

Wood Group ESP Limited
Annual report and financial statements
for the year ended 31 December 2009

Registered Number : SC 216322



Wood Group ESP Limited

Annual report and financial statements

for the year ended 31 December 2009

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Directors' report for the year ended 31 December 2009

The director presents the report and the audited financial statements for the year ended 31 December 2009.

Business review and principal activities

The company's principal activity is the provision of services to group undertakings. The results for the company show a pre-tax profit of \$2,004,000 (2008: \$2,553,000) for the year and turnover of \$4,937,000 (2008: \$6,094,000). The company had an overdraft of \$277,000 (2008: cash \$12,000) as at 31 December 2009.

Results and dividends

The profit for the financial year amounted to \$1,470,000 (2008 : \$1,816,000) and has been transferred to reserves. A dividend of \$7,000,000 (2008 : nil) was paid during the year.

Future outlook

The principal activities of the company are expected to remain unchanged and a similar level of activity is anticipated for 2010.

Principal risks and uncertainties

The principal risks and uncertainties impacting on the company are discussed in the context of John Wood Group PLC "the Group", as a whole in the Group's annual report and accounts. These risks are managed on a Group basis.

Key Performance Indicators (KPI's)

The directors of the Group manage the Group's operations on a divisional basis. For this reason the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development or position of the business. The KPI's for the Group are discussed in the Group's Annual Report and Accounts.

Directors

The directors who served during the year are as follows:

M Dear (resigned 16 November 2009)
W Setter (appointed 16 November 2009)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

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Directors' report for the year ended 31 December 2009 (continued)

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as "information needed by the company's auditors in connection with preparing their report".

Each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed.

By order of the Board



Company Secretary

Independent auditors' report to the members of Wood Group ESP Limited

We have audited the financial statements of Wood Group ESP Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Wood Group ESP Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Grant Morrison (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Aberdeen

25 June 2010

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Profit and loss account for the year ended 31 December 2009

	Note	2009 \$'000	2008 \$'000
Turnover	2	4,937	6,094
Cost of sales		(2,962)	(3,657)
Gross profit and operating profit		1,975	2,437
Interest receivable	3	29	133
Interest payable	4	-	(17)
Profit on ordinary activities before taxation		2,004	2,553
Tax on profit on ordinary activities	7	(534)	(737)
Profit for the financial year	14	1,470	1,816

All items dealt with in arriving at the profit for the years above relate to continuing operations.

There were no recognised gains or losses in either year other than the profit for the financial year and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial years stated above, and their historical cost equivalents.

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Balance sheet as at 31 December 2009

	Note	2009 \$'000	2009 \$'000	2008 \$'000	2008 \$'000
Fixed assets					
Investments	9		1		1
Current assets					
Debtors	10	2,340		7,778	
Cash		-		12	
			2,340		7,790
Creditors: amounts falling due within one year	11		(729)		(649)
Net current assets			1,611		7,141
Net assets			1,612		7,142
Capital and reserves					
Called up share capital	12		-		-
Profit and loss account	13		1,612		7,142
Equity shareholders' funds	14		1,612		7,142

The financial statements on pages 5 to 13 were approved by the board of directors on 23 June 2010 and were signed on its behalf by:

Director :



Wood Group ESP Limited

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Notes to the financial statements for the year ended 31 December 2009

1 Principal accounting policies

These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. A summary of the accounting policies, which have been applied consistently, is set out below.

Group financial statements

The company is exempt from preparing consolidated financial statements in accordance with section 400 of the Companies Act 2006. The financial statements of the company are included within the consolidated financial statements of its ultimate parent company, John Wood Group PLC.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of services supplied. Turnover is recognised on a monthly basis as services are rendered.

Dividends

Dividends on ordinary shares are not recognised as a liability or charged to equity until they have been approved by shareholders. Dividend income is credited to the profit and loss account when the dividend has been approved by the board of directors of the company making the dividend payment.

Cash flows

At 31 December 2009, the company is a wholly owned subsidiary of John Wood Group PLC and the cash flows of the company are included in the consolidated group cash flow statement of John Wood Group PLC. Consequently the company is exempt under the terms of FRS 1 (Revised 1996) 'Cash Flow Statement' from publishing a cash flow statement.

Investments in subsidiaries

Investments in subsidiary undertakings are included in the balance sheet of the company at cost less provision for impairment.

Impairment of investments

The company performs impairment reviews in respect of investments whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's net realisable value and its value in use, is less than its carrying amount.

Foreign currencies

Transactions denominated in foreign currencies are translated into US dollars and recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the exchange rates ruling at the balance sheet date and differences on exchange included in the profit and loss account.

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Notes to the financial statements for the year ended 31 December 2009 (continued)

1 Principal accounting policies (continued)

Reporting currency

The company's earnings stream is primarily US dollars and the principal functional currency is the US dollar. The company financial information is therefore prepared in US dollars.

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

	Average rate £1 = US\$	Closing rate £1 = US\$
Year ended 31 December 2008	1.8484	1.4378
Year ended 31 December 2009	1.5679	1.6149

Taxation

The current tax charge is based on the taxable profit for the year. Taxable profits differ from the profit reported in the profit and loss account due to timing differences and other items that require adjustment as set out in legislation. The company's liability for tax is calculated using rates enacted or substantively enacted at the balance sheet date.

Tax losses are surrendered or claimed in the form of group relief with consideration being received or paid accordingly. The group relief amount is recorded separately within the debtors and creditors amounts in the balance sheet, as applicable, and is calculated by applying the tax rate enacted or substantially enacted at the balance sheet date to the loss amount.

2 Turnover

Analysis of turnover by destination is given below:

	2009 \$'000	2008 \$'000
South America	4,937	6,094

The directors consider that turnover originates exclusively in the United Kingdom.

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Notes to the financial statements for the year ended 31 December 2009 (continued)

3 Interest receivable

	2009	2008
	\$'000	\$'000
Interest received from group undertakings	20	129
Bank interest receivable	4	4
Corporation tax interest receivable	5	-
	29	133

4 Interest payable

	2009	2008
	\$'000	\$'000
Interest payable to group undertakings	-	17

5 Employee information

The company had nil employees during the year (2008 : nil). No remuneration was paid to or waived by the director during 2009 or 2008.

6 Profit on ordinary activities before taxation

The company's audit fee is borne by another group company.

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Notes to the financial statements for the year ended 31 December 2009 (continued)

7 Tax on profit on ordinary activities

	2009	2008
	\$'000	\$'000
UK corporation tax at 28% (2008 : 28.5%)	561	728
Double taxation relief	(494)	(610)
Foreign taxation	494	610
(Over)/under provision in respect of prior years	(27)	9
Current tax charge	534	737

The current tax charge on profit on ordinary activities before taxation varied from the standard rate of corporation tax in the UK due to the following factors:

	2009	2008
	\$'000	\$'000
Profit on ordinary activities before taxation	2,004	2,553
UK corporation tax at standard rate 28% (2008 28.5%)	561	728
Double taxation relief	(494)	(610)
Foreign taxation	494	610
Adjustments to current tax charge for prior periods	(27)	9
Total tax charge	534	737

8 Dividends paid

	2009	2008
	\$'000	\$'000
Dividend of £4,464,570 per ordinary share (2008 : £nil)	7,000	-

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Notes to the financial statements for the year ended 31 December 2009 (continued)

9 Fixed asset investments

	Shares in subsidiary undertaking \$'000
Cost and net book value	
At 1 January 2009 and 31 December 2009	1

Details relating to the company's interests in principal subsidiary undertakings are set out below: -

Subsidiary undertakings	County of registration	Principal activities	Description of shares held	Proportion of nominal value of issued shares held
Wood Group de Ecuador SA	Ecuador	Provision of Services to oil and gas industry	Ordinary	5%

10 Debtors

	2009 \$'000	2008 \$'000
Amounts owed by group undertakings	2,120	7,778
UK corporation tax	220	-
	2,340	7,778

Amounts owed by group undertakings are repayable on demand. Interest is charged at market rates.

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Notes to the financial statements for the year ended 31 December 2009 (continued)

11 Creditors – amounts falling due within one year

	2009	2008
	\$'000	\$'000
Amounts owed to group undertakings	245	324
Bank overdraft	277	-
Corporation tax payable	-	118
Foreign tax payable	207	207
	729	649

Amounts owed to group undertakings relate to services provided by other Group companies and 30 day trade terms apply.

12 Called up share capital

	2009	2008
	US\$	US\$
Authorised		
10,000 ordinary shares of £1 each	16,099	16,099
Allotted, called up and fully paid		
1 ordinary share of £1	2	2

13 Profit and loss account

	\$'000
At 1 January 2009	7,142
Retained loss for the financial year (note 14)	(5,530)
At 31 December 2009	1,612

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Notes to the financial statements for the year ended 31 December 2009 (continued)

14 Reconciliation of movements in shareholders' funds

	2009	2008
	\$'000	\$'000
Profit for the financial year	1,470	1,816
Dividends paid (note 8)	(7,000)	-
Retained (loss)/profit for the financial year	(5,530)	1,816
Shareholders' funds at 1 January	7,142	5,326
Shareholders' funds at 31 December	1,612	7,142

15 Contingent liabilities

The company has a contingent liability arising from a guarantee without limit extended to its principal bankers in respect of sums advanced to the company and to certain other members of the John Wood Group PLC group.

16 Related party transactions

The company has taken advantage of the exemption in FRS 8 (amended) 'Related Party Disclosures' not to disclose any transactions with entities that are part of the group which qualify as related parties, on the grounds that it is a wholly owned subsidiary within the group, and the consolidated financial statements of John Wood Group PLC, its ultimate parent company, are publicly available.

17 Ultimate parent company

Wood Group ESP Limited is a wholly owned subsidiary of John Wood Group PLC, a company registered in Scotland, as the ultimate parent company and controlling party at 31 December 2009.

John Wood Group PLC is the only undertaking for which consolidated financial statements which include the financial statements of Wood Group ESP Limited are prepared. Copies of John Wood Group PLC financial statements can be obtained from The Company Secretary, John Wood House, Greenwell Road, Aberdeen, AB12 3AX, Scotland.