discontinued operation, net of tax		**353.7**	78.0
Earnings per share (cents)			
Basic	**9**	**52.0**	11.6
Diluted	**9**	**52.0**	11.6

The profit from the discontinued operation, net of tax of $353.7m (2021: $78.0m) is attributable entirely to the owners of the Company.

Exceptional items within administrative expenses of $6.7m relates to costs incurred on the Built Environment Consulting business disposal project.

Total disposal proceeds of $1,808.9m are receivable from the disposal of the Built Environment Consulting business during 2022. The final proceeds from the Built Environment Consulting business will be finalised during the first half of 2023 upon agreement of the completion balance sheet between the Group and WSP. The net impact of the disposal proceeds, less the net assets disposed, disposal costs, post completion accruals, elimination of R&D tax credits and FX recycling is a $514.5m gain on disposal. An exceptional tax charge in relation to the sale of the Built Environment Consulting business of $217.4m has been recognised.

The results of the discontinued operation contained in the table above excludes the impact of intercompany transactions with the rest of the Group. Intercompany revenue of $23.6m (2021: $37.6m) was generated by the discontinued operation in the period.

(ii) Cash flows from / (used in) discontinued operation

	Note	**2022 $m**	2021 $m
Net cash (used in)/generated from operating activities		**(6.0)**	106.6
Net cash generated from/(used in) investing activities		**1,748.4**	(6.1)
Net cash flows for the period		**1,742.4**	100.5

7 Discontinued operation (continued)

(iii) Effect of disposal on financial position of the Group

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

	$m
Intangible assets (note 10)	996.4
Deferred tax on intangible assets	(57.2)
Property, plant and equipment (note 11)	14.7
Right of use assets (note 12)	71.5
Trade and other receivables	384.6
Cash and cash equivalents	14.4
Deferred tax assets	39.0
Trade and other payables	(244.5)
Lease liabilities (note 12)	(62.7)
Income tax liabilities	(9.4)
Deferred tax liabilities	(37.0)
Retirement benefit obligations (note 33)	(2.8)
Provisions	(0.7)
Other non-current liabilities	(0.4)
Net assets and liabilities disposed	**1,105.9**
Post-acquisition foreign translation reserve	54.5
Elimination of R&D tax credits	74.7
Post completion accrual	14.4
Disposal costs	44.9
Adjusted balances disposed	**1,294.4**
Gross proceeds receivable	1,808.9
Gain on disposal	**514.5**

An adjustment of $54.5m to recycle the cumulative translation adjustment ('CTA') amounts through the profit and loss account have been recorded as part of the disposal.

Following the disposal of the Built Environment Consulting business the taxable US profits have significantly reduced, and therefore there is insufficient future forecast profitability to support the recognition of R&D tax credits of $74.7m. In addition, the Group have provided for probable outflows in cash of $14.4m relating to post-completion negotiations with the buyers.

The Group incurred $44.9m of costs in relation to the disposal of the Built Environment Consulting business, mainly consisting of professional fees, of which $39.5m has been paid at the year-end.

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

	$m
Gross proceeds received	1,805.3
Cash and cash equivalents disposed	(14.4)
Disposal costs paid	(39.5)
Cash inflow	**1,751.4**

8 Dividends

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

9 Earnings per share

	2022 (Losses)/ Earnings attributable to owners of the parent $m	**Number of shares m**	**Earnings/(losses) per share cents**	2021 Earnings/(losses) attributable to owners of the parent $m	Number of shares m	Earnings/(losses) per share cents
Basic pre-exceptional	**(13.7)**	**680.4**	**(2.0)**	35.6	675.6	5.3
Exceptional items, net of tax	**(342.6)**	**-**	**(50.4)**	(175.1)	-	(25.9)
Basic	**(356.3)**	**680.4**	**(52.4)**	(139.5)	675.6	(20.6)
Diluted	**(356.3)**	**680.4**	**(52.4)**	(139.5)	675.6	(20.6)
Adjusted diluted earnings per share						
Basic	**(356.3)**	**680.4**	**(52.4)**	(139.5)	675.6	(20.6)
	(356.3)	**680.4**	**(52.4)**	(139.5)	675.6	(20.6)
Exceptional items, net of tax	**342.6**	**-**	**50.4**	175.1	-	25.9
Amortisation related to acquisitions, net of	**52.5**	**-**	**7.7**	82.7	-	12.2
Adjusted diluted	**38.8**	**680.4**	**5.7**	118.3	675.6	17.5
Adjusted basic	**38.8**	**680.4**	**5.7**	118.3	675.6	17.5

i) (Losses)/earnings attributable to equity shareholders

	2022 Continuing operations $m	**Discontinued operations $m**	**Total $m**	2021 Continuing operations (restated) $m	Discontinued operations (restated) $m	Total (restated) $m
(Losses)/earnings attributable to equity shareholders (basic pre-exceptional)	**(77.0)**	**63.3**	**(13.7)**	(46.4)	82.0	35.6
Exceptional items, net of tax	**(633.0)**	**290.4**	**(342.6)**	(171.1)	(4.0)	(175.1)
(Losses)/earnings attributable to equity shareholders	**(710.0)**	**353.7**	**(356.3)**	(217.5)	78.0	(139.5)
Number of shares (basic)	**680.4**	**680.4**	**680.4**	675.6	675.6	675.6
Number of shares (diluted)	**680.4**	**680.4**	**680.4**	675.6	675.6	675.6
Basic earnings per share (cents)	**(104.4)**	**52.0**	**(52.4)**	(32.2)	11.6	(20.6)
Diluted earnings per share (cents)	**(104.4)**	**52.0**	**(52.4)**	(32.2)	11.6	(20.6)

9 Earnings per share (continued)

	2022			2021		
	Continuing operations $m	**Discontinued operations $m**	**Total $m**	Continuing operations (restated) $m	Discontinued operations (restated) $m	Total (restated) $m
(Losses)/earnings attributable to equity shareholders	**(710.0)**	**353.7**	**(356.3)**	(217.5)	78.0	(139.5)
Exceptional items, net of tax	**633.0**	**(290.4)**	**342.6**	171.1	4.0	175.1
Amortisation of intangibles on acquisition, net of tax	**52.5**	**-**	**52.5**	60.8	21.9	82.7
(Losses)/earnings attributable to equity shareholders (adjusted diluted)	**(24.5)**	**63.3**	**38.8**	14.4	103.9	118.3
(Losses)/earnings attributable to equity shareholders (adjusted basic)	**(24.5)**	**63.3**	**38.8**	14.4	103.9	118.3
Number of shares (diluted)	**680.4**	**680.4**	**680.4**	675.6	675.6	675.6
Number of shares (basic)	**680.4**	**680.4**	**680.4**	675.6	675.6	675.6
Adjusted diluted (cents)	**(3.6)**	**9.3**	**5.7**	2.1	15.4	17.5
Adjusted basic (cents)	**(3.6)**	**9.3**	**5.7**	2.1	15.4	17.5

As the Group has reported a basic loss (2021: loss) per ordinary share, any potential ordinary shares that are dilutive are excluded in the calculation of diluted earnings per share. These options could potentially dilute earnings per share in future periods. In accordance with IAS 33, the same weighted average number of shares has been used to calculate the adjusted EPS measures and as the unadjusted result is a loss, the dilutive effects have not been taken into account in this calculation. Had the result been a profit, an additional 25.6m of dilutive potential shares would have been used in the calculation of diluted EPS metrics, which would have reduced the adjusted diluted EPS by 0.2 cents.

In the comparative period, the Group reported an overall basic loss per ordinary share, therefore the effect of dilutive ordinary shares was excluded in the calculation of diluted earnings per share. Where profits have been made when disaggregating discontinued and continuing operations, the calculation of diluted earnings per share was performed on the same basis as the overall Group.

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

10 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 2022	5,226.2	288.8	815.7	183.9	661.0	7,175.6
Exchange movements	(173.2)	(40.3)	(21.8)	(2.8)	(13.3)	(251.4)
Additions	-	115.9	-	-	-	115.9
Disposals	-	(3.4)	-	-	-	(3.4)
Businesses divested (note 7)	(775.6)	(17.8)	(137.8)	(24.1)	(168.3)	(1,123.6)
At 31 December 2022	**4,277.4**	**343.2**	**656.1**	**157.0**	**479.4**	**5,913.1**
Amortisation and impairment						
At 1 January 2022	0.8	205.7	581.2	171.7	140.9	1,100.3
Exchange movements	(5.2)	(33.4)	(15.8)	(2.5)	(3.0)	(59.9)
Amortisation charge	-	87.5	28.4	11.9	24.1	151.9
Impairment	493.2	-	4.2	-	44.9	542.3
Disposals	-	(3.4)	-	-	-	(3.4)
Businesses divested (note 7)	-	(17.0)	(50.3)	(24.1)	(35.8)	(127.2)
At 31 December 2022	**488.8**	**239.4**	**547.7**	**157.0**	**171.1**	**1,604.0**
Net book value at 31 December 2022	**3,788.6**	**103.8**	**108.4**	**-**	**308.3**	**4,309.1**
Cost						
At 1 January 2021	5,266.4	323.6	822.2	184.9	664.4	7,261.5
Exchange movements	(40.2)	(3.6)	(6.5)	(1.0)	(3.4)	(54.7)
Additions	-	94.2	-	-	-	94.2
Disposals	-	(125.4)	-	-	-	(125.4)
At 31 December 2021	**5,226.2**	**288.8**	**815.7**	**183.9**	**661.0**	**7,175.6**
Amortisation and impairment						
At 1 January 2021	0.8	245.3	542.5	148.3	108.4	1,045.3
Exchange movements	-	(3.2)	(4.8)	(0.8)	(0.7)	(9.5)
Amortisation charge	-	89.0	43.5	24.2	33.2	189.9
Disposals	-	(125.4)	-	-	-	(125.4)
At 31 December 2021	**0.8**	**205.7**	**581.2**	**171.7**	**140.9**	**1,100.3**
Net book value at 31 December 2021	**5,225.4**	**83.1**	**234.5**	**12.2**	**520.1**	**6,075.3**

10 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 2022 (the "test date"). The Group has five CGUs and Goodwill is monitored by management at CGU level. The allocation of Goodwill by CGU as at the test date is shown in the table below.

Value-in-use calculations have been prepared for each CGU using the cash flow projections included in the financial forecasts prepared by management and approved by the Board for the period 2023 through to 2027. In preparing the forecasts, management have considered market outlook; growth in market share; resource utilisation; contract backlog; contract margins; and assumed contract awards. The key market drivers, within energy, include energy security driven by the ongoing conflict in Ukraine and supporting energy transition in our focus markets, such as hydrogen and carbon capture. Our materials growth drivers are also underpinned by transition to net zero, as well as increased consumer demand driven by population growth and higher standards of living. The Group's impairment model assumes combined annual growth in market share for the majority of sectors of around 5% of its current market share to 2025 and leads to a revenue CAGR of 14.2% and 4.8% for Projects and Operations respectively. The Projects CAGR includes growth from the life sciences sector where Projects is expected to leverage from its existing engineering capabilities and client relationships to grow its market share. If this growth does not materialise, there is a risk of further impairment in the Projects and Operations CGUs.

The projected growth in the CGUs is underpinned by the Group's strategy to fully capitalise on the engineering capabilities of each of the CGUs to help our clients move to net zero through the energy transition and decarbonisation. In addition to applying decarbonization capabilities within each CGU across each of the growth markets, digitization is another key driver which is expected to draw demand for the digital tools, products and capabilities offered by the Consulting CGU. During 2022 each of the CGUs have had significant contract wins in energy transition and decarbonisation and are therefore well placed to benefit from significant levels of investment required by our clients to achieve net zero. The Group have also considered that there are risks associated with energy transition, including energy transition and industrial decarbonisation markets not generating sufficient revenues to meet targets, which may also impact the Group's ability to attract or retain the appropriately skilled workforce which could prevent the Group from competing for work in this space. However, offsetting this risk is the large near-term addressable market focused on energy security within oil and gas along with the desire of those clients to pursue net-zero and decarbonization efforts. These projects are supporting the energy security agenda as major economies aim to reduce their dependency on Russian oil and gas, whilst also ensuring affordable energy for consumers.

The terminal growth rates assumed from 2027 do not exceed the long-term average historical growth rates for the regions and sectors in which the CGUs operate. The Group is well placed to benefit from the significant long term growth opportunities from Energy Transition, which has been considered in determining long term growth rates. Management reviewed independent forecasts which set out the long-term investment required in order to achieve net zero. This long-term annual growth was then applied to each of the CGUs based on current activity levels. Accordingly, the long-term growth rates assumed in the model are 2.4% for Operations (2021: 2.6%); 2.4% for Projects (2021: 2.7%); and 2.4% (2021: 2.5%) for Consulting.

The cash flows have been discounted using discount rates appropriate for each CGU, and these rates are reviewed for each impairment review performed. The discount rate is a critical assumption in the impairment test and the significant volatility in financial markets has led to an increase in the discount rate. The Group have considered the additional specific risks related to each business such as country risk and forecasting risk. The pre-tax rates used for the 2022 review are tabulated as follows and were derived from the Group WACC calculation with specific adjustments for CGU specific risks including country risk premiums:

Cash Generating Unit	**Pre-tax discount rate 2022 %**	Pre-tax discount rate 2021 %	**Post-tax discount rate 2022 %**	Post-tax discount rate 2021 %
Projects	**13.2**	10.6	**11.0**	9.3
Operations	**12.9**	10.2	**10.5**	8.9
Consulting	**12.2**	10.2	**9.9**	8.8
Kelchner	**12.4**	10.4	**10.4**	9.6
Swaggart	**12.8**	10.4	**10.4**	9.6

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

Cash Generating Unit	%
Projects	11.9
Consulting	14.9
Kelchner	28.9
Swaggart	18.0

10 Goodwill and other intangible assets (continued)

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

Cash Generating Unit	**Goodwill carrying value 2022 Test date $m**	Goodwill carrying value 2021 Test date $m
Projects	**2,280.8**	2,353.8
Operations	**1,594.8**	1,645.4
Consulting	**372.4**	1,193.0
Kelchner	**16.9**	16.9
Swaggart	**16.3**	16.3

The headroom for Projects was $153m and the Group recognised an impairment charge of $313m within the Operations CGU based on the assumptions described above. The recoverable amount of the Operations CGU at the test date was $1,408m. The key assumptions used in the impairment model for these CGUs are discount rate, long term growth rate and revenue growth. There are reasonable changes in assumptions that would result in an impairment for Projects. If the post-tax discount rate was 1.5% higher for Projects, the impairment would be $238m. A 2.0% reduction in revenue CAGR over the forecast period would reduce headroom to $nil and a 0.7% reduction in the long-term growth rate would also reduce headroom to $nil. The Operations post tax discount rate would need to be 1.5% lower to reduce the impairment charge to $nil. A 1.5% increase in the post-tax discount rate would increase the impairment charge to $530m and a 1% reduction in the long-term growth rate would increase the impairment charge to $427m. A 1% reduction in the revenue CAGR would increase the impairment charge to $370m.

The carrying values of the corporate assets that were not allocated to the above cash generating units above were $73.2m (2021: $91m) 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 Group post tax discount rate was 9.7% (pre-tax 11.5%) and a terminal growth rate of 2.4% was applied to the forecast consolidated cash flows of the Group, including the unallocated central costs. The recoverable amount of the Group at the test date was $4,373m and highlighted an additional $180m of impairment to be allocated to the CGUs. The Group post-tax discount rate would need to be 0.3% lower to reduce the impairment charge to $nil.

Intangible assets arising on acquisition include the valuation of customer contracts and relationships, order backlog and brands recognised on business combinations. As part of the annual impairment review, Group management has assessed whether there were any impairment triggers. Following the recent material disposals, including the built environment and nuclear businesses in 2022 and 2020 respectively, an impairment review was carried out over the brand assets recognised on acquisition of AFW in 2017. Management considered the sectors that the Group is targeting as part of its refreshed strategy, and considered whether these benefit from the brand, which reflected AFW's history and capabilities in certain markets. This impairment review resulted in an impairment of $44.9m being recognised and a reduction in the remaining useful life to 11 years, or a total useful life since acquisition of 16 years.

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 was being amortised over periods of 2 to 5 years and has fully amortised. Brands recognised relate entirely to the acquisition of AFW and the remaining carrying value is being amortised over a period of 11 years.

Software and development costs includes internally generated assets with a net book value of $36.9m at 31 December 2022 (2021: $25.4m). $19.9m (2021: $9.4m) 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.

11 Property plant and equipment

	Land and Buildings $m	Plant and equipment $m	Total $m
Cost			
At 1 January 2022	86.7	115.7	202.4
Exchange movements	(5.3)	(10.9)	(16.2)
Additions	1.5	26.1	27.6
Disposals	(11.0)	(21.7)	(32.7)
Businesses divested (note 7)	(22.1)	(28.1)	(50.2)
Reclassifications	1.8	(1.8)	-
At 31 December 2022	**51.6**	**79.3**	**130.9**
Accumulated depreciation and impairment			
At 1 January 2022	50.5	49.7	100.2
Exchange movements	(3.5)	(11.4)	(14.9)
Charge for the year	5.5	19.7	25.2
Disposals	(7.5)	(19.4)	(26.9)
Businesses divested (note 7)	(18.3)	(17.2)	(35.5)
Reclassifications	1.8	(1.8)	-
Impairment	-	0.4	0.4
At 31 December 2022	**28.5**	**20.0**	**48.5**
Net book value at 31 December 2022	**23.1**	**59.3**	**82.4**
Cost			
At 1 January 2021	63.1	174.5	237.6
Exchange movements	(1.2)	(3.2)	(4.4)
Additions	2.7	19.7	22.4
Disposals	(5.4)	(47.8)	(53.2)
Reclassifications	27.5	(27.5)	-
At 31 December 2021	**86.7**	**115.7**	**202.4**
Accumulated depreciation and impairment			
At 1 January 2021	31.2	80.0	111.2
Exchange movements	(0.8)	(4.4)	(5.2)
Charge for the year	9.0	25.9	34.9
Disposals	(5.0)	(39.7)	(44.7)
Reclassifications	12.5	(12.5)	-
Impairment	3.6	0.4	4.0
At 31 December 2021	**50.5**	**49.7**	**100.2**
Net book value at 31 December 2021	**36.2**	**66.0**	**102.2**

The net book value of Land and Buildings includes $14.0m (2021: $21.8m) of Long Leasehold and Freehold property and $9.1m (2021: $14.4m) of Short Leasehold property. There were no material amounts in assets under construction at 31 December 2022. During 2021, net book value of $15.0m relating to Long Freehold property which was previously included within 'Plant and equipment' was reclassified to 'Land and Buildings'. This net book value comprises $27.5m of cost offset by $12.5m of accumulated depreciation and impairment.

12 Leases

Right of use assets	Land and Buildings $m	Plant and equipment $m	Total $m
Net book value			
At 1 January 2022	316.6	39.5	356.1
Exchange movements	(17.5)	(2.1)	(19.6)
Additions	67.8	27.0	94.8
Disposals	(1.5)	-	(1.5)
Businesses divested (note 7)	(53.7)	(17.8)	(71.5)
Depreciation of right of use assets	(62.2)	(20.1)	(82.3)
At 31 December 2022	**249.5**	**26.5**	**276.0**

Lease liabilities	
At 1 January 2022	449.8
Exchange movements	(27.0)
Additions	91.9
Disposals	(5.4)
Businesses divested (note 7)	(62.7)
Interest expense related to lease liabilities	17.9
Repayment of lease liabilities	(121.6)
At 31 December 2022	**342.9**

Right of use assets			
Net book value			
At 1 January 2021	380.5	28.4	408.9
Exchange movements	(3.4)	(2.6)	(6.0)
Additions	35.9	30.8	66.7
Disposals	(9.3)	(0.3)	(9.6)
Impairment	(2.0)	-	(2.0)
Depreciation of right of use assets	(85.1)	(16.8)	(101.9)
At 31 December 2021	**316.6**	**39.5**	**356.1**

Lease liabilities	
At 1 January 2021	541.4
Exchange movements	(4.2)
Additions	70.5
Disposals	(10.6)
Interest expense related to lease liabilities	20.3
Repayment of lease liabilities	(167.6)
At 31 December 2021	**449.8**

Included in the above, the Group has finance leases liabilities totalling $16.2m (2021: $13.5m) in addition to the IFRS 16 lease liabilities in respect of leases previously classified as operating leases under IAS 17.

12 Leases (continued)

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

	2022	2021
	$m	$m
Current lease liability	**83.2**	118.3
Non-current lease liability	**259.7**	331.5
Total lease liability	**342.9**	449.8

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	**62.2**	85.1
Plant and equipment	**20.1**	16.8
Charged to operating profit	**82.3**	101.9
Interest expense related to lease liabilities	**17.9**	20.3
Charge to profit/(loss) before taxation for leases	**100.2**	122.2

The Group leases real estate, including land, buildings and warehouses, machinery/equipment, vehicles and IT equipment. The right of use assets generate cash flows as part of the cash generating units disclosed in note 10. 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.

13 Investment in joint ventures and other investments

The Group operates a number of joint ventures companies, the most significant of which are its turbine JV's, EthosEnergy Group Limited and RWG (Repair & Overhauls) Limited. The Group considers these to be joint arrangements on the basis that two or more parties have joint control, which is defined as the contractually agreed sharing of control and exists only when decisions about the relevant activities of the joint arrangement require the unanimous consent of the parties sharing control. The Group has a 51% shareholding in EthosEnergy, a provider of rotating equipment services and solutions to the power, oil and gas and industrial markets. EthosEnergy is domiciled and headquartered in Aberdeen, Scotland. The Group has a 50% shareholding in RWG, a provider of repair and overhaul services to the oil and gas, power generation and marine propulsion industries. RWG is based in Aberdeen, Scotland.

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

	EthosEnergy (100%)		**RWG (100%)**	
	2022 $m	2021 $m	**2022 $m**	2021 $m
Non-current assets	**137.9**	121.7	**57.9**	65.7
Current assets	**520.7**	517.9	**141.4**	155.3
Current liabilities	**(347.7)**	(335.9)	**(74.6)**	(94.2)
Non-current liabilities	**(78.7)**	(66.9)	**(7.7)**	(6.8)
Net assets	**232.2**	236.8	**117.0**	120.0
Wood Group share	**118.4**	120.8	**58.5**	60.0
Accumulated impairments and other adjustments	**(65.9)**	(70.8)	**-**	-
Wood Group investment	**52.5**	50.0	**58.5**	60.0
Revenue	**824.8**	832.7	**234.3**	237.9
Cost of sales	**(721.5)**	(701.4)	**(169.8)**	(170.9)
Administrative expenses	**(80.5)**	(103.3)	**(31.2)**	(32.7)
Exceptional items	**-**	-	**-**	-
Operating profit	**22.8**	28.0	**33.3**	34.3
Finance expense	**(7.5)**	(6.1)	**(0.8)**	(0.8)
Profit before tax	**15.3**	21.9	**32.5**	33.5
Tax	**(6.4)**	(8.5)	**(6.5)**	(7.1)
Post-tax profit from joint ventures	**8.9**	13.4	**26.0**	26.4
Wood Group share	**4.5**	6.8	**13.0**	13.2

Cash and cash equivalents amounted to $48.2m (2021: $77.5m) and $13.9m (2021: $8.2m) for EthosEnergy and RWG respectively.

Depreciation amounted to $29.0m (2021: $16.6m) and $9.2m (2021: $4.3m) for EthosEnergy and RWG respectively.

Amortisation amounted to $0.9m (2021: $1.0m) and $2.1m (2021: $2.5m) for EthosEnergy and RWG respectively.

EthosEnergy's net debt at 31 December 2022 amounted to $85.7m (2021: $37.5m).

RWG had net cash at 31 December 2022 of $5.1m (2021: $1.8m).

The aggregate carrying amount of the Group's other equity accounted joint ventures, which individually are not material, amounted to $45.5m at 31 December 2022 (2021: $59.7m).

13 Investment in joint ventures and other investments (continued)

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

	2022 $m	2021 $m
Revenue	**754.7**	753.1
Cost of sales	**(641.8)**	(624.9)
Administrative expenses	**(68.2)**	(81.4)
Operating profit	**44.7**	46.8
Net finance expense	**(4.4)**	(3.6)
Profit before tax	**40.3**	43.2
Tax	**(9.9)**	(11.7)
Share of post-tax profit from joint ventures	**30.4**	31.5

The movement in investment in joint ventures is shown below:

	2022 $m	2021 $m
At 1 January	**169.7**	168.7
Exchange movements on retranslation of net assets	**(11.9)**	0.3
Share of profit after tax	**30.4**	31.5
Dividends received	**(30.1)**	(26.3)
Impairment of joint ventures	**(2.0)**	-
Additions	**0.4**	-
Disposals (note 7)	**-**	(4.5)
At 31 December	**156.5**	169.7

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

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

A full list of subsidiary and joint venture entities is included in note 38.

Other investments

Other investments of $56.0m (2021: $75.9m) includes $55.6m (2021: $75.9m) relating to the US SERP defined contribution scheme referred to in note 33. 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 19).

14 Inventories

	2022 $m	2021 $m
Materials	**3.1**	3.7
Work in progress	**-**	0.3
Finished goods and goods for resale	**8.0**	11.9
	11.1	15.9

15 Trade and other receivables

	2022 $m	2021 $m
Trade receivables	**744.6**	805.5
Less: provision for impairment of trade receivables	**(65.0)**	(75.9)
Trade receivables – net	**679.6**	729.6
Gross amounts due from customers	**556.9**	628.1
Prepayments	**84.6**	105.8
Amounts due from joint ventures	**8.9**	13.1
Asbestos related insurance recoveries	**11.1**	13.5
Research and development credits	**24.7**	119.1
Other receivables	**179.2**	182.1
Trade and other receivables – current	**1,545.0**	1,791.3
Long term receivables – asbestos related insurance recoveries	**24.4**	34.0
Long term receivables – other	**105.1**	73.5
Total receivables	**1,674.5**	1,898.8

As at 31 December 2022, the Group had received $200.0m (2021: $200.0m) of cash relating to a non-recourse financing arrangement with one of its banks. An equivalent amount of trade receivables was derecognised on receipt of the cash. At 31 December 2022, $113.6m (2021: $79.4m) had been received from customers in the normal course of business in relation to the same amounts received from the facility. This $113.6m (2021: $79.4m) is due to be paid over to the bank and is included in trade payables. The impact of both the cash received from the facility and the cash received from customers is included within cash generated from operations.

Included within other long-term receivables of $105.1m (2021: $73.5m) are contract assets of $74.3m (2021: $66.5m) in relation to the Aegis contract. Refer to note 21 for further details of the provisions recognised in respect of this contract.

Financial assets

	2022 $m	2021 $m
Derivative financial instruments (note 20)	**10.8**	7.7
	10.8	7.7

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

31 December 2022	**Trade receivables - Gross $m**	**Provision for impairment $m**	**Trade receivables – Net $m**	**Receivable days**
Projects	**371.1**	**(40.4)**	**330.7**	**76**
Operations	**197.4**	**(5.3)**	**192.1**	**42**
Consulting	**105.1**	**(3.8)**	**101.3**	**75**
Investment Services	**71.0**	**(15.5)**	**55.5**	**73**
Total Group	**744.6**	**(65.0)**	**679.6**	**67**

15 Trade and other receivables (continued)

31 December 2021	Trade receivables - Gross $m	Provision for impairment $m	Trade receivables – Net $m	Receivable days
Projects	318.1	(43.7)	274.4	73
Operations	162.2	(8.2)	154.0	47
Consulting	91.5	(3.7)	87.8	76
Built Environment Consulting	175.3	(5.1)	170.2	81
Investment Services	58.4	(15.2)	43.2	49
Total Group	805.5	(75.9)	729.6	69

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 67 indicates that closing trade receivables represent on average the most recent 67 days of revenue.

Receivable days for Investment Services has been adjusted to exclude the impact of the Aegis project for both 2022 and 2021. The Total Group Receivable days reflects all Group activity including Aegis.

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

	2022 $m	2021 $m
Up to 3 months	**2.6**	0.8
Over 3 months	**62.4**	75.1
	65.0	75.9

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

2022	Projects $m	Operations $m	Consulting $m	Built Environment Consulting $m	Investment Services $m	Total $m
At 1 January	**43.7**	**8.2**	**3.7**	**5.1**	**15.2**	**75.9**
Exchange movements	**(2.7)**	**(0.1)**	**0.1**	**-**	**(0.6)**	**(3.3)**
Disposed during year	**-**	**-**	**-**	**(4.1)**	**-**	**(4.1)**
Reclassed during year	**-**	**0.1**	**(0.9)**	**-**	**-**	**(0.8)**
Transfers during year	**(0.1)**	**0.1**	**-**	**-**	**0.1**	**0.1**
Provided during year	**4.2**	**0.7**	**1.6**	**(0.2)**	**1.5**	**7.8**
Utilised during year	**(3.5)**	**(3.3)**	**(0.2)**	**-**	**-**	**(7.0)**
Released during year	**(1.2)**	**(0.4)**	**(0.5)**	**(0.8)**	**(0.7)**	**(3.6)**
At 31 December	**40.4**	**5.3**	**3.8**	**-**	**15.5**	**65.0**
2021						
At 1 January	58.8	7.3	4.4	5.9	18.4	94.8
Exchange movements	(2.8)	(0.1)	(-)	(0.1)	(0.7)	(3.7)
Reclassed during year	-	-	(0.1)	-	1.0	0.9
Transfers during year	(0.1)	0.1	(0.1)	-	-	(0.1)
Provided during year	3.0	2.2	0.8	(0.7)	0.3	5.6
Utilised during year	(2.4)	(0.9)	(1.0)	-	(3.6)	(7.9)
Released during year	(12.8)	(0.4)	(0.3)	-	(0.2)	(13.7)
At 31 December	43.7	8.2	3.7	5.1	15.2	75.9

15 Trade and other receivables (continued)

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

Included within gross trade receivables of $744.6m above (2021: $805.5m) and gross amounts due from customers of $556.9m (2021: $628.1m) are contract assets of $244.6m (2021: $203.4m) which were past due. These relate to customers for whom there is no recent history or expectation of default. The ageing analysis of these contract assets is as follows:

	2022 $m	2021 $m
Up to 3 months overdue	**117.9**	89.6
Over 3 months overdue	**126.7**	113.8
	244.6	203.4

The above analysis excludes retentions relating to contracts in progress of $67.2m (2021: $90.5m).

16 Cash and cash equivalents

	2022 $m	2021 $m
Cash at bank and in hand	**521.7**	480.0
Short-term bank deposits	**-**	10.5
Restricted cash	**15.0**	12.5
	536.7	503.0

Cash at bank and in hand at 31 December 2022 includes $328.4m (2021: $240.4m) that is part of the Group's cash pooling arrangements and both cash and borrowings are grossed up by this amount in the financial statements.

The effective interest rate on short-term deposits at 31 December 2022 was nil% (2021: 2.8%) and these deposits have an average maturity of zero days (2021: 20 days).

The restricted cash balance comprises $10.0m (2021: $12.5m) of cash held in jurisdictions where there is insufficient liquidity in the local market to allow for immediate repatriation. The remaining $5.0m (2021: $nil) relates to balances held within Russia that are impacted by the sanctions associated with Russia's invasion of Ukraine. Management considers it appropriate to include the restricted cash balance in the Group's net debt figure (see note 30) on the basis that it meets the definition of cash, albeit is not readily available to the Group.

17 Trade and other payables

	2022 $m	2021 $m
Trade payables	**550.6**	856.6
Gross amounts due to customers	**15.6**	87.5
Deferred income	**97.4**	115.0
Other tax and social security payable	**58.2**	58.3
Accruals	**637.0**	483.1
Derivative financial instruments	**10.8**	3.7
Amounts due to joint ventures	**0.3**	0.4
Asbestos related payables	**59.5**	54.5
Other payables	**258.2**	339.5
	1,687.6	1,998.6

Trade payables includes $113.6m (2021: $79.4m) relating to cash received from customers which is due to be paid over to the bank.

17 Trade and other payables

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

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

Other payables includes project related and other liabilities which include the amounts due under the investigation which was concluded in 2021 of $37.3m.

18 Borrowings

	2022 **$m**	2021 $m
Bank loans and overdrafts due within one year or on demand		
Unsecured	**345.9**	246.9
Senior loan notes		
Unsecured	**-**	35.0
Total current borrowings	**345.9**	281.9
Non-current bank loans		
Unsecured	**232.0**	845.8
Senior loan notes		
Unsecured	**352.0**	768.3
Total non-current borrowings	**584.0**	1,614.1

Borrowings of $328.4m (2021: $240.4m) that are part of the Group's cash pooling arrangements and are netted against cash for internal reporting purposes are grossed up in the short-term borrowings figure above.

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

Following the disposal of the Built Environment Consulting business in September, the Group repaid $400.0m of the $600.0m term loan and the agreed early repayment totalling $416.3m of the US Private Placement loan notes. The Group had total facilities of $1,866.9m as at 31 December 2022, which comprises of a $200.0m term loan maturing in July 2026, $1,200.0m of Revolving Credit Facility maturing in October 2026, $352.0m of senior loan notes in the US private placement market with varying maturities and $114.9m of other banking facilities.

Of the non-current borrowings of $584.0m, $50.4m is denominated in sterling and the balance in US dollars.

The Group's principal borrowing facilities at 31 December 2022 are set out in the table below.

Facility	**Total available $m**	**Drawn at 31 December 2022 $m**	**Undrawn at 31 December 2022 $m**	**Repayable**
Term loan	**200.0**	**200.0**	**-**	July 2026
Revolving credit facility	**1,200.0**	**42.1**	**1,157.9**	October 2026
Senior loan notes	**352.0**	**352.0**	**-**	Various dates
Other facilities	**114.9**	**5.2**	**109.7**	Various dates
Accrued interest	**-**	**12.2**	**(12.2)**	N/A
Unamortised fees	**-**	**(10.0)**	**10.0**	N/A
	1,866.9	**601.5**	**1,265.4**	

The above table excludes borrowings of $328.4m that are part of the Group's cash pooling arrangements and are offset by equivalent cash balances.

18 Borrowings (continued)

The Group has $352.0m (2021: $803.3m) of unsecured senior loan notes issued in the US private placement market. The notes mature at varying dates between 2024 and 2031 as shown in the table below. Interest is payable at an average rate of 5.95% (2021: 4.21%).

Repayable	2022 $m	2021 $m
July 2022	**-**	35.0
July 2024	**11.5**	25.0
August 2024	**55.1**	120.0
November 2024	**23.0**	50.0
July 2026	**57.4**	127.3
August 2026	**58.8**	128.0
February 2027	**18.4**	40.0
February 2029	**46.0**	100.0
July 2029	**59.5**	129.5
July 2031	**22.3**	48.5
	352.0	803.3

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

	2022 %	2021 %
US dollar	**4.79**	1.79
Sterling	**5.09**	1.40
Euro	**3.02**	1.11

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

	2022 $m	2021 $m
US Dollar	**611.6**	1,537.3
Sterling	**176.7**	69.0
Euro	**120.0**	282.1
Other	**21.6**	7.6
	929.9	1,896.0

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 2022, the Group's bank facilities relating to the issue of bonds, guarantees and letters of credit amounted to $1,244.2m (2021: $1,292.9m). At 31 December 2022, these facilities were 61% utilised (2021: 65%).

18 Borrowings (continued)

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

	2022 $m	2021 $m
Expiring within one year	**109.7**	148.9
Expiring between one and two years	**-**	-
Expiring between two and five years	**1,155.7**	954.2
	1,265.4	1,103.1

All undrawn borrowing facilities are floating rate facilities. The facilities expiring within one year are annual facilities subject to review at various dates during 2023. The Group was in compliance with its bank covenants throughout the year.

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

	Short term borrowings $m	Long term borrowings $m	Lease liabilities $m	Total $m
Balance 1 January 2022	**281.9**	**1,614.1**	**449.8**	**2,345.8**
Changes from financing cash flows				
Repayments of long-term borrowings	**-**	**(1,039.1)**	**-**	**(1,039.1)**
Repayments of short-term borrowings	**(35.0)**	**-**	**-**	**(35.0)**
(Proceeds from short-term borrowings	**88.0**	**-**	**-**	**88.0**
Payment of lease liabilities (note 12)	**-**	**-**	**(121.6)**	**(121.6)**
Total changes from financing activities	**53.0**	**(1,039.1)**	**(121.6)**	**(1,107.7)**
Effects of changes in foreign exchange rates (note 30)	**(1.2)**	**0.1**	**(27.0)**	**(28.1)**
Other changes				
New leases (note 12)	**-**	**-**	**23.8**	**23.8**
Interest expense (note 3)	**-**	**98.1**	**17.9**	**116.0**
Interest paid	**-**	**(98.1)**	**-**	**(98.1)**
Other movements	**12.2**	**8.9**	**-**	**21.1**
Total liability other changes	**12.2**	**8.9**	**41.7**	**62.8**
Balance at 31 December 2022	**345.9**	**584.0**	**342.9**	**1,272.8**

18 Borrowings (continued)

	Short term borrowings $m	Long term borrowings $m	Lease liabilities $m	Total $m
Balance 1 January 2021	315.3	1,296.5	541.4	2,153.2
Changes from financing cash flows				
Repayment of long-term borrowings	-	329.3	-	329.3
Repayment of short-term borrowings	(33.5)	-	-	(33.5)
Payment of lease liabilities (note 12)	-	-	(167.6)	(167.6)
Total changes from financing activities	(33.5)	329.3	(167.6)	128.2
Effects of changes in foreign exchange rates (note 30)	0.1	0.4	(4.2)	(3.7)
Other changes				
New leases (note 12)	-	-	59.9	59.9
Interest expense (note 3)	-	87.5	20.3	107.8
Interest paid	-	(87.5)	-	(87.5)
Other movements	-	(12.1)	-	(12.1)
Total liability other changes	-	(12.1)	80.2	68.1
Balance at 31 December 2021	281.9	1,614.1	449.8	2,345.8

19 Other non-current liabilities

	2022 $m	2021 $m
Derivative financial instruments	**-**	8.1
Other payables	**106.8**	191.7
	106.8	199.8

Other payables include $33.6m in respect of the regulatory investigations, which were closed out during 2021 and represents payments due in 2024, $55.6m (2021: $75.9m) relating to the US SERP pension arrangement referred to in note 33 and unfavourable leases of $3.3m (2021: $8.6m). Unfavourable lease liabilities represent non-lease components, such as facilities costs which are not included within the IFRS 16 lease liability.

20 Financial instruments

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

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

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

(a) Market risk

(i) Foreign exchange risk

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

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

	2022 Notional contract amount $m	2021 Notional contract amount $m	2022 Carrying amount and fair value $m	2021 Carrying amount and fair value $m
Current assets	**144.9**	99.4	**2.1**	1.3
Current liabilities	**(180.7)**	(52.5)	**(4.8)**	(1.0)

A net foreign exchange loss of $3.0m (2021: $0.9m) 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.

	2022 Notional contract amount $m	2021 Notional contract amount $m	2022 Carrying amount and fair value $m	2021 Carrying amount and fair value $m
Current assets	**990.4**	583.2	**8.7**	6.4
Current liabilities	**(337.8)**	(411.9)	**(6.0)**	(2.7)

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.

20 Financial instruments (continued)

(ii) Interest rate risk

The Group finances its operations through a mixture of retained profits and debt. The Group borrows in the desired currencies at a mixture of fixed and floating rates of interest to manage the Group's exposure to interest rate fluctuations. At 31 December 2022, 53% (2021: 52%) of the Group's borrowings were at fixed rates. The Group is also exposed to interest rate risk on cash held on deposit. The Group's policy is to maximise the return on cash deposits and where possible and deposit cash with a financial institution with a credit rating of BBB+ or better.

Hedging of interest rate risk – cash flow hedges

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

	2022 Hedged amount $m	2021 Hedged amount $m	**2022 Carrying amount and fair value $m**	2021 Carrying amount and fair value $m
Interest rate swaps	-	250.0	-	(8.1)

A net gain of $8.1m (2021: $8.8m) was recognised in the hedging reserve as a result of fair value movements on interest rate swaps designated as cash flow hedges.

The $250m interest rate swap was closed out in September 2022, following the disposal of the Built Environment Consulting business and led to a net gain of $8.1m recognised in the hedging reserve.

If average interest rates had been 2% higher or lower during 2022 (2021: 1%), post-tax profit for the year would have been $5.8m lower or higher respectively (2021: $6.3m). 2% has been used in this calculation as it represents a reasonable possible change in interest rates.

(iii) Price risk

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

(b) Credit risk

The Group's credit risk primarily relates to its trade receivables. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 6 months past due and considers a financial asset to be in default when the financial asset is more than 12 months past due. Responsibility for managing credit risk lies within the businesses with support being provided by Group and divisional management where appropriate.

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

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

The Group uses the simplified provision matrix when calculating expected credit losses on financial assets. The provision matrix is based on historical default rates and is adjusted for forward looking estimates. The historical default rate is determined by comparing actual contract write offs against revenue recognised over each of the prior five years. The average write off over the historical period can be applied to current year revenue. The forward-looking assessment also considers post-year end cash collection, country risk scoring, customer disputes and specific financial uncertainties.

Management review trade receivables based on receivable days calculations to assess performance. A table showing trade receivables and receivable days is provided in note 15. 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 2022 was $536.7m (2021: $503.0m). The Group treasury department monitors counterparty exposure on a global basis to avoid any over exposure to any one counterparty.

The Group's policy is to deposit cash at institutions with a credit rating of at least BBB+. 100% of cash held on deposit at 31 December 2022 was held with such institutions.

20 Financial instruments (continued)

(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 $1,265.4m undrawn portion of the Group's committed banking facilities. The 2022 average net debt (excluding leases) was $1,489.1m (2021: $1,680.0m). The cash balance and undrawn portion of the Group's committed banking facilities can fluctuate throughout the year. Around the covenant remeasurement dates of 30 June and 31 December the Group's net debt is typically lower than these averages due to a combination of factors including a strong focus on collection of receipts from customers. 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 2022, 100% (2021: 93%) of the Group's principal borrowing facilities (including senior loan notes) were due to mature in more than one year. Based on the Group's latest forecasts the Group has sufficient funding in place to meet its future obligations.

The Group's total bank facilities comprise of a $200.0m term loan maturing in July 2026 and a $1,200.0m revolving credit facility which matures in October 2026. The $200.0m term loan includes KPIs linked to growing revenues related to energy transition and sustainable infrastructure and reducing scope 1 and 2 carbon emissions.

The Group has $352.0m of unsecured senior loan notes issued in the US private placement market. The notes mature in various tranches between July 2024 and 2031.

(d) *Capital risk*

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

The ratio of net debt to Adjusted EBITDA at 31 December 2022 was 1.3 times (2021: 3.3 times). This ratio is calculated by dividing net debt before leases by Adjusted EBITDA on a frozen GAAP basis which excludes the impact of IFRS 16.

Interest cover is calculated by dividing Adjusted EBITDA, excluding the impact of IFRS 16, by net recurring finance expense and was 4.1 times for the year ended 31 December 2022 (2021: 4.5 times).

Gearing is calculated by dividing net debt, before leases, by equity attributable to owners of the parent. Gearing at 31 December 2022 was 10.5% (2021: 34.1%).

Financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows which are not usually closed out before contractual maturity.

At 31 December 2022	**Less than 1 year $m**	**Between 1 and 2 years $m**	**Between 2 and 5 years $m**	**Over 5 years $m**
Borrowings	**361.2**	**116.2**	**431.2**	**132.7**
Trade and other payables	**1,628.7**	**-**	**-**	**-**
Lease liabilities	**107.0**	**80.5**	**123.6**	**145.2**
Other non-current liabilities	**-**	**51.2**	**55.6**	**-**
At 31 December 2021				
Borrowings	333.8	51.4	1,443.6	356.1
Trade and other payables	1,935.7	-	-	-
Lease liabilities	109.2	154.3	131.5	128.8
Other non-current liabilities	-	26.9	172.6	-

20 Financial instruments (continued)

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 2022 was $231.1m (book value $244.3m) (2021: $773.4m, book value $845.8m). The fair value of the US Private Placement debt at 31 December 2022 was $358.1m (book value $352.0m) (2021: $809.2m, book value $803.3m).

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 2022 and 31 December 2021, there were no transfers into or out of level 2 fair value measurements.

21 Provisions

2022	Asbestos related litigation $m	Insurance $m	Property $m	Litigation related provisions $m	Project related provisions $m	Total $m
At 1 January 2022	342.1	55.2	32.4	93.3	112.2	635.2
Reclassifications	(5.6)	1.3	-	1.1	4.5	1.3
Utilised	(44.1)	-	(3.2)	(88.5)	(45.5)	(181.3)
Divestments	-	-	-	-	(0.7)	(0.7)
Charge to income statement	59.6	17.4	0.4	10.0	15.3	102.7
Release of provisions	(37.0)	(27.7)	(2.3)	(2.5)	(18.1)	(87.6)
Exchange movements	(3.6)	-	(1.3)	(0.6)	(4.4)	(9.9)
At 31 December 2022	**311.4**	**46.2**	**26.0**	**12.8**	**63.3**	**459.7**
Presented as						
Current	-	-	3.3	11.0	30.6	44.9
Non-current	311.4	46.2	22.7	1.8	32.7	414.8

2021						
At 1 January 2021	403.7	71.0	34.0	333.0	100.9	942.6
Reclassifications	(18.9)	-	(0.1)	(214.6)	(1.6)	(235.2)
Utilised	(42.5)	-	(0.4)	(14.2)	(8.1)	(65.2)
Charge to income statement	6.3	5.6	3.5	0.7	44.7	60.8
Release of provisions	(6.3)	(21.6)	(4.1)	(11.7)	(22.0)	(65.7)
Exchange movements	(0.2)	0.2	(0.5)	0.1	(1.7)	(2.1)
At 31 December 2021	**342.1**	**55.2**	**32.4**	**93.3**	**112.2**	**635.2**
Presented as						
Current	-	-	9.0	89.0	61.0	159.0
Non-current	342.1	55.2	23.4	4.3	51.2	476.2

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.

21 Provisions (continued)

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

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

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

The Group has worked with its advisors with respect to projecting asbestos liabilities and to estimate the amount of asbestos-related indemnity and defence costs at each year-end through to 2050. Each year the Group records its estimated asbestos liability at a level consistent with the advisors' reasonable best estimate. The Group's advisors perform a quarterly and annual review of asbestos indemnity payments, defence costs and claims activity and compare them to the forecast prepared at the previous year-end. Based on its review, they may recommend that the assumptions used to estimate future asbestos liabilities are updated. This was the case in 2022 and is reflected by a charge to exceptional items.

The total liability recorded in the Group's balance sheet at 31 December 2022 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:

	2022			2021		
	US $m	**UK $m**	**Total $m**	**US $m**	**UK $m**	**Total $m**
Asbestos related provision						
Gross provision	**425.4**	**32.5**	**457.9**	406.0	38.2	444.2
Effect of discounting	**(87.0)**	**-**	**(87.0)**	(47.6)	-	(47.6)
Net provision	**338.4**	**32.5**	**370.9**	358.4	38.2	396.6
Insurance recoveries						
Gross recoveries	**(6.0)**	**(29.5)**	**(35.5)**	(13.1)	(34.6)	(47.7)
Effect of discounting	**-**	**-**	**-**	0.2	-	0.2
Net recoveries	**(6.0)**	**(29.5)**	**(35.5)**	(12.9)	(34.6)	(47.5)
Net asbestos related liabilities	**332.4**	**3.0**	**335.4**	345.5	3.6	349.1
Presented in accounts as follows						
Provisions – non-current			**311.4**			342.1
Trade and other payables			**59.5**			54.5
Trade and other receivables			**(11.1)**			(13.5)
Long term receivables			**(24.4)**			(34.0)
			335.4			349.1

The gross US asbestos related provision of $425.4m (2021: $406.0m) includes $35.4m (2021: $21.6m) relating to agreed settlements which have not been paid at 31 December 2022. The remaining $390.0m (2021: $384.4m) represents the gross US asbestos related provision which is discounted to a net present value of $303.0 million (2021: $336.8 million).

21 Provisions (continued)

A net interest charge of $5.9m (2021: $6.3m) representing the unwinding of the discount over time and a credit of $37.0m (2021: credit $6.3m), of which $35.6m relates to the increase in the 30-year US Treasury Bond rate in 2022 are included within exceptional items since the movements in the provision are non-trading, can be large and are driven by market conditions which are out with the Group's control.

An additional $52.8m has been charged to the income statement in the year, reflecting future actuarial adjustments in the overall plan estimates. The increase to the estimates are driven by a higher number of filings compared to the underlying actuarial model and an increased number of settlements at higher settlement values.

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

Number of open claims	2022 Number	2021 Number
At 1 January	**57,490**	60,400
New claims	**2,330**	2,440
Claims resolved	**(2,620)**	(5,350)
At 31 December	**57,200**	57,490
Claims not valued in liability	**(42,170)**	(42,570)
Open claims valued in liability at 31 December	**15,030**	14,920

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 2022 activity, the Group's current forecast liabilities have been adjusted for payments made in 2022 of $44.1m and to reflect the impact of discounting.

In 2022, the liability for asbestos indemnity and defence costs to 2050 was calculated at a gross nominal amount of $457.9m (present value $370.9m), which brought the liability to a level consistent with our advisor's reasonable best estimate. The total asbestos-related liabilities are comprised of estimates for liabilities relating to open (outstanding) claims being valued and the liability for future unasserted claims to 2050.

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

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

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

In the last 5 years from 2018 to 2022, the US average combined indemnity and defence cost per resolved claim has been approximately $9k. The average cost per resolved claim is increasing and management believe it will continue to increase in the future as the Group continues to resolve the current and estimated future claims inventory. 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 following table sets out the sensitivities associated with a change in certain estimates used in relation to the US asbestos-related liabilities:

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

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

21 Provisions (continued)

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.

Duration	Rate as at 31 December 2022	Exceptional items $m
10 year	3.88%	(34.0)
20 year	4.14%	(38.0)
30 year (basis used)	3.97%	(35.6)

A change of 0.1% in the 30-year US Treasury Bond rate would give rise to a change to the income statement charge/credit of approximately $1.5m.

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:

	2022 $m	2021 $m
Asbestos litigation, defence and case resolution payments	**44.1**	42.5
Insurance proceeds	**(7.7)**	(13.5)
Net asbestos related payments	**36.4**	29.0

The Group expects to have a net cash outflow of approximately $38m as a result of asbestos liability indemnity and defence payments in excess of insurance proceeds during 2023. This estimate assumes no elections by the Group to fund additional payments. As the Group continues to collect cash from previous insurance settlements, the asbestos-related insurance receivable recorded on our consolidated balance sheet is expected to be fully recovered in 2023.

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

Insurance provisions

The Group has liabilities in relation to its captive insurance companies of $46.2m (2021: $55.2m).

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

Property provisions

Property provisions total $26.0m (2021: $32.4m). Property provisions mainly comprise of dilapidations relating to the cost of restoring leased property back into its original, pre-let condition. The estimate of costs is the greatest area of uncertainty and the timing of future cash outflows is linked to the term dates of numerous individual leases.

Litigation related provisions

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

Provision is made for management's best estimate of the likely settlement costs and/or damages to be awarded for those claims and actions that management considers are likely to be successful. Due to the inherent commercial, legal and technical uncertainties in estimating project claims, the amounts ultimately paid or realised by the Group could differ from the amounts that are recognised in the financial statements.

21 Provisions (continued)

Investigations

Under the terms of the investigation agreements concluded in 2021, the Group will pay compensation, disgorgement and prejudgment interest, fines and penalties in instalments, with the remaining amounts due to the SFO and the Crown Office and Procurator Fiscal Service ("COPFS") payable in 2023 and 2024, with approximately $38m paid in 2022.

During 2021, the Group reclassed $196.7m of provisions to Trade and other payables to reflect the greater certainty as a result of the agreement. At 31 December 2022, the Group has recognised the outstanding penalties comprising of a current portion of $37.3m included within Trade and other payables and a non-current portion of $33.6m included in other non-current liabilities (note 19).

Chemical plant litigation

In 2013, one of Amec Foster Wheeler plc's subsidiaries was contracted to engineer, procure and construct a chemical plant for a client in Texas. The cost of the project exceeded the client's budget which led to the client partially terminating the contract in December 2015, before terminating the remainder of the contract and commencing a lawsuit in Texas against the subsidiary and also Amec Foster Wheeler plc in September 2016. The client sought 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 totalled $695m, which included an alleged $317m in lost revenue from delayed commercial operation.

The trial of the lawsuit commenced on 19 April 2022 and concluded on 22 July 2022, with agreement reached between the parties on 11 November 2022. The Group has agreed to settle the case for an amount of $115m. Prior to settlement, after deducting legal fees incurred in the period up to settlement, a provision of $79m was held leading to a loss of $36m being recorded in 2022. This loss has been classified as exceptional both by its nature and by its size. All claims against the Group and its subsidiaries have been released per the settlement agreement and the action has been dismissed with prejudice on joint motion of the parties.

Overall, the amount paid to Enterprise was higher than the Group's underlying legal assessment of the merits of the case, but further drawn-out litigation was likely to be costly and carried a risk that a court awarded a figure significantly more than the amount paid. Negotiations with Enterprise brought the figure down as far as possible and ultimately it was considered by the Board that a premium was appropriate to bring the matter to a timely close.

Other litigations

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

Project related provisions

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

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 ("USACE"). Wood's construction scope is now substantially complete and is due to be formally handed over to USACE at the end of March 2023. There has been no change in management's assessment of the loss at completion which remains at $222m. 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 Group has classified the receivable balances as non-current due to the element of uncertainty surrounding the timing of the receipt of these balances. The ultimate loss also includes the Group's assessment of the total legal costs necessary to achieve recovery of the amounts believed to be recoverable and defend our position on liquidated damages. At this point in time this is an estimate based on a weighted average of several possible outcomes and the actual costs could be materially higher or lower depending on actual route to settlement.

If the amounts agreed are different to the assumptions made, then the ultimate loss could be materially different. At 31 December 2022, provisions of $15.6m are recognised which represent the element of the full contract loss which has been recognised through the income statement to date but for which revenue has not yet been recognised or costs incurred. In reaching its assessment of this loss, management have made certain estimates and assumptions relating to the date of completion, recovery of costs from USACE and the final costs to complete. If the actual outcome differs from these estimates and assumptions, the ultimate loss will be different.

21 Provisions (continued)

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 2022, the Group held provisions totaling $8.6m (2021: $15.3m) 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 remediation obligations may continue for up to 100 years.

As described in note 34, 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.

22 Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using the tax rate applicable to the territory in which the asset or liability has arisen. The Group has provided deferred tax in relation to UK companies at 25% (2021: 25%). The movement on the deferred tax account is shown below:

(Asset)/liability

	As at 1 January 2022 $m	Income statement $m	OCI $m	Other $m	Disposals $m	As at 31 December 2022 $m
Accelerated capital allowances	(26.8)	(5.4)	2.4	-	-	(29.8)
Intangibles	240.3	1.3	(4.5)	-	(57.2)	179.9
Pension	63.6	10.0	33.2	-	-	106.8
Share based charges	(2.3)	0.9	-	-	-	(1.4)
Other temporary differences	(3.3)	(38.0)	4.6	(0.4)	-	(37.1)
Provisions	(50.7)	41.2	1.8	-	0.4	(7.3)
Unremitted earnings	21.7	3.1	(1.3)	-	-	23.5
Deferred interest deduction	(54.2)	54.2	-	-	-	-
Tax credits	-	1.5	-	(1.5)	-	-
Losses	(191.5)	(6.3)	1.9	(0.1)	0.3	(195.7)
Total	**(3.2)**	**62.5**	**38.1**	**(2.0)**	**(56.5)**	**38.9**

22 Deferred tax (continued)

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

Deferred tax is presented in the financial statements as follows:

	2022 $m	2021 $m
Deferred tax assets	**(61.2)**	(75.7)
Deferred tax liabilities	**100.1**	72.5
Net deferred tax (asset)/liability	**38.9**	(3.2)

No deferred tax liability has been recognised in respect of $21,722.0m (2021: $19,607.7m) 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 $61.8m (2021: $55.6m).

The deferred tax balances are analysed below.

31 December 2022

	Accelerated capital allowances $m	Intangibles $m	Pension $m	Share based charges $m	Other temporary differences $m	Provisions $m	Unremitted earnings $m	Deferred interest deduction $m	Losses $m	Netting $m	Total $m
Deferred tax assets	(61.7)	(130.0)	(1.3)	(1.4)	(125.3)	(7.3)	-	-	(195.7)	461.5	(61.2)
Deferred tax liabilities	31.9	309.9	108.1	-	88.2	-	23.5	-	-	(461.5)	100.1
Net	**(29.8)**	**179.9**	**106.8**	**(1.4)**	**(37.1)**	**(7.3)**	**23.5**	**-**	**(195.7)**	**-**	**38.9**

Included in the $195.7m (2021: $191.5m) of deferred tax assets in respect of losses is an amount of $97.4m (2021: $42.2m) relating to the UK tax group which has sufficient deferred tax liabilities to offset, and $91.3m (2021: $129.4m) relating to the US tax group of which no asset (2021: $32.7m) is recognised based on forecast profits of the US business, the balance is supported by deferred tax liabilities.

22 Deferred tax (continued)

31 December 2021

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

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

31 December 2022	Tax losses $m	Deductible temporary differences $m	Total $m
Expiring within 5 years	676.1	131.9	808.0
Expiring within 6-10 years	-	7.5	7.5
Expiring within 11-20 years	137.7	-	137.7
Unlimited	5,271.2	1,179.5	6,450.7
	6,085.0	**1,318.9**	**7,403.9**

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

23 Share based charges

The Group currently has a number of share plans that give rise to equity settled share based charges. These are the Executive Share Option Scheme ('ESOS'), the Long Term Plan ('LTP'), the Employee Share Plan ('ESP') and the Share Incentive Plan ('SIP'). The charge to operating profit for these plans for the year amounted to $20.7m (2021: $22.1m) 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, performance-based awards to senior management made based on achievement of performance measures and non-performance awards either in the form of conditional share awards or share options.

The performance measures are total shareholder return, gross margin, overhead improvement, EBITDA margin, revenue growth and ESG targets including reducing carbon emissions and leadership gender diversity. Participants may be granted conditional share awards or nil cost options at the start of the cycle. Where performance applies, this is measured over a three year period and up to 80% of an award may vest based on the performance over that period. The vesting of at least 20% of any award is normally deferred for a further period of at least two years. Nil value share options may also be awarded under the LTP.

Employees may also be granted non-performance awards either in the form of conditional share awards or share options. These awards typically have a three year vesting period. During 2022, a large portion of senior management who were previously eligible for the performance-based element of the LTP were instead awarded these non-performance awards.

23 Share based charges (continued)

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 2022	Awards outstanding 31 December 2021
11	2018-20	£6.67	**405,899**	773,800
12	2019-21	£5.69	**257,082**	5,085,975
13	2020-22	£3.64	**6,987,812**	7,943,623
14	2021-23	£3.17	**7,634,392**	9,448,976
15	2022-24	£1.88	**1,647,844**	-
			16,933,029	23,252,374

2,348,180 awards were made during the year, 80,330 awards accrued in respect of dividends, 1,438,398 awards were exercised during the year and 7,313,617 awards lapsed or were cancelled due to performance targets not being achieved.

The awards outstanding under cycle 11 and 12 represent 100% of the deferred award for directors and 20% of the award for all other participants at vesting which is deferred for two years. Awards under cycle 15 were granted to directors and the executive leadership team only, with other senior management receiving non-performance LTP awards.

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

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

23 Share based charges (continued)

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

	ESOS		LTP and deferred bonus	
	2022	2021	**2022**	2021
Number of participants	**218**	400	**349**	85
Lapse rate	**25%**	25%	**10%**	10%
Risk free rate of return on grants during year	**N/A**	N/A	**0.43%**	0.43%
Share price volatility	**40%**	40%	**40%**	40%
Dividend yield on grants during year	**N/A**	N/A	**0%**	0%
Fair value of options granted during year	**N/A**	N/A	**£1.91-£2.39**	£2.30-£2.81
Weighted average remaining contractual life	**0.7 years**	1.4 years	**2.2 years**	2.4 years

Options outstanding 1 January	**1,540,288**	1,991,512	**3,284,268**	2,060,519
Options granted during the year	**-**	-	**7,673,780**	2,134,000
Options exercised during the year	**-**	-	**(1,456,502)**	(891,340)
Options lapsed during the year	**(545,288)**	(451,224)	**(1,247,012)**	(50,001)
Dividends accrued on options	**-**	-	**-**	31,090
Options outstanding 31 December	**995,000**	1,540,288	**8,254,534**	3,284,268

No. of options exercisable at 31 December	**995,000**	1,487,538	**296,531**	219,300
Weighted average share price of options exercised during year	**N/A**	N/A	**£1.58**	£2.45

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**
	2022	2021		
2012	**-**	338,788	680½p	2016-2022
2013	**518,500**	622,000	845⅓p	2017-2023
2014	**476,500**	579,500	767⅔p	2018-2024
	995,000	1,540,288		

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.

23 Share based charges (continued)

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

Year of Grant	Number of ordinary shares under award 2022	2021	Exercise price (per share)	Exercise period
2017	**-**	110,000	0.00p	2021-2022
2018	**79,348**	189,970	0.00p	2022-2023
2019	**-**	109,300	0.00p	2021-2022
2020	**227,183**	765,998	0.00p	2022-2023
2020	**5,000**	5,000	0.00p	2023-2024
2021	**-**	100,000	0.00p	2023-2024
2021	**1,544,000**	2,004,000	0.00p	2025-2026
2022	**101,337**	-	0.00p	2024-2025
2022	**900,000**	-	0.00p	2025-2026
2022	**5,397,666**	-	0.00p	2025
	8,254,534	3,284,268		

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

Employee share plan

The Group introduced the ESP in 2016. Under the plan employees contribute regular monthly amounts which are used to purchase shares over a one-year period. At the end of the year, the participating employees are awarded one free share for every two shares purchased, providing they remain in employment for a further year. During 2022, 2,007,094 shares were awarded in relation to the ESP, of which 578,944 and 1,428,150 shares related to the 2021/22 and 2022/23 schemes respectively.

Share incentive plan

The Group introduced the SIP in 2021. Under the plan, which is recognised by HM Revenue and Customs, employees contribute regular monthly amounts of up to £150 per month to purchase shares. The participating employees are awarded one free share for every two purchased, provided that they hold the purchased shares for 3 years and remain in employment. During 2022, 690,804 partnership shares and 345,507 matching shares were awarded.

24 Share capital

Ordinary shares of $4^{2}/_{7}$ pence each (2021: $4^{2}/_{7}$ pence) **Authorised, issued and fully paid**	**shares**	**2022 $m**	shares	2021 $m
At 1 January	**691,839,369**	**41.3**	688,339,369	41.1
Allocation of new shares to employee share trusts	**-**	**-**	3,500,000	0.2
At 31 December	**691,839,369**	**41.3**	691,839,369	41.3

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.

25 Share premium

	2022 $m	2021 $m
At 1 January and 31 December	**63.9**	63.9

The shares allocated to the trust during the year were issued at $4^{2}/_{7}$ pence (2021: $4^{2}/_{7}$ pence).

26 Retained earnings

	2022 $m	2021 $m
At 1 January	**1,415.0**	1,455.2
Loss for the year attributable to owners of the parent	**(356.3)**	(139.5)
Credit relating to share based charges (note 23)	**20.7**	22.1
Re-measurement gains on retirement benefit liabilities (note 33)	**170.9**	83.3
Movement in deferred tax relating to retirement benefit liabilities	**(41.6)**	(9.5)
Shares allocated to employee share trusts	**-**	(0.2)
Deferred tax impact of rate change in equity	**(0.8)**	4.5
Tax on derivative financial instruments	**(1.7)**	(3.4)
Other tax movements in equity	**(1.3)**	(0.1)
Exchange movements in respect of shares held by employee share trusts	**12.5**	1.1
Purchase of shares by employee share trusts for the Share Incentive Plan (SIP)	**1.7**	1.5
Transactions with non-controlling interests	**5.3**	-
At 31 December	**1,224.4**	1,415.0

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 (2021: nil).

26 Retained earnings (continued)

Shares held by employee share trusts

	2022		2021	
	Shares	**$m**	Shares	$m
Balance 1 January	**14,358,014**	**111.9**	15,006,961	112.8
New shares allocated	**-**	**-**	3,500,000	0.2
Shares issued to satisfy option exercises	**(1,456,502)**	**-**	(870,503)	-
Shares issued to satisfy awards under Long Term Incentive Plan	**(1,438,398)**	**-**	(1,257,013)	-
Shares issued to satisfy awards under Employee Share Plan	**(1,984,772)**	**-**	(1,383,506)	-
Shares issued to satisfy awards under Share Incentive Plan	**(1,036,311)**	**-**	(637,925)	-
Other share transactions	**-**	**-**	-	-
Exchange movement	**-**	**(12.5)**	-	(1.1)
Balance 31 December	**8,442,031**	**99.4**	14,358,014	111.9

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 2022 was $13.7m (2021: $37.1m) based on the closing share price of £1.35 (2021: £1.91) and closing exchange rate of 1.2029 (2021: 1.3545). The employee share trusts have waived their rights to receipt of dividends on ordinary shares.

27 Merger reserve

	2022	2021
	$m	$m
At 1 January and 31 December	**2,540.8**	2,540.8

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

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

28 Other reserves

	Capital reduction reserve $m	Capital redemption reserve $m	Currency translation reserve $m	Hedging reserve $m	Total $m
At 1 January 2021	88.1	439.7	(441.1)	(17.7)	69.0
Cash flow hedges	-	-	-	7.9	7.9
Exchange movement on retranslation of foreign operations	-	-	(56.3)	-	(56.3)
Exchange movement on disposal of foreign operations	-	-	0.4	-	0.4
At 31 December 2021	**88.1**	**439.7**	**(497.0)**	**(9.8)**	**21.0**
Cash flow hedges	-	-	-	5.1	5.1
Exchange movement on retranslation of foreign operations	-	-	(223.0)	-	(223.0)
Exchange movement on disposal of foreign operations	-	-	54.5	-	54.5
At 31 December 2022	**88.1**	**439.7**	**(665.5)**	**(4.7)**	**(142.4)**

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

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

The currency translation reserve relates to the retranslation of foreign currency net assets on consolidation. This was reset to zero on transition to IFRS at 1 January 2004. The movement during the year relates to the retranslation of foreign operations, including goodwill and intangible assets recognised on acquisition.

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

29 Non-controlling interests

	2022 $m	2021 $m
At 1 January	**3.3**	2.8
Share of profit for the year	**4.6**	4.0
Dividends paid to non-controlling interests	**(1.1)**	(2.7)
Transactions with non-controlling interests	**(5.3)**	(0.8)
At 31 December	**1.5**	3.3

30 Analysis of net debt

2022	At 1 January 2022 $m	Cash flow $m	Other $m	Exchange movements $m	At 31 December 2022 $m
Short term borrowings	(281.9)	(53.0)	(12.2)	1.2	(345.9)
Long term borrowings	(1,614.1)	1,039.1	(8.9)	(0.1)	(584.0)
	(1,896.0)	986.1	(21.1)	1.1	(929.9)
Cash and cash equivalents	503.0	60.2	-	(26.5)	536.7
Net debt excluding leases	**(1,393.0)**	**1,046.3**	**(21.1)**	**(25.4)**	**(393.2)**
Leases	(449.8)	121.6	(41.7)	27.0	(342.9)
Net debt including leases	**(1,842.8)**	**1,167.9**	**(62.8)**	**1.6**	**(736.1)**

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

Cash at bank and in hand at 31 December 2022 includes $328.4m (2021: $240.4m) that is part of the Group's cash pooling arrangements. For internal reporting and the calculation of interest, this amount is netted with short-term overdrafts and is presented as a net figure on the Group's balance sheet. In preparing these financial statements, the Group is required to gross up both its cash and short-term borrowings figures by this amount.

Cash and cash equivalents of $536.7m (2021: $503.0m) includes restricted cash of $15.0m (2021: $12.5m). The restricted cash balance comprises $10.0m (2021: $12.5m) of cash held in jurisdictions where there is insufficient liquidity in the local market to allow for immediate repatriation. The remaining $5.0m (2021: $nil) relates to balances held within Russia that are impacted by the sanctions associated with Russia's invasion of Ukraine. Management considers it appropriate to include the restricted cash balance in the Group's net debt figure on the basis that it meets the definition of cash, albeit is not readily available to the Group.

The lease liability at 31 December 2022 is made up of long term leases of $259.7m (2021: $331.5m) and short term leases of $83.2m (2021: $118.3m).

The other movements of $62.8m (2021: $68.1m) in the above table represents new leases entered into of $23.8m (2021: $59.9m), interest expense of $17.9m (2021: $20.3m), amortisation of bank facility fees of $8.9m and accrued interest on loan notes of $12.2m. As a result of new facilities entered into during 2021, there was an offsetting movement caused by new facility fees incurred of $12.1m.

As at 31 December 2022, the Group had received $200.0m (2021: $200.0m) of cash relating to a non-recourse financing arrangement with one of its banks. An equivalent amount of trade receivables was derecognised on receipt of the cash. At 31 December 2022, $113.6m (2021: $79.4m) had been received from customers in the normal course of business in relation to the same amounts received from the factor. This $113.6m (2021: $79.4m) is due to be paid over to the factor and is included in trade payables. The benefit of this arrangement of $200.0m is included within cash generated from operations.

31 Disposal Group held for sale

Included within the agreement for the sale of the Built Environment Consulting business is an arrangement to sell a subsidiary separately to the rest of the transaction, which completed in September 2022. The sale of this subsidiary, residing in Saudi Arabia, is anticipated to complete during 2023 and therefore the assets and liabilities of this disposal group are classified as held for sale as at 31 December 2022.

The composition of assets and liabilities held for sale on the balance sheet as at 31 December 2022 is set out below.

Assets held for sale	**$m**
Trade and other receivables	21.0
Total	**21.0**

Liabilities held for sale	**$m**
Trade and other payables	20.6
Total	**20.6**

32 Employees and directors

Employee benefits expense	**2022 $m**	2021 $m
Wages and salaries	**2,808.0**	2,797.8
Social security costs	**196.1**	213.6
Pension costs – defined benefit schemes (note 33)	**1.7**	3.7
Pension costs – defined contribution schemes (note 33)	**103.5**	104.6
Share based charges (note 23)	**20.7**	22.1
	3,130.0	3,141.8

Average monthly number of employees (including executive directors)	**2022 No.**	2021 No.
By geographical area:		
UK	**5,601**	5,491
US	**9,128**	10,926
Rest of the World	**20,721**	19,062
	35,450	35,479

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

Key management compensation	**2022 $m**	2021 $m
Salaries and short-term employee benefits	**13.9**	10.3
Amounts receivable under long-term incentive schemes	**0.7**	0.2
Social security costs	**1.0**	1.1
Post-employment benefits	**0.3**	0.2
Share based charges	**3.6**	3.6
Termination benefits	**0.9**	-
	20.4	15.4

32 Employees and directors (continued)

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 2022, key management held 0.1% of the voting rights of the company.

Directors	**2022 $m**	2021 $m
Aggregate emoluments	**3.8**	3.3
Aggregate amounts receivable under long-term incentive schemes	**0.3**	0.1
Aggregate gains made on the exercise of share options	**0.3**	0.2
Share based charges	**1.6**	1.4
	6.0	5.0

At 31 December 2022, one director (2021: one) had retirement benefits accruing under a defined contribution pension plan and no directors (2021: none) had benefits accruing under a defined benefit pension scheme. Further details of directors' emoluments are provided in the Directors' Remuneration Report.

33 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 2022, the largest schemes by gross obligation are the Wood Pension Plan ('WPP') in the UK, the Foster Wheeler Inc Salaried Employees Pension Plan ('FW Inc SEPP') in the US and the Foster Wheeler Inc Pension Plan for Certain Employees ('FW Inc PPCE') in the US.

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 2022. The assets of the schemes are stated at their aggregate market value as at 31 December 2022.

The actuarial valuation method is prescribed by the IAS 19 accounting standard and uses discount rates determined by the yields on high quality, AA rated, bonds at the measurement date. Conversely, each pension scheme is subject to a separate technical provisions or funding basis valuation which is considered to be more prudent than the IAS 19 methodology. Under IAS 19, the Wood Pension Plan is 119% funded on 31 December 2022 compared to 104% funded on the technical provisions basis.

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. The requirements of IFRIC 14 also mean there is no requirement to recognise any additional liabilities in relation to deficit funding requirements.

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

	2022 Wood Pension Plan	**2022 FW Inc SEPP**	**2022 FW Inc PPCE**	2021 Wood Pension Plan	2021 FW Inc SEPP	2021 FW Inc PPCE
Active members	**494**	**44**	**28**	494	48	38
Deferred members	**8,313**	**622**	**437**	8,313	453	653
Pensioner members	**10,149**	**2,233**	**871**	10,149	2,305	857

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

33 Retirement benefit schemes (continued)

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

	2022 Wood Pension Plan %	**2022 FW Inc SEPP %**	**2022 FW Inc PPCE %**	2021 Wood Pension Plan %	2021 FW Inc SEPP %	2021 FW Inc PPCE %
Discount rate	**5.0**	**5.2**	**5.2**	1.8	2.6	2.6
Rate of increase in pensions in payment and deferred pensions	**2.8**	**N/A**	**N/A**	3.1	N/A	N/A
Rate of retail price index inflation	**3.1**	**N/A**	**N/A**	3.3	N/A	N/A
Rate of consumer price index inflation	**2.6**	**N/A**	**N/A**	2.8	N/A	N/A

The mortality assumptions used to determine pension liabilities in the main schemes at 31 December 2022 were as follows –

Scheme	**Mortality assumption**
Wood Pension Plan	Scheme specific table with CMI 2021 (Sk =7.0) projections and a long-term rate of improvement of 1.25% pa, initial addition ("A" parameter) of 0.3, no weight to 2020 and 15% for 2021 data
FW Inc SEPP and FW Inc PPCE	Pri-2012 Employee and Annuitant tables for males and females with generational projection using Scale MP-2021 with no collar adjustments and Pri-2012 Contingent Annuitant mortality for spouses and beneficiaries with generational projection using Scale MP-2021 with no collar adjustments

The mortality assumption uses data appropriate to each of the Group's schemes adjusted to allow for expected future improvements in mortality using the latest projections. Assumptions regarding future mortality are based on published statistics and the latest available mortality tables. In relation to the Wood Pension Plan, the CMI's latest mortality projections model, 'CMI 2021', published in March 2022, allowed flexibility to vary the weight on mortality data for individual years in response to the Covid-19 pandemic. As a result, the Group is using an s-kappa of 7.0 and a 15% weighting for 2021 mortality data in arriving at its 31 December 2022 mortality assumption. The impact of this is that there is more weight given to recent mortality experience than in prior years, but recognising the impact of exceptional mortality experience across 2020 and 2021, no weight is placed on 2020 with less than full weight placed on 2021. A small reduction of around 0.8% in the value of defined benefit obligation is observed through these changes.

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

	2022 Wood Pension Plan	**2022 FW Inc SEPP**	**2022 FW Inc PPCE**	2021 Wood Pension Plan	2021 FW Inc SEPP	2021 FW Inc PPCE
Life expectancy at age 65 of male aged 45	**23.8**	**22.1**	**22.1**	24.1	22.0	22.0
Life expectancy at age 65 of male aged 65	**22.5**	**20.6**	**20.6**	22.8	20.5	20.5
Life expectancy at age 65 of female aged 45	**25.5**	**24.0**	**24.0**	25.5	23.9	23.9
Life expectancy at age 65 of female aged 65	**24.0**	**22.6**	**22.6**	24.0	22.5	22.5

The amounts recognised in the income statement are as follows:

	2022 $m	2021 $m
Current service cost	**1.7**	3.7
Past service credit	**-**	(4.8)
Total expense/(income) included within operating profit	**1.7**	(1.1)

Interest cost	**78.0**	69.0
Interest income on scheme assets	**(80.4)**	(69.2)
Total included within finance income	**(2.4)**	(0.2)

33 Retirement benefit schemes (continued)

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

	2022 $m	2021 $m
Present value of funded obligations	**(2,533.0)**	(4,626.6)
Fair value of scheme assets	**2,892.2**	4,811.5
Net surplus	**359.2**	184.9

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

	2022 $m	2021 $m
Present value of funded obligations at 1 January	**4,626.6**	4,779.9
Current service cost	**1.7**	3.7
Past service cost/(credit)	**-**	(4.8)
Interest cost	**78.0**	69.0
Contributions	**-**	-
Re-measurements:		
- actuarial gains arising from changes in financial assumptions	**(1,544.5)**	(73.0)
- actuarial (gains)/losses arising from changes in demographic assumptions	**(31.4)**	35.7
- actuarial losses arising from changes in experience	**72.0**	53.6
Benefits paid	**(177.3)**	(201.6)
Decrease due to divestments	**(58.7)**	-
Exchange movements	**(433.4)**	(35.9)
Present value of funded obligations at 31 December	**2,533.0**	4,626.6

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

	2022 $m	2021 $m
Fair value of scheme assets at 1 January	**4,811.5**	4,844.3
Interest income on scheme assets	**80.4**	69.2
Contributions	**42.5**	50.1
Benefits paid	**(177.3)**	(201.6)
Re-measurement (gains)/losses on scheme assets	**(1,333.0)**	99.6
Expenses paid	**(7.4)**	(9.4)
Decrease due to divestments	**(55.9)**	-
Exchange movements	**(468.6)**	(40.7)
Fair value of scheme assets at 31 December	**2,892.2**	4,811.5

33 Retirement benefit schemes (continued)

Analysis of the movement in the balance sheet surplus:

	2022 $m	2021 $m
Surplus at 1 January	**184.9**	64.4
Current service cost	**(1.7)**	(3.7)
Past service credit	**-**	4.8
Finance income	**2.4**	0.2
Contributions	**42.5**	50.1
Re-measurement gains recognised in the year	**170.9**	83.3
Expenses paid	**(7.4)**	(9.4)
Increase due to divestments (note 7)	**2.8**	-
Exchange movements	**(35.2)**	(4.8)
Surplus at 31 December	**359.2**	184.9

The increased surplus due to divestments of $2.8m relates to sale of a net pension liability on a small US scheme. This forms part of the disposal of the Built Environment Consulting business outlined in note 7.

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

	2022 $m	2021 $m
Wood Pension Plan	**432.4**	259.6
Retirement benefit scheme surplus	**432.4**	259.6
Foster Wheeler Inc SEPP/PPCE	**(49.4)**	(43.1)
All other schemes	**(23.8)**	(31.6)
Retirement benefit scheme deficit	**(73.2)**	(74.7)
Net surplus	**359.2**	184.9

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

	2022 Wood Pension Plan %	**2022 FW Inc SEPP %**	**2022 FW Inc PPCE %**	2021 AFW Pension Plan %	2021 FW Inc SEPP %	2021 FW Inc PPCE %
Active members	**5.6**	**3.5**	**1.7**	6.4	4.6	2.3
Deferred members	**38.5**	**23.1**	**12.9**	45.0	22.1	17.6
Pensioner members	**55.9**	**73.4**	**85.4**	48.6	73.3	80.1

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

	2022 Wood Pension Plan years	**2022 FW Inc SEPP years**	**2022 FW Inc PPCE years**	2021 AFW Pension Plan years	2021 FW Inc SEPP years	2021 FW Inc PPCE years
Duration of defined benefit obligation	**13.0**	**8.1**	**7.3**	17.0	9.5	9.1

33 Retirement benefit schemes (continued)

The duration of the defined benefit obligation has reduced during 2022 due to the rise in discount rates, which means that later cash flows are more heavily discounted and so the weighted average duration of liabilities is lower.

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

	2022 Wood Pension Plan %	**2022 FW Inc SEPP %**	**2022 FW Inc PPCE %**	2021 Wood Pension Plan %	2021 FW Inc SEPP %	2021 FW Inc PPCE %	**2022 Quoted on active market %**	2021 Quoted on active market %
Equities	**0.4**	**42.9**	**54.1**	10.7	54.4	59.7	**89.8**	97.4
Property [a]	**2.8**	**-**	**-**	2.6	-	-	**-**	-
Bonds (including gilts)	**100.8**	**51.4**	**38.5**	84.8	44.6	39.3	**100.0**	99..9
Cash	**13.9**	**1.1**	**1.5**	2.8	1.0	1.0	**100.0**	100.0
Derivatives [b]	**(17.9)**	**-**	**-**	(10.5)	-	-	**-**	-
Investment funds	**-**	**4.6**	**5.9**	9.6	-	-	**-**	-
	100.0	**100.0**	**100.0**	100.0	100.0	100.0	**n/a**	n/a

a. Property assets are valued based on an analysis of recent market transactions supported by market knowledge derived from third-party, independent valuation experts

b. Derivatives are mainly related to repurchase agreements used to fund liability driven investments

As at 31 December 2022, 113.7% (2021: 98.0%) of total scheme assets in the principal schemes have quoted prices in active markets.

The Group seeks to fund its pension plans to ensure that all benefits can be paid as and when they fall due. It has agreed schedules of contributions with the UK plans' trustees and the amounts payable are dependent on the funding level of the respective plans. In October 2022, an updated schedule of contributions for the Wood Pension Plan was agreed, which will reduce contribution levels from $9.6m to $nil for the 2023 financial year. An additional $29.6m of contributions were made towards the Wood Pension Plan during 2022, linked to the Group net debt covenant being greater than 2.5x at the December 2021 and June 2022 reporting dates.

The US plans are funded to ensure that statutory obligations are met and contributions are generally payable to at least minimum funding requirements.

Total contributions expected to be paid during the financial year ending 31 December 2023 amount to $nil (2021: $43.4m for the financial year ending 31 December 2022).

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.

The schemes hold various liability driven investments comprising physical gilts, swap and leveraged gilt exposures to provide asset protection against interest and inflation factors inherent in their liability valuations. Specifically in relation to the Wood Pension Plan, the liquidity of the scheme has withstood recent market turmoil, without the need for any additional contributions from the Group to support liquidity. Collateral buffers have been further strengthened by de-risking steps taken to disinvest from equities and it is believed the WPP has sufficient collateral to withstand a sizable level of movement in interest rates.

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.

33 Retirement benefit schemes (continued)

Sensitivity of the retirement benefit obligation

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

Approximate increase/(decrease) on scheme liabilities	**Wood Pension Plan 2022 $m**	Wood Pension Plan 2021 $m	**FW Inc SEPP 2022 $m**	FW Inc SEPP 2021 $m	**FW Inc PPCE 2022 $m**	FW Inc PPCE 2021 $m
Discount rate						
Plus 0.5%	**(134.0)**	(332.0)	**(3.2)**	(4.6)	**(5.4)**	(8.9)
Minus 0.5%	**151.5**	378.0	**3.5**	5.0	**5.7**	9.7
Inflation						
Plus 0.1%	**13.3**	38.5	**N/A**	N/A	**N/A**	N/A
Minus 0.1%	**(13.2)**	(38.3)	**N/A**	N/A	**N/A**	N/A
Life expectancy						
Plus 1 year	**75.5**	196.4	**2.9**	4.3	**6.1**	8.9
Minus 1 year	**(73.6)**	(192.2)	**(2.9)**	(4.2)	**(6.0)**	(8.9)

The sensitivity analysis covering the impact of increases in pensions is included in the inflation sensitivity in the above table. The discount rate sensitivities in the above table can be extrapolated downwards and upwards to broadly calculate the impact of a 0.25% and 1% discount rate movement respectively.

Defined contribution plans

Pension costs for defined contribution plans were as follows:

	2022 $m	2021 $m
Defined contribution plans	**103.5**	104.6

There were no material contributions outstanding at 31 December 2022 in respect of defined contribution plans.

The Group operates a Supplemental Executive Retirement Plan (SERP) pension arrangement in the US for certain employees. During the year, the Group made contributions of $0.1m (2021: $0.1m) 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 $55.6m (2021: $75.9m) and will be used to pay benefits when employees retire. The corresponding liability is recorded in other non-current liabilities.

34 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 professional or other services performed by the Group for its customers. For a number of these claims the potential exposure is material. Where management believes we are in a strong position to defend these claims no provision is made. This includes a civil administrative determination, which we believe to be without legal or factual merit, made by the Contraloría General de la República de Colombia against two Amec Foster Wheeler subsidiaries, along with 22 others, in relation to work carried out for Refineria de Cartagena, S.A ("Reficar") between 2009 and 2016.

At any point in time there are a number of claims where it is too early to assess the merit of the claim, and hence it is not possible to make a reliable estimate of the potential financial impact.

The group carries insurance coverage and in the event of future economic outflow arising with respect to any of these contingencies, an element of reimbursement may occur, subject to any excess or other policy restrictions and limits.

34 Contingent liabilities (continued)

Investigations
Following the settlement of the various regulatory investigations in 2021, it remains possible that there may be other adverse consequences for the Group's business including actions by authorities in other jurisdictions. At this time, these consequences and likelihood of potential further investigations cannot be reliably estimated, and therefore no provision has made in respect of them in the financial statements.

Employment claims
The Group received assessments from HMRC into the historical application of employer's National Insurance Contributions to workers on the UK Continental Shelf. The assessments have been appealed and our case is stayed pending the outcome of a similar case with another Group. We believe it is more likely than not that we will be able to defend this challenge and therefore as a result do not expect that it is probable a liability will arise. The maximum potential exposure to the Group in relation to tax and interest should we be unsuccessful in our position is approximately $28m.

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. During 2022 the Group sold its Built Environment Consulting business to WSP in late 2022 and the share purchase agreement provided an indemnity for losses on three specified contracts. No provisions were considered necessary for these contracts as at 31 December 2022.

Tax planning
HMRC have challenged the deductibility of certain interest expenses previously considered as part of the EU State Aid investigation into the UK controlled foreign company regime. HMRC are currently at the information gathering stage. We believe that the interest deductions have been appropriately taken in line with tax legislation and guidance and therefore do not expect any outflow as a result, however we continue to monitor case law in the area and will consider the challenges of HMRC when raised. The maximum potential exposure to the Group including interest in relation to the interest deductions is approximately $36m and in the event of any amount ultimately being payable there is no prospect of any reimbursement.

35 Capital and other financial commitments

	2022 $m	2021 $m
Contracts placed for future capital expenditure not provided in the financial statements	**74.8**	119.9

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

36 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.

	2022 $m	2021 $m
Sale of goods and services to joint ventures	**12.2**	21.4
Purchase of goods and services from joint ventures	**4.3**	3.5
Receivables from joint ventures	**8.9**	13.1
Payables to joint ventures	**0.3**	0.4

Compensation of key management personnel includes salaries, non-cash benefits and contributions to post retirement benefits schemes disclosed in note 32.

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 33 sets out details of the Group's pension obligations under these arrangements.

37 Post balance sheet events

During February 2023, the Group entered into an asset purchase agreement to sell the trade and assets of its Gulf of Mexico offshore labour supply operations. The agreement was for a cash consideration of $17m with the Group retaining net working capital. The transaction completed on 14 March 2023.

38 Subsidiaries, joint ventures and other related undertakings

The Group's subsidiary and joint venture undertakings at 31 December 2022 are listed below. All subsidiaries are fully consolidated in the financial statements. Ownership interests noted in the table reflect holdings of ordinary shares.

Subsidiaries		
Company Name	**Registered Address**	**Ownership Interest %**
Algeria		
SARL Wood Group Algeria	Regus Algeria, Tour Nord,, Centre Commercial et Administratif de Bab Ezzouar,, Quartier d'affaires de Bab Ezzouar, Algeria Properties	100
Wood Group Somias SPA	PO Box 67, Elmalaha Road (Route des Salines), Elbouni, Annaba, Algeria	55
Angola		
Production Services Network Angola Limitada	RuaKima Kienda, Edificio SGEP, 2nd Floor, Apartment 16, Boavista District, Ingombota, Luanda, Angola	49*
Wood Group Kianda Limitada	No 201, Rua Engenheiro Armindo de Andrade,Bairro Miramar, Simbizanga, Luanda, Angola	41*
Argentina		
Foster Wheeler E&C Argentina S.A.	Paraguay 1866, Buenos Aires, Argentina	100
ISI Mustang (Argentina) S.A.	Pedro Molina 714, Provincia de Mendoza, Ciudad de Mendoza, Argentina	100
Wood Solar Argentina S.A.U.	Tucuman 1 Floor 4, Buenos Aires, Argentina	100
Wood Wind Argentina S.A.U.	Tucuman 1 Floor 4, Buenos Aires, Argentina	100
Australia		
Amec Foster Wheeler Australia Pty Ltd	Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	100
Aus-Ops Pty Ltd	Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	100
Innofield Services Pty Ltd	Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	100
RIDER HUNT INTERNATIONAL (AUSTRALIA) PTY LTD	Level 3, 171 Collins Street, Melbourne, VIC 3000, Australia	100
SVT Holdings Pty Ltd	Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	100
Wood Australia Architecture Pty Ltd	Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	100
Wood Australia Pty Ltd	Level 3, 171 Collins Street ,Melbourne, VIC, 3000, Australia	100
Wood Field Services Pty Ltd	Level 3, 171 Collins Street ,Melbourne, VIC, 3000, Australia	100
Wood Group Australia PTY Ltd	Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	100
Wood Group Kenny Australia Pty Ltd	Level 1, 240 St Georges Terrace, Perth, WA 6000, Australia	100
Azerbaijan		
AMEC Limited Liability Company	37 Khojali Street, Baku, AZ1025, Azerbaijan	100
Wood Group PSN Azerbaijan LLC	Khojali Avenue,Building 37, Khatal District, Baku, AZ1025, Azerbaijan	100
Bermuda		
Foster Wheeler Ltd.	Clarendon House, 2 Church Street, Hamilton, HM-11, Bermuda	100
FW Management Operations, Ltd.	Clarendon House, 2 Church Street, Hamilton HM CX, Bermuda	100
Brazil		
Amec Foster Wheeler America Latina, Ltda.	Rua Evaristo da Veiga No. 65, Salas 1101, 1201 e 1202 do Sector 1, Edificio Passeio Corporate, Centro, Rio de Janeiro, CEP 20.031-040, Brazil	100
Amec Foster Wheeler Brasil S.A.	Avenida das Americas, n 3.434, Bloco 2, salas 307 e 308, Centro Empresarial Mario Henrique Simonsen, Barra da Tijuca, CEP 22.640-102, Brazil	100
AMEC Petroleo e Gas Ltda.	Avenida das Americas, n 3.434, Bloco 2, salas 307 e 308, Centro Empresarial Mario Henrique Simonsen, Barra da Tijuca, CEP 22.640-102, Brazil	100
AMEC Projetos e Consultoria Ltda	Rua Professor Moraes No. 476, Loja 5, Sobreloja, Bairro Funcionarios, Belo Horizonte, Minas Gerais, 30150-370, Brazil	100
FW Industrial Power Brazil Ltda	Alameda Santos, 1293, Room 63, Cerqueira César, Sao Paulo, 01419-002, Brazil	100

Santos Barbosa Tecnica Comercio e Servicos Ltda.	Estrada Sao Jose do Mutum, 301 - Imboassica, Cidade de Macae, Rio de Janeiro, CEP 27973-030, Brazil	100
Wood Group Engineering and Production Facilities Brasil Ltda.	Rua Ministro Salgado Filho,119, Cavaleiros, Cidade de Macae,CEP 27920-210, Estado do Rio de Janeiro	100
Wood Group Kenny do Brasil Servicos de Engenharia Ltda.	Rua Sete de Setembro, 54 - 4 andares, Centro, Rio de Janeiro - RJ, CEP 20050-009, Brazil	100
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 Cameroun SARL	Cap Limboh, Limbe, BP1280, Cameroon	100
Canada		
2292127 Alberta Ltd.	1900, 520 - 3rd Ave. S.W., Calgary, AB, T2P 0R3, Canada	100
Amec Foster Wheeler Canada Ltd.	Borden Ladner Gervais LLP, Centennial Place, East Tower, 1900, 520 - 3rd Ave. S.W., Calgary, AB, T2P 0R3, Canada	100
Rider Hunt International (Alberta) Inc.	900 AMEC Place, 801-6th Avenue S.W., Calgary, AB, T2P 3W3, Canada	100
Wood Canada Limited	1900, 520 - 3rd Avenue SW, Calgary, AB, T2P 0R3, Canada	100
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 Foster Wheeler Talcahuano, Operaciónes 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
Wood Chile Limitada	Avenida Presidente Riesco 5335, piso 8, Las Condes, Chile	100
Wood Ingenieria y Consultoria Chile Limitada	Avenida Larrain 5862, Piso 11, La Reina, Santiago, 7870154, Chile	100
China		
Liaoning Province Pharmaceutical Planning and Designing Institution Co. Ltd.	3rd Floor, Gate 4, 153-10 Chuangxin Road, Hunnan District, Shenyang, Liaoning Province, China	100
Shenyang Dongyu Youan Pharmaceutical Technology Co. Ltd.	Gate 2, 8# Wulihe Street, Heping District, Shenyang, Liaoning Province, China	76
Colombia		
Wood Engineering & Consultancy Colombia S.A.S.	Carrera 11 A No. 96-51 5th floor, Bogota D.C., Colombia	100
Cyprus		
WGPS International Limited	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia,CY-1310 Nicosia, PO Box 25549, Cyprus	100
Wood Group Angola Limited	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia,CY-1310 Nicosia, PO Box 25549, Cyprus	100
Wood Group Equatorial Guinea Limited	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia,CY-1310 Nicosia, PO Box 25549, Cyprus	100
Democratic Republic of Congo		
MDM Engineering SPRL	32 Avenue 3Z, Commune de Kasuku, Ville de Kindu, Democratic Republic of Congo	100

Egypt		
Foster Wheeler Petroleum Services S.A.E.	Al-Amerya General Free Zone, Alexandria, Egypt	100
Equatorial Guinea		
Baker Energy International Equatorial Guinea S.A.	Bioko, Island Region, Malabo	65
Hexagon Sociedad Anonima con Consejo de Administracion	c/o Solege, Calle Kenia S/N, Malabo, Equatorial Guinea	65
France		
Amec Foster Wheeler France S.A.	14, Place de la Coupole, Charenton-le-Pont, France, 94220	100
Wood Group Engineering Services (France) SAS	6Pl de la Madeleine, 75008, Paris, France	100
Wood Group France SAS	108 rue de Longchamp 75116 Paris	100
Gabon		
Production Services Network Gabon SARL	1.149, Republic Boulevard, CEDAM Building, 6th Floor, Bali - Douala, Douala, PO Box 3586, Cameroon	100
Germany		
Bauunternehmung Kittelberger GmbH i.L.	Liebigstr. 1-3, Kaiserslautern, 67661, Germany	100
KIG Immobilien Beteiligungsgesellschaft mbH	Hammstrasse 6, 04129 Leipzig, Germany	100
KIG Immobiliengesellschaft mbH & Co. KG	Hammstrasse 6, 04129 Leipzig, Germany	100
Wood E&IS (Renewables) GmbH	Zippelhaus 4, 20457 Hamburg, Germany	100
Ghana		
Amec Foster Wheeler Operations Ghana Limited	House Number 4, Momotse Avenue, Behind All Saints Anglican Church, Adabraka, PO Box GP 1632, Accra, Greater Accra, Ghana	100
Wood & BBS Ghana Ltd	No 4 Momotsa Avenue, Behind All Saints Anglican Church, Adabraka, Accra, Ghana	80
Wood Group Ghana Limited	20 Jones Nelson Road, Adabraka, Accra, Ghana	49*
Greece		
Amec Foster Wheeler Hellas Engineering and Construction Societe Anonyme	15 Meandrou Street, Athens, 115 28, Greece	100
Guatemala		
AMEC Guatemala Engineering and Consulting, Sociedad Anonima	Ciudad Guatemala, Guatemala	100
Guernsey		
AMEC Operations Limited	22 Havilland Street, St Peter Port, GY1 2QB, Guernsey	100
Garlan Insurance Limited	PO Box 33, Maison Trinity, Trinity Square, St Peter Port, GY1 4AT, Guernsey	100
Wood Group Offshore Services Limited	PO Box 119 Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB, Guernsey	100
Wood USA Holdings Limited	22 Havilland Street, St Peter Port, GY1 2QB, Guernsey	100
Hong Kong		
AMEC Asia Pacific Limited	3806, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	99
SgurrEnergy Hong Kong Limited	26/F Beautiful Group Tower, 77 Connaught Road Central, Hong Kong	100
India		
Ingenious Process Solutions Private Limited	307, Atlanta Estate, 3rd Floor, Hanuman Tekdil Road Vitbhatti, Off. W.E. Highway, Goregaon (East) Mumbai MH 400063	100
Mustang Engineering India Private Limited	6th Floor, Zenith Building, Ascendas IT Park, CSIR Road, Taramani, Chennai 600 113, India	100
Wood India Engineering & Projects Private Limited	6th Floor, Zenith Building, Ascendas IT Park, CSIR Road, Taramani, Chennai 600 113, India	100
Wood Group Kenny India Private Limited	15th Floor Tower-B, Building No. 5, DLF Cyber City, ,HR, Phase III Gurgaon Gurgaon, 122002, India	100
Wood Group PSN India Private Limited	5th Floor, Zenith Building, Ascendas IT Park, CSIR Road, Taramani, Chennai, 600113, India	100
Indonesia		
PT AGRA Monenco	c/o 2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada	100

PT Amec Foster Wheeler Indonesia	Perkantoran Pulo mas Blok VII No. 2, Jl Perintis Kemerdekaan, Pulo Gadung, Jakarta, Timur, Indonesia	55
PT Australian Skills Training	Green Town Warehouse No. 2, Bengkong-Batam-Indonesia, Indonesia	95
PT Foster Wheeler O&G Indonesia	Perkantoran Pulo mas Blok VII No.2, Jl. Perintis Kemerdekaan, Pulo Gadung, Jakarta Timur 13260, Indonesia	90
PT Harding Lawson Indonesia	c/o 2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada	100
PT Simons International Indonesia	c/o 2020 Winston Park Drive, Suite 7000, Oakville, Ontario, Canada	100
PT Wood Group Indonesia	Gedung Perkantoran Prudential Centre, Kota Kasablanka, Lantai 22, Unit A, J1, Cassablanca Kav, 88 Kel. Menteng Dalam, Kec.Tebet, Kota Adm, Jarkarta Selantan, DKI Jarkarta, Malaysia	90
Iran		
Foster Wheeler Adibi Engineering	9th Floor Aluminumm Building, Avenue Shah, Tehran	45
Wood Group Iran - Qeshm Company (pjs)	No 2564, Hafez Street, Toola Industrial Park,Qeshm Island, Annaba, Iran	97
Iraq		
Ghabet El Iraq for General Contracting and Engineering Services, Engineering Consultancy (LLC)	Suite 24, Building 106,St 19, Sec 213, Al-Kindi St, Al-Haritheeya Qts, Baghdad, Iraq	100
Touchstone General Contracting, Engineering Consultancy and Project Management LLC	Flat no. 23A, 3rd Floor, near Kahramana Square Anbar Building, District no. 903, Hay Al Karada, Baghdad, Iraq	100
Wood Group, LLC	Shoresh, Hadid and Khashab St., Kurdistan, Erbil, Iraq	100
Ireland		
Wood Group Kenny Ireland Limited	Second Floor, Blocks 4 and 5, Galway Technology Park, Parkmore, Galway, Ireland	100
Italy		
Concetto Green S.r.l	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Concettorinnovabile s.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
ForEarth S.r.l	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Geo Rinnovabile S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Green2dream s.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Green2grid S.r.l	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Greendream1 S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Greendream2 S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
HWF S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Hybrid Energy S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Newagro s.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Oro Rinnovabile s.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Orosolare s.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Res4green s.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Res4planet S.r.l	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Res4power s.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Resergy S.r.l	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Transizione s.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Transizioneverde s.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Tre Rinnovabili S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Versogreen s.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Wood Italiana S.r.l.	Via S. Caboto 15, Corsico, 20094, Italy	100
Wood Solare Italia S.r.l.	Via S. Caboto 15, Corsico, Milan, 20094, Italy	100
Jamaica		
Monenco Jamaica Limited	c/o 2020 Winston Park Drive, Suite 700, Oakville, ON, L6H 6X7, Canada	100
Jersey		
GTS Power Solutions Limited	28 Esplanade, St Helier, JE2 3QA, Jersey	100
RHI Talent UK Limited	28 Esplanade, St Helier, JE2 3QA, Jersey	100

Wood Group Engineering Services (Middle East) Limited	28 Esplanade, St Helier, JE2 3QA, Jersey	100
Wood Group Production Facilities Limited	28 Esplanade, St Helier, JE2 3QA, Jersey	100
Kazakhstan		
AMEC Limited Liability Partnership	46 Satpayev St., Atyrau City, Atyrau Oblast, 060011, Kazakhstan	100
Foster Wheeler Kazakhstan LLP	app. 27, h. 64, Bostandykskiy district, Abaya Ave., Almaty City, Kazakhstan	100
QED International (Kazakhstan) Limited Liability Partnership	46 Satpayev St., Atyrau City, Atyrau Oblast, 060011, Kazakhstan	100
Wood Group Kazakhstan LLP	Satpayev str. 46, Atyrau, 060011, Kazakhstan	100
Kuwait		
AMEC Kuwait Project Management and Contracting Company W.L.L.	2nd Floor, Al Mutawa Building, Ahmed Al Jaber Street, Sharq, Kuwait City	49*
Liberia		
Amec Foster Wheeler Liberia Inc	King Plaza, 2nd-4th Floors, Broad Street, Monrovia 10, Liberia	100
Luxembourg		
Financial Services S.à r.l.	15, Boulevard Friedrich Wilhelm Raiffeisen, L-2411, Luxembourg	100
FW Investment Holdings S.à r.l.	15, Boulevard Friedrich Wilhelm Raiffeisen, L-2411, Luxembourg	100
Malaysia		
Amec Foster Wheeler OPE Sdn. Bhd.	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, 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
Rider Hunt International (Malaysia) Sdn Bhd	Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, Kuala Lumpur, 50490, Malaysia	100
Wood Group Kenny Sdn Bhd	c/o Securities Services (Holdings) Sdn Bhd, level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, ,Kuala Lumpur, Damansara Town Centre, Damansa, 50490, Malaysia	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
CEC Controls Automatizacion S. de R.L. de C.V.	Libramiento Carr. Silao-León #201, Esq. Prolongación Bailleres, Col. Progreso Silao, Guanajuato, CP. 36135, Mexico	100
Foster Wheeler Constructors de Mexico S. de R.L. de C.V.	699 15th Street, 6th Avenue, Agua Prieta, Sonora, Mexico	80
Global Mining Projects and Engineering, S.A. de C.V.	Calle Coronado 124, Zona Centro, Chihuahau, Chihuahau, 31000, Mexico	100
Harding Lawson de Mexico S.A. de C.V.	Edificio Omega, Campos Eliseos 345, floors 2, 3 & 11, Chapultepec Polanco 11560 Mexico, D.F.	100

ISI Mustang Servicios de Ingenieria de Mexico, S de R.L. De C.V.	HOMERO 1804 PISO 11,COL. LOS MORALES - DELEGACION MIGUEL HIDALGO, Distrito Federal, Mexico City, C.P. 11540, Mexico	100
Wood Group de Mexico S.A. de C.V.	Insurgentes Sur #619 piso 10, Colonia Napoles, Municipio Benito Juarez, between Calle Vermont and Calle Yosemite, Mexico City, 03810, Mexico	100
Wood Group Management Services de Mexico, S.A. de C.V.	Blvd. Manuel Avila Camacho 40 - 1801, Lomas de Cahpultepec, Delgacion Miguel Hidalgo, Mexico, D.F. 11000	100
Mongolia		
AMEC LLC	Mongol TV Tower-1005, Chinggis Avenue, Sukhbaatar District, 1st 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.	EDGE Amsterdam West, Basisweg 10, 1043 AP, Amsterdam, Netherlands	100
AMEC Investments B.V.	EDGE Amsterdam West, Basisweg 10, 1043 AP, Amsterdam, Netherlands	100
Foster Wheeler Continental B.V.	Naritaweg 165, 1043 BW Amsterdam, Netherlands	100
Foster Wheeler Europe B.V.	Naritaweg 165, 1043 BW Amsterdam, Netherlands	100
John Wood Group B.V.	C/O Centralis Netherlands BV, Zuidplein 126, WTC, Toren H 15e, Amsterdam, 1077XV, Netherlands	100
John Wood Group Holdings BV	C/O Centralis Netherlands BV, Zuidplein 126, WTC, Toren H 15e, Amsterdam, 1077XV, Netherlands	100
New Zealand		
M&O Pacific Limited	26 Manadon Street, Spotswood, New Plymouth, 4310, New Zealand	100
Nigeria		
AMEC Contractors (W/A) Limited	13A AJ Marinho Drive, Victoria Island, Lagos, Nigeria	100
AMEC King Wilkinson (Nigeria) Limited	No 3, Hospital Road, PO Box 9289, Lagos, Nigeria	100
AMEC Offshore (Nigeria) Limited	18th Floor, Western House, 8/10 Broad street, Lagos, Nigeria	75
Foster Wheeler (Nigeria) Limited	1 Murtala Muhammed Drive, (Formerly Bank Road), Ikoyi, Lagos, Nigeria	100
Foster Wheeler Environmental Company Nigeria Limited	c/o Nwokedi & Co., 21 Ajasa Street, Onikan, Nigeria	87
JWG Nigeria Limited	13 Sumbo Jibowu Street, Ikoyi, Lagos, Nigeria	100
Overseas Technical Services Nigeria Limited	No 13 Sumbo Jibowu Street, Ikoyi, Lagos, Nigeria	93
Norway		
Wood Group Norway AS	Fokserodveien 12, Sandefjord, 3241, Norway	100
Oman		
Amec Foster Wheeler Engineering Consultancy LLC	PO Box 1469, Postal Code 133, Al-Khuwair, Sultanate of Oman	60
Wood LLC	Bldg No. 89, Way No. 6605, Al Oman Street, Ghala Industrial Area, P.O. Box 293, Al Khuwair, PC 133, Oman	70
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,Papau New Guinea, National Capital District, Papua New Guinea	100
Peru		
Wood Group Peru S.A.C.	Av. de la Floresta 407, 5th Floor, San Borja, Lima, Peru	100
Philippines		
Foster Wheeler (Philippines) Corporation	U-7A, 7/F PDCP Bank Centre,V.A. Rufino St. Corner L.P. Leviste St., Salcedo Village, Makati City, PH, 1227	100
Production Services Network Holdings Corp.	585 ME National Road HW, Barangay Alangilan, Batangas City, Batangas, Philippines	100

PSN Production Services Network Philippines Corp	12th Floor, Net One Center,26th Street Corner, 3rd Avenue, Crescent Park West,Taguig, Metro Manilla, Bonifacio Global City, 1634, Philippines	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
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
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	100
Production Services Network Sakhalin LLC	2-6 Floors,88 Amurskaya, Yuzhno-Sakhalinsk, 693020, Russian Federation	99
Saudi Arabia		
Amec Foster Wheeler Energy and Partners Engineering Company	Majd Business Center, Tower B, P.O. Box 30920, King Faisal Road, Al-Khobar, 31952, Saudi Arabia	75
Mustang and Faisal Jamil Al-Hejailan Consulting Engineering Company	PO Box 9175, Almalaz, Salahuddin Alayoubi Street, Riyadh, 11413, Saudi Arabia	70
Mustang Saudi Arabia Co. Ltd.	King Fahad Road, Rakah, Po Box 8145, Al-Khobar, 34225, Saudi Arabia	100
Wood Group ESP Saudi Arabia Limited	PO Box 1280, Al-Khobar	51
Singapore		
Amec Foster Wheeler Asia Pacific Pte. Ltd.	One Marina Boulevard #28-00, Singapore, 018989, Singapore	100
AMEC Global Resources Pte Limited	991E Alexandra Road, #01 - 25, 119973, Singapore	100
Foster Wheeler Eastern Private Limited	1 Marina Boulevard, #28-00, Singapore 018989	100
OPE O&G Asia Pacific Pte. Ltd.	1 Marina Boulevard, #28-00, One Marina Boulevard, 018989, Singapore	100
Rider Hunt International (Singapore) Pte Limited	24 Raffles Place, #24-03 Clifford Centre, Singapore, 048621	100
Simons Pacific Services Pte Ltd.	8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore, 018981, Singapore	100
Wood Group International Services Pte. Ltd.	991E Alexandra Road, #01 - 25, 119973, Singapore	100
Slovakia		
The Automated Technology Group (Slovakia) s.r.o.	c/o, Kinstellar s.r.o., Hviezdoslavovo nám 13, Bratislava, 811 02, Slovakia	100
South Africa		
Amec Foster Wheeler Properties (Pty) Limited	Waterfall Corporate Campus, Building 6, 74 Waterfall Drive Waterval City, Gauteng, 2090, South Africa	100
AMEC Minproc (Proprietary) Limited	2 Eglin Road, Sunninghill, 2157, South Africa	100
Mossel Bay Energy IPP (proprietary) Limited (RF)	2nd Road Halfway House, Midrand, South Africa	90
Rider Hunt International South Africa (Pty) Ltd	Building No. 2, Silver Stream Business Park, No. 10 Muswell Road South, Bryanston, South Africa	83
Wood BEE Holdings (Proprietary) Ltd	Waterfall Corporate Campus, Building 6, 74 Waterfall Drive Waterval City, Gauteng, 2090, South Africa	58
Wood Mining South Africa (Pty) Ltd	Building No. 2, Silver Stream Business Park, 10 Muswell Road South, Bryanston, Gauteng, 2021, South Africa	100
Wood South Africa (PTY) Ltd	Waterfall Corporate Campus, Building 6, 74 Waterfall Drive Waterval City, Gauteng, 2090, South Africa	70
South Korea		
AMEC Korea Limited	KG Tower 5F, 92 Tongil-ro, Jung-gu, Seoul 04517, Korea	100
Spain		

Amec Foster Wheeler Energia, S.L.U.	Calle Gabriel Garcia Marquez, no 2, Parque Empresarial Madrid, Las Rozas, 28232 Las Rozas, Madrid, Spain	100
Wood Iberia S.L.U.	Calle Gabriel Garcia Marquez, no 2, Parque Empresarial Madrid - Las Rozas, 28230 Las Rozas, Madrid, Spain	100
Switzerland		
A-FW International Investments GmbH	c/o Intertrust Services (Schweiz) AG, Alpenstrasse 15, 6300, Zug, Zug, Switzerland	100
Wood Engineering AG	Lohweg 6, 4054 Basel, Switzerland	100
Tanzania		
MDM Projects-Tanzania Limited	Plot No. 483, Garden Road, Mikocheni Ward, Kinondoni District, Dar es Salaam, 14112, Tanzania, the United Republic of	100
Thailand		
Amec Foster Wheeler Holding (Thailand) Limited	1st Floor Talaythong Tower, 53 Moo 9, Sukhumvit Road, Thungsukla, Sriracha, Chonburi, 20230, Thailand	100
Foster Wheeler (Thailand) Limited	53 Talaythong Tower, 1st Floor, Moo 9, Sukhumvit Road, Tambol Tungsukhla, Amphur Sriracha, Chonburi, 20230, Thailand	100
SIE Siam Limited	91/17 Soi Wattananivet 4, Suthisarnvinijchai Road, Khwaeng Samsennok, Khet Huaykwang, Bangkok Metropolis, Thailand	100
Simons International Engineering Ltd.	91/17 Soi Wattananivet 4, Suthisarnvinijchai Road, Khwaeng Samsennok, Khet Huaykwang, Bangkok Metropolis, Thailand	100
Trinidad and Tobago		
Wood Group Trinidad & Tobago Limited	18 Scott Bushe Street, Port of Spain, Trinidad and Tobago	100
Turkey		
Amec Foster Wheeler Bimas Birlesik Insaat ve Muhendislik A.S.	Kucukbakkalkoy Mah, Çardak Sok, No.1A Plaza, 34750 Atasehir, Istanbul, Turkey	100
Uganda		
Wood Group PSN Uganda Limited	KAA House, Plot 41,Nakasero Road, PO Box 9566, Kampala, Uganda	100
Ukraine		
Wood Ukraine LLC	Room 398, Building 26, Obolonskyi Avenue, Kyiv City, 04205, Ukraine	100
United Arab Emirates		
Production Services Network Emirates LLC	Unit 1301-CI Tower, Level 13, Al Bateen Street, Khalidiya, Abu Dhabi, PO Box 105828	49*
PSN Overseas Holding Company Limited	The MAZE Tower, 15th Floor, Sheikh Zayed Road, PO Box 9275, Dubai, United Arab Emirates	100
United Kingdom		
AFW Finance 2 Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC (F.C.G.) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC (MH1992) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC (MHL) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC (WSL) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC BKW Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Bravo Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Building Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Capital Projects Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Civil Engineering Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Amec Foster Wheeler (Holdings) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Amec Foster Wheeler Earth and Environmental (UK) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Amec Foster Wheeler Energy Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Amec Foster Wheeler Finance Asia Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Amec Foster Wheeler Finance Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Amec Foster Wheeler Group Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Amec Foster Wheeler International Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100

Amec Foster Wheeler Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Investments Europe Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Offshore Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Process and Energy Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Project Investments Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Services Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Trustees Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC USA Holdings Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
AMEC Wind Developments Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Automated Technology Group Holdings Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
East Mediterranean Energy Services Limited	c/o Ledingham Chalmers LLP, 3rd Floor, 68-70 George Street, Edinburgh, EH2 2LR, United Kingdom	100
Foster Wheeler (G.B.) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler (London) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler (Process Plants) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler E&C Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler Environmental (UK) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler Europe	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Foster Wheeler UK Investments Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland	100
Foster Wheeler World Services Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
FW Investments Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
HFA Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Integrated Maintenance Services Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
James Scott Limited	Ground Floor, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland	100
John Wood Group Holdings Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland	100
JWG Investments Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
JWGUSA Holdings Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Kelwat Investments Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Metal and Pipeline Endurance Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Mustang Engineering Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Press Construction Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Process Plants Suppliers Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Production Services Network (UK) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Production Services Network Bangladesh Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
PSJ Fabrications Ltd	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
PSN (Angola) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
PSN (Philippines) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
PSN Asia Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
PSN Overseas Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
QED International (UK) Limited	Ground Floor, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland	100
GoTechnology Services Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Rider Hunt International Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Sandiway Solutions (No 3) Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
SgurrEnergy Limited	St Vincent Plaza, 319 St Vincent Street, Glasgow, G2 5LP, Scotland, United Kingdom	100
The Automated Technology Group Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
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	100

Wood (Indonesia) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	100
Wood and Company Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Finance 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 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 Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Pensions Trustee Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood Transmission and Distribution Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
Wood UK Limited	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ, England	100
United States		
4900 Singleton, L.P.	400 North St. Paul, Dallas, TX, 75201	100
AMEC Construction Management, Inc.	United Agent Group Inc., 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, 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.	3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	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 Martinez, Inc.	United Agent Group Inc., 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
Amec Foster Wheeler North America Corp.	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
Amec Foster Wheeler Power Systems, Inc.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Amec Foster Wheeler USA Corporation	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
AMEC Holdings, Inc.	United Agent Group Inc., 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
AMEC North Carolina, Inc.	225, Hillsborough Street, Raleigh, NC, 27603, United States	100
AMEC Oil & Gas World Services, Inc.	United Agent Group Inc., 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
Barsotti's Inc.	Perryville Corporate Park, 53 Frontage Road, PO Box 9000, Hampton, NJ, 08827-90000	100

BMA Solutions Inc.	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
C E C Controls Company, Inc.	United Agent Group Inc., 28175 Haggerty RoadD, Novi, MI, 48377, United States	100
Cape Software, Inc.	United Agent Group, 2425 W Loop South #200, Houston, TX, 77027, United States	100
Ceres Solar 1, LLC	8275 South Eastern Avenue #200, Las Vegas, Clark County, NV, 89123, United States	100
Equipment Consultants, Inc.	Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801	100
Energy Transition Ventures 1 LLC	5444 Westheimer #1000, Houston, Harris County, TX, 77056, United States	100
Energy Transition Ventures 2 LLC	5444 Westheimer #1000, Houston, Harris County, TX, 77056, United States	100
Energy Transition Ventures 3 LLC	5444 Westheimer #1000, Houston, Harris County, TX, 77056, United States	100
Energy Transition Ventures 4 LLC	5444 Westheimer #1000, Houston, Harris County, TX, 77056, United States	100
Energy Transition Ventures 5 LLC	5444 Westheimer #1000, Houston, Harris County, TX, 77056, United States	100
Wood Contract Services LLC	17325 Park Row, Suite 500, Houston, TX, 77084, United States	100
Foster Wheeler Energy Corporation	5444 Westheimer #1000, Houston, Harris County, TX, 77056, United States	100
Foster Wheeler Environmental Corporation	5444 Westheimer #1000, Houston, Harris County, TX, 77056, United States	100
Foster Wheeler Inc.	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
Foster Wheeler Intercontinental Corporation	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	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.	United Agent Group Inc., 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
Martinez Cogen Limited Partnership	United Agent Group Inc., 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	99
Mustang International, Inc.	5444 Westheimer #1000, Houston, Harris County, TX, 77056, United States	100
Process Consultants, Inc.	United Agent Group Inc., 3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100
RHI Talent USA Inc.	United Agent Group Inc., 8275 South Eastern Av., #200, Las Vegas, NV, 89123, United States	100
Rider Hunt International (USA) Inc.	United Agent Group, 2425 W Loop South #200, Houston, TX, 77027, United States	100
Swaggart Brothers, Inc.	United Agent Group Inc., 5708 S.E. 136th Avenue, #2, Portland, OR, 97236, United States	100
Swaggart Logging & Excavation LLC	United Agent Group Inc., 5708 S.E. 136th Avenue, #2, Portland, OR, 97236, United States	100
Thelco Co.	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE, 19801	100
Wood Contracting Services LLC	3411 Silverside Road Tatnal Building #104, Wilmington, New Castle County, DE, 19810, United States	100
Wood Group Alaska, LLC	United Agent Group Inc., 3411 Silverside Road, Tatnall Bldg. #104, Wilmington, DE, 19810, United States	100
Wood Group PSN, Inc.	United Agent Group Inc., 8275 South Eastern Av., #200, Las Vegas, NV, 89123, United States	100
Wood Group Support Services, Inc.	United Agent Group Inc., 8275 South Eastern Av., #200, Las Vegas, NV, 89123, United States	100
Wood Group US Holdings, Inc.	3411 Silverside Road Tatnall Building #104, Wilmington, New Castle County, DE, 19810, United States	100

Wood Group US International, Inc.	United Agent Group Inc., 8275 South Eastern Av., #200, Las Vegas, NV, 89123, United States	100
Wood Group USA, Inc.	5444 Westheimer #1000, Houston, Harris County, TX, 77056, United States	100
Wood Programs, Inc.	2475 Northwinds Parkway, #200-260, Alpharetta, GA, 30009, United States	100
Uzbekistan		
Wood Energy Solutions LLC	Sulton Darvoza Business Center, 38/1 Shakhrisabz Street, Tashkent, 100060, Uzbekistan	100
Vanuatu		
O.T.S. Finance and Management Limited	Law Partners House, Rue Pasteur, Port Vila, Vanuatu	100
Overseas Technical Service International Limited	Law Partners House, Rue Pasteur, Port Vila, Vanuatu	100
Venezuela		
Amec Foster Wheeler Venezuela, C.A.	Avenida Francisco de Miranda, Torre Cavendes, Piso 9, Ofic 903, Caracas, Venezuela	100

*Companies consolidated for accounting purposes as subsidiaries on the basis of control. There is no material impact on the financial statements of the judgements applied in assessing the basis of control for these entities.
** The Group does not have a direct shareholding in these entities but considers them to be under group control.

Joint Ventures		
Company Name	**Registered Address**	**Ownership Interest %**
Australia		
Clough Wood Pty Ltd[1]	Level 6, QV1 Building, 250 St Georges Terrace, Perth, WA, 6000, Australia	50
Azerbaijan		
Socar-Foster Wheeler Engineering LLC	88A Zardaby Avenue,Baku, Azerbaijan	35
Brunei Darussalam		
TendrillWood Sdn Bhd	Lot 29 & 30, Tapak Perindustrian Sungai Bera, Kampong Sungai Bera, Seria, Belait, KB1933, Brunei Darussalam	75
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		
Consorcio AMEC CADE / PSI Consultores Limitada	Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	50
Consorcio Consultor Cade Zañartu Limitada	Seminario 714, Ñuñoa, Santiago de Chile	50
Consorcio Consultor Systra / Cade Idepe / Geoconsult Limitada	Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	40
Consorcio de Ingenieria Geoconsult Cade Idepe Limitada	Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	50
Consorcio de Ingeniería Systra Cade Limitada	Av. Jose Domingo, Canas No 2640, Nunoa, Santiago, 7750164, Chile	50
Consorcio de Ingenieria Transporte Systra Cade Idepe Consultores Limitada	Jose Domingo Cañas 2640, Ñuñoa, Santiago Chile	50
Construcciòn e Ingenierìa Chile FI Limitada	Avenida Andrés Bello 2711, Piso 22 - Comuna Las Condens, Santiago, Chile	50
China		
Wood Zone Co., Ltd	No. 143 Jinyi Road, Jinshan District, Shanghai, 200540, China	50
Cyprus		
Wood Group - CCC Limited	Elenion Building, 2nd Floor, 5 Themistocles Street, CY-1066 Nicosia,CY-1310 Nicosia, PO Box 25549, Cyprus	50

Kazakhstan		
WOOD KSS JSC	Satpayev str. 46, Atyrau, 060011, Kazakhstan	50
Mexico		
AFWA DUBA Salina Cruz, S. de R.L. de C.V.	Carlos Salazar, #2333, Colonia Obrera, Monterrey, Nuevo Leon, Mexico	50
Grupo Industrial de Ingenieria Ecologica III HLA & Iconsa S.A. de C.V.	Edificio Omega, Campos Eliseos 345, floors 2, 3 & 11, Chapultepec Polanco 11560 Mexico, D.F.	51
Mustang Diavaz, S.A.P.I. de C.V.	Av. Revolucion 468, Col. San Pedro de los Pinos Mexico, D.F., 03800, Mexico	50
Northam Conip Consorcio, S.A. de C.V.	David Alfaro Siqueiros 104 piso 2, Col. Valle Oriente, San Pedro Garza Garcia, Nuevo Leon, CP. 66269, Mexico	50
Malaysia		
ICE Wood Sdn. Bhd.	Level 7, Menara Milenium,Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights,Wilayah Persekutuan,Wilayah Persekutuan, Kuala Lumpur, 50490, Malaysia	49
Netherlands		
Wood Group Azerbaijan B.V.	C/O Centralis Netherlands BV, Zuidplein 126, WTC, Toren H 15e, Amsterdam, 1077XV, Netherlands	51
New Zealand		
Wood Beca Limited	Ground Floor, Beca House, 21 Pitt Street, Auckland, 1010, New Zealand	50
Oman		
AMEC Al Turki LLC	c/o Al Alawi, Mansoor Jamal & Co., Barristers & Legal Consultants, Muscat International Centre, Mezzanine Floor, Muttrah Business District, P.O. Box 686 Ruwi, Oman	35
Qatar		
Wood Black Cat LLC	5th Floor Al Aqaria Tower, Building No. 34, Museum Street, Old Salata Area, Street 970, Zone 18, P.O Box No. 24523 Doha, Qatar	49
Saudi Arabia		
AMEC BKW Arabia Limited[1]	Al Rushaid Petroleum Investment Co. Building, Prince Hamoud Street, 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 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	C/O Edf Renewables Atria One, 144 Morrison Street, Edinburgh, EH3 8EX	50
RWG (Repair & Overhauls) Limited	15 Justice Mill Lane, Aberdeen, AB11 6EQ, Scotland, United Kingdom	50
South Kensington Developments Limited	Ground Floor T3 Trinity Park, Bickenhill Lane, Birmingham, B37 7ES, United Kingdom	50
Stornoway Wind Farm Limited	C/O Edf Renewables Atria One, 144 Morrison Street, Edinburgh, EH3 8EX	50
United States		
Flour AMEC II, LLC	100 Fluor Daniel Drive, Greenville, SC, 29607-2770, United States	45

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

In addition to the subsidiaries listed above, the Group has a number of overseas branches.
Details of the direct subsidiaries of John Wood Group PLC are provided in note 1 to the parent company financial statements.

Notes to the financial statements
For the year ended 31 December 2022

The Group will be exempting the following companies from an audit in 2022 under Section 479A of the Companies Act 2006. All of these companies are fully consolidated in the Group Financial Statements.
AFW Finance 2 Limited (Registered number 09861575)
AME Building Limited (Registered number 165287)
AMEC (F.C.G) Limited (Registered number 148585)
AMEC (MH1992) Limited (Registered number 222870)
AMEC (MHL) Limited (Registered number 713103)
AMEC (WSL) Limited Registered number 514311)
AMEC BKW Limited (Registered number 169831)
AMEC Bravo Limited (Registered number 6206015)
AMEC Capital Projects Limited (Registered number 2804109)
AMEC Civil Engineering Limited (Registered number 1265199)
Amec Foster Wheeler (Holdings) Limited (Registered number 00163609)
Amec Foster Wheeler Earth and Environmental (UK) Limited (Registered number 4987981)
Amec Foster Wheeler Energy Limited (Registered number 1361134)
Amec Foster Wheeler Finance Asia Limited (Registered number 6205760)
Amec Foster Wheeler Finance Limited (Registered number 1332332)
Amec Foster Wheeler Group Limited (Registered number 4612748)
Amec Foster Wheeler International Limited (Registered number 3203966)
AMEC Investments Europe Limited (Registered number 3704533)
AMEC Offshore Limited (Registered number 1054207)
AMEC Process and Energy Limited Registered number 2028340)
AMEC Project Investments Limited (Registered number 2619408)
AMEC Services Limited (Registered number 2804093)
AMEC Trustees Limited (Registered number 2830098)
Amec USA Holdings Limited (Registered number 4041261)
Amec Wind Developments Limited (Registered number 8781332)
Automated Technology Group Holdings Limited (Registered number 07871655)
East Mediterranean Energy Services Limited (Registered number SC505318)
Foster Wheeler (G.B.) Limited (Registered number 745470)
Foster Wheeler (London) Limited (Registered number 887857)
Foster Wheeler (Process Plants) Limited (Registered number 1184855)
Foster Wheeler E&C Limited (Registered number 2247293)
Foster Wheeler Environmental (UK) Limited (Registered number 1657494)
Foster Wheeler Europe (Registered number 04127813)
Foster Wheeler UK Investments Limited Registered number SC649888)
Foster Wheeler World Services Limited (Registered number 1439353)
FW Investments Limited (Registered number 6933416)
HFA Limited (Registered number SC129298)
Integrated Maintenance Services Limited (Registered number 3665766)
James Scott Limited (Registered number SC35281)
John Wood Group Holdings Limited (Registered number SC642609)
JWG Investments Limited (Registered number SC484872)
JWGUSA Holdings Limited (Registered number SC178512)
Kelwat Investments Limited (Registered number SC203212)
Metal and Pipeline Endurance Limited (Registered number 534109)
Mustang Engineering Limited (Registered number SC273548)
Press Construction Limited (Registered number 471400)
Process Plants Suppliers Limited (Registered number 957881)
Production Services Network (UK) Limited (Registered number SC293004)
Production Services Network Bangladesh Limited (Registered number 02214332)
PSJ Fabrications Ltd (Registered number 01205595)
PSN (Angola) Limited (Register number SC311500)
PSN (Philippines) Limited (Registered number SC345547)
PSN Asia Limited (Registered number SC317111)
PSN Overseas Limited (Registered number SC319469)
QED International (UK) Limited (Registered number SC106477)
GoTechnology Services Limited (Registered number 12522586)
Rider Hunt International Limited (Register number 02305615)
Sandiway Solutions (No 3) Limited (Registered number 5318249)
SgurrEnergy Limited (Registered number SC245814)
The Automated Technology Group Limited (Registered number 03109235)
WGPSN (Holdings) Limited (Registered number SC288570)

Notes to the financial statements
For the year ended 31 December 2022

WGPSN Eurasia Limited (Registered number SC470501)
Wood (Indonesia) Limited (Registered number SC693591)
Wood and Company Limited (Registered number 01580678)
Wood Group Algeria Limited (Registered number SC299843)
Wood Group Algiers Limited (Registered number SC299845)
Wood Group Annaba Limited (Registered number SC299848)
Wood Group Arzew Limited (Registered number SC299850)
Wood Group Engineering (North Sea) Limited (Registered number SC030715)
Wood Group Engineering and Operations Support Limited (Registered number SC159149)
Wood Group Hassi Messaoud Limited (Registered number SC299851)
Wood Group Holdings (International) Limited Register number SC169712)
Wood Group Investments Limited (Registered number SC301983)
Wood Group Kenny Corporate Limited (Registered number SC147353)
Wood Group Kenny Limited (Registered number 1398385)
Wood Group Kenny UK Limited (Registered number 2331383)
Wood Group Power Investments Limited (Registered number SC454342)
Wood Group Production Services UK Limited (Registered number SC278252)
Wood Group/OTS Limited (Registered number 1579234)
Wood International Limited (Registered number 10517856)
Wood Limited (Registered number 9861563)
Wood Finance UK Limited (Registered number 03725076)
Wood Pensions Trustee Limited (Registered number 1889899)
Wood Transmission and Distribution Limited (Registered number 11829648)
Wood UK Limited (Registered number 3863449)

Shareholder information

Officers and advisers

Secretary and Registered Office
M McIntyre
John Wood Group PLC
15 Justice Mill Lane
Aberdeen
AB11 6EQ

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

Stockbrokers
JPMorgan Cazenove Limited
Morgan Stanley

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

Company Solicitors
Slaughter and May

Financial calendar

Results announced	**28 March 2023**
Annual General Meeting	**11 May 2023**

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