

John Brown E & C Limited

Annual Report and Financial Statements

For year to 31 December 2013

Registered Number - 03712896

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COMPANIES HOUSE

John Brown E & C Limited

Directors

G Williams
B Middleton
K McCombie

Company Secretary

R Brown

Registered office

Compass Point
79-87 Kingston Road
Staines
TW18 1DT

Bankers

HSBC PLC
2 Queens Road
Aberdeen
AB15 4ZT

Independent auditors

PricewaterhouseCoopers LLP
32 Albyn Place
Aberdeen
AB10 1YL

John Brown E & C Limited

**Annual report and financial statements
for the year ended 31 December 2013**

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John Brown E & C Limited
Strategic report
for the year ended 31 December 2013

The directors present their strategic report on the Company for the year ended 31 December 2013

Principal activities

John Brown E & C Limited is a limited liability company incorporated and domiciled in England. The principal place of business is at Compass Point, 79-87 Kingston Road, Staines, TW18 1DT

The Company has ceased operations and is currently in the process of closing its operation in Russia

Results

The loss for the year, after taxation, amounted to £42k (2012 £3,821k)

Review of business

The company did not trade during 2013 with only administrative expenses and bank interest being paid during the year

The financial position of the Company is shown on the balance sheet on page 10

It remains the directors intention to liquidate the company's assets and its liabilities, remove its share capital and dissolve the company following the signing of the financial statements. As a consequence of this, the financial statements have not been prepared on a going concern basis

Key performance indicators

The directors of John Wood Group PLC, the ultimate holding company, manage operations on a Group basis. For this reason the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development or position of this business.

The development and position of the Wood Group Keny Engineering division, which includes the Company, is discussed in the Group's annual report and financial statements.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks
The key business risks affecting the company are unanticipated claims following the closure of the office in Moscow

On behalf of the Board



Bruce Middleton
Director
30th May 2014

John Brown E & C Limited
Registered Number 2331383
Directors' report
for the year ended 31 December 2013

The directors present their report and the audited financial statements for the year ended 31 December 2013

Future developments

The Company has ceased operations and is currently in the process of closing their operation in Russia

Dividends

The directors do not recommend the payment of a dividend (2012 £ nil)

Directors

The current directors of the Company are listed on page 1

The directors who served during the year and at the date of this report, unless otherwise stated, were as follows

G Williams
B Middleton
K McCombie

Health, safety and environment ("HS&E")

Our HS&E policy defines our commitment to

- protecting the health and safety of our employees and others who may be affected by our business activities,
- reducing the environmental impact of operations under our control or direct influence, and
- continually improving our health, safety and environmental performance

Our goal is to sustain an incident free work environment, as we believe that all incidents are preventable

Every person working for the Company is responsible and accountable for working in a manner consistent with this goal To achieve this we

- create a positive HS&E culture,
- encourage and support positive intervention,
- understand and manage HS&E risks,
- implement an effective HS&E Management System,
- manage HS&E performance, and
- integrate HS&E into business planning

Our aim is to comply with all applicable legislation and relevant industry standards In the absence of such regulatory controls we are setting standards consistent with this policy

We are a socially responsible employer We work with our customers, contractors, partners and suppliers to improve the efficiency of our operations by conserving resources, reducing waste and emissions, and preventing environmental pollution

We seek sustainable solutions to business needs, balancing environmental, social and economic considerations by engaging with employees, customers, partners, contractors, suppliers and communities where we work

Corporate social responsibility (CSR)

The Company is committed to being a socially responsible organisation To achieve this, the Company adheres to the Wood Group core values that take account of the economic, social and environmental impact of all aspects of the business People are the Company's business and their health and safety is its greatest responsibility Taking that responsibility seriously means extending it to the communities where the Company works and where employees live

Everyone who works for the Company is required to work within the Wood Group core values and comply with specific personal commitments to health and safety, ethical behaviour, teamwork and protecting the Company's reputation The Group's seven core values are as follows

- **Safety & Assurance:** Safety is our top priority We care passionately about the safety of our people and behave as safety leaders We are committed to preventing injuries and ill health to our people and everyone we work with
- **Relationships:** Our business depends on healthy relationships with customers, business partners and suppliers
- **Social responsibility:** Being socially responsible is integral to what we do We aim to make a positive difference to the communities where we operate and seek ways to assist them
- **People:** Our people are our business We are professional, high-performing team-players, focussed on delivering and drawing on our global expertise
- **Innovation:** Innovation gives us a competitive advantage We promote collaboration and sharing of ideas across our business
- **Financial responsibility:** We expect to receive fair reward for our business performance We are cost aware and carefully manage our own and our customers' costs
- **Integrity:** We are proud of our reputation, built over many years, which depends on us doing the right thing

John Brown E & C Limited
Directors' report (continued)
for the year ended 31 December 2013

Directors' responsibilities statement

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 the law the directors have elected to prepare financial statements in accordance applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101, Reduced Disclosure Framework ("FRS 101").

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,
- state whether United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements,
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements, and
- 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.

Statement as to disclosure of information to auditors

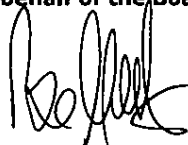
The directors who were members of the Board at the time of approving this report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that

- To the best of each directors' knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with conducting the audit) of which the Company's auditors are unaware, and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information

Independent auditors

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

On behalf of the Board



Bruce Middleton
Director
30th May 14

Independent auditors' report to the members of John Brown E & C Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss 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

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The financial statements, which are prepared by John Brown E & C Limited, comprise

- the balance sheet as at 31 December 2013,
- the profit and loss account for the year then ended,
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

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), including FRS 101 "Reduced Disclosure Framework"

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") 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

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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 John Brown E & C Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion,

- we have not received all the information and explanations we require for our audit, or
- 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

We have no exceptions to report arising from this responsibility

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility

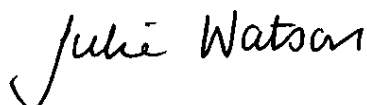
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & 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



Julie Watson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
30th May 2014

John Brown E & C Limited
Profit and loss account
for the year ended 31 December 2013

	Note	2013 \$000	2012 \$000
Turnover	3	-	3,192
Cost of sales		-	(3,351)
Gross loss		-	(159)
Administrative expenses		(9)	(1,226)
Operating exceptional items	7	-	(3,474)
Operating loss	6	(9)	(4,859)
Interest payable and similar charges	8	(47)	(72)
Loss on ordinary activities before taxation		(56)	(4,931)
Tax on loss on ordinary activities	9	14	1,110
Loss and total comprehensive income for the year		(42)	(3,821)
 Attributable to:			
Equity owners of the Company		(42)	(3,821)

The results have been derived wholly from discontinued operations

John Brown E & C Limited
Balance sheet
As at 31 December 2013

	Note	2013 \$000	2012 \$000
Current assets			
Debtors	10	57	3,168
Cash at bank and in hand		24	724
		81	3,892
Creditors: amounts falling due within one year	11	(3,675)	(7,444)
Net current liabilities		(3,594)	(3,552)
Total assets less current liabilities		(3,594)	(3,552)
Net liabilities		(3,594)	(3,552)
Capital and reserves			
Called-up share capital	12	6,502	6,502
Profit and loss account		(10,096)	(10,054)
Total shareholders' deficit		(3,594)	(3,552)

The financial statements on pages 9 to 18 were approved by the Board of Directors on 30th May 2014 and were signed on its behalf by



Bruce Middleton
Director

John Brown E & C Limited
Statement of changes in equity
for the year ended 31 December 2013

	Called-up share capital \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2012	6,502	(6,233)	269
Loss and total comprehensive income for the year	-	(3,821)	(3,821)
At 31 December 2012	6,502	(10,054)	(3,552)
Loss and total comprehensive income for the year	-	(42)	(42)
At 31 December 2013	6,502	(10,096)	(3,594)

John Brown E & C Limited
Notes to the financial statements (continued)
for the year ended 31 December 2013

1 General information

John Brown E & C Limited is a limited liability company incorporated and domiciled in England

2 Summary of significant accounting policies

The principal accounting policies, which have been applied in the preparation of these financial statements, are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with United Kingdom Accounting Standards - in particular FRS 101 - and the Companies Act 2006 ("the Act"). FRS 101 sets out a reduced disclosure framework for a "qualifying entity", as defined in the Standard, which addressed the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRSs").

The Company is a qualifying entity for the purposes of FRS 101. Note 15 gives details of the Company's ultimate parent and from where consolidated financial statements prepared in accordance with IFRS may be obtained.

The application of FRS 101 has enabled the Company to take advantage of certain disclosure exemptions that would have been required had the Company adopted International Financial Reporting Standards in full. The only such exemptions that the directors consider to be significant are:

- no detailed disclosures in relation to financial instruments,
- no cash flow statement,
- only one year of prior comparatives rather than two,
- no analysis of fixed asset movements for the prior year,
- no disclosure of related party transactions with fellow 100% subsidiaries of John Wood Group PLC,
- no statement regarding the potential impact of forthcoming changes in financial reporting standards,
- no disclosure of "key management compensation" for key management other than the directors,
- for share-based payment, no details of the number and weighted-average exercise prices of share options and of how the fair value of goods or services received was determined, and
- no disclosures relating to the Company's policy on capital management.

These are the first financial statements of the company prepared in accordance with FRS 101. The Company's date of transition to FRS 101 is 1 January 2012. The previous financial statements were prepared in accordance with previously applicable United Kingdom accounting standards. The adoption of FRS 101 has not resulted in any change to the recognition and measurement principles previously adopted and so the disclosure requirements of IFRS 1 are not included and the comparatives have not been restated, other than for certain presentational changes.

The financial statements are presented in US Dollars (USD) and all values are rounded to the nearest thousand Dollars (\$000) except where otherwise indicated.

The directors plan to dissolve the Company in the foreseeable future and have approved plans to cease trade in John Brown E&C Limited. As a result, the directors have commenced the necessary steps to liquidate the Company's assets, pay its liabilities, reduce its share capital and will seek to dissolve the Company following the signing of these financial statements. As such, the Directors have prepared the financial statements on a break-up basis. Assets have been presented at their realisable values and liabilities for pending closure costs are provided. The financial statements have therefore been prepared on a break-up basis of accounting.

As the Company's liabilities are in excess of its assets (net current liabilities of \$3,594k at the balance sheet date), the directors have obtained confirmation that it is the intention of the ultimate parent company, John Wood Group plc to ensure that adequate funds are made available to the Company to meet its obligations in respect of its outstanding creditors.

2 Summary of significant accounting policies - continued

2.2 Functional and reporting currency

The financial statements are presented in US Dollars which is the functional currency of the Company and comprises the principal income stream of the Company

2.3 Cash flows

The Company is a wholly-owned subsidiary of John Wood Group PLC and its cash flows are included in the consolidated group cash flow statements of that company (see note 15). Consequently the Company has taken advantage of the exemption available with FRS 101 from publishing a cash flow statement

2.4 Foreign currency translation

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. Non-monetary items are translated using the exchange rates as at the date of the original transactions

2.5 De-recognition of financial assets and liabilities

Financial assets

A financial asset (or where appropriate a part of a financial asset) is de-recognised where the rights to receive cash flows from the asset have expired

Financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires

2.6 Taxation

The tax expense in the profit and loss account represents the sum of taxes currently payable and deferred taxes. The tax currently payable is based on taxable profit for the year and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible.

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised only to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised. Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise, tax is recognised in the profit and loss account.

2 Summary of significant accounting policies - continued

2.7 Judgements and key sources of estimation or uncertainty

The Company has ceased to trade. Its main creditors relate to other Group companies and accrued costs relating to the final closure and winding up of the company. Consequently there are no significant risks and uncertainties other than in respect of going concern (see note 2.1). However, the ultimate parent company, John Wood Group Plc, has confirmed that it will continue to provide financial support for a period of at least 12 months from the date of signing the financial statements. See note 14 for commentary on the Company's exposure to financial risks.

John Brown E & C Limited
Notes to the financial statements (continued)
for the year ended 31 December 2013

3 Turnover

Analysis of turnover by category

	2013	2012
	\$000	\$000
Services	-	3,192
Total	-	3,192

All turnover relates to work performed in the United Kingdom

4 Staff costs and employee information

	2013	2012
	\$000	\$000
Wages and salaries	-	3,296
Social security costs	-	540
Total	-	3,836

Monthly average full time equivalent employee numbers by activity

	2013	2012
Direct production workers	-	40
Management and staff	-	10
Total	-	50

5 Directors' remuneration

The directors neither received nor waived any emoluments during the year from the Company (2012 \$nil). Their remuneration is allocated to companies in the Group as part of an overall management charge and therefore it is not possible to determine the elements of directors' remuneration relevant to this Company in a practical manner.

6 Operating profit

Operating profit is stated after charging/(crediting)

	2013	2012
	\$000	\$000
Depreciation of tangible assets	-	90
Net foreign exchange loss/(gain)	10	(76)
Operating lease expenditure		
- Land and buildings	-	1,027
Services provided by the Company's UK statutory auditor		
- Fees payable for the UK statutory audit	-	35

The company's audit fee of \$5k was borne by another group company

John Brown E & C Limited
Notes to the financial statements (continued)
for the year ended 31 December 2013

7 Exceptional Items

	2013	2012
	\$000	\$000
Closure charges	-	3,474
	-	3,474

In 2012 the company included \$3,474k of costs in relation to the closure of its Moscow office. This amount included redundancy payments, write downs of irrecoverable debts and onerous lease costs

8 Interest payable and similar charges

	2013	2012
	\$000	\$000
Intercompany interest payable	-	72
Bank interest payable	47	-
	47	72

9 Taxation

	2013	2012
	\$000	\$000
Current tax		
UK corporation tax	(14)	(1,110)
Total current income tax	(14)	(1,110)
Tax on loss on ordinary activities	(14)	(1,110)

Tax on the Company's loss before tax is calculated based on the rates and laws prevailing in the UK

The tax in the profit and loss account for the year varied from the average standard rate of corporation tax in the UK due to the following factors

	2013	2012
	£000	£000
Accounting loss of £56k (2012 loss of £4,931k) at average UK standard rate of corporation tax of 23.25% (2012 24.5%)	(13)	(1,208)
Permanent differences	-	12
Adjustment in deferred tax not recognised	-	(5)
Other adjustments	-	104
Amounts over under-provided in previous years	(1)	(13)
Current tax charge for the year	(14)	(1,110)

John Brown E & C Limited
Notes to the financial statements (continued)
for the year ended 31 December 2013

9 Taxation - continued

The standard Corporation Tax rate in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the Company's profits for 2013 are taxed at 23.25%.

The UK substantively enacted on 2 July 2013 a reduction in the Corporation tax rate from 23% to 21% effective from 1 April 2014. In addition a further reduction to 20% was enacted with effect from 1 April 2015.

The effect of the changes enacted in the Finance Act 2013 has no significant impact on these financial statements.

10 Debtors

	2013	2012
	\$000	\$000
Current		
Trade debtors – third parties	-	1,716
Group relief receivable	57	743
Other debtors	-	709
	57	3,168

Trade receivables are non-interest bearing and are generally on 30-60 days payment terms.

11 Creditors: amounts falling due within one year

	2013	2012
	\$000	\$000
Trade creditors – Group companies	-	3,222
Loans from Group companies	1,308	-
Accrued expenses and deferred income	2,366	4,119
Corporation tax	1	17
Social security and other taxes	-	86
	3,675	7,444

Trade payables are non-interest bearing and are normally settled on 15 - 60 days terms.

The loans from Group companies do not contain formal repayment terms and are repayable on demand. Interest at normal market rates applies.

12 Called-up share capital

	2013	2012
	\$000	\$000
Allotted and fully paid		
4,205,126 (2012: 4,205,126) Ordinary shares of £1 each	6,502	6,502
Total issued share capital	6,502	6,502

13 Related party transactions

Transactions and balances with fellow Wood Group companies

The Company has taken advantage of the exemptions within Financial Reporting Standard 101 not to disclose transactions and balances with John Wood Group PLC and its wholly-owned subsidiaries, on the grounds that the Company itself is a wholly-owned subsidiary of John Wood Group PLC, for which the consolidated financial statements of are publicly available

14 Financial risk management objectives and policies

14.1 General

The Company's principal financial liabilities, other than derivatives, comprise intercompany loans and trade payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has various other financial assets such as trade receivables and cash at bank, which arise directly from its operations.

The main risks arising from the Company's financial instruments are (a) cash flow interest rate risk, and (b) foreign currency risk. The policies for managing each of these risks are summarised below, together with comments on liquidity risk.

(a) Cash flow interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to intercompany borrowings.

In light of the fact that virtually all of the Company's interest income and charges are inter-Group, the directors have decided currently not to hedge any of its interest rate exposures. This decision will be regularly reviewed.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on loans in functional currency. The Company strives to bill its customers in the currency in which the costs have been incurred, and maintain intercompany loans in the functional currency of the Company, to eliminate the currency exposure wherever possible.

(c) Liquidity risk

The company has net current liabilities of \$3,594k. The directors have obtained confirmation that it is the intention of the ultimate parent company to ensure adequate funds are made available to the company to meet its obligations in respect of its creditors.

15 Ultimate Parent Undertaking

The Company is a wholly owned subsidiary of Wood Group Engineering Operations Support Limited.

The directors regard John Wood Group PLC, a company registered in Scotland, as the ultimate parent undertaking and controlling company.

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