

WGPSN (HOLDINGS) LIMITED
(FORMERLY PRODUCTION SERVICES NETWORK LIMITED)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR YEAR TO 31 DECEMBER 2012

REGISTERED NUMBER - SC 288570

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COMPANIES HOUSE

WGPSN (Holdings) Limited *(formerly Production Services Network Limited)*

Directors

D Kemp
A Webster

Company Secretary

R Brown

Registered office

John Wood House
Greenwell Road
Aberdeen
AB12 3AX

Bankers

HSBC PLC
2 Queens Road
Aberdeen
AB15 4ZT

Independent auditors

PricewaterhouseCoopers LLP
32 Albyn Place
Aberdeen
AB10 1YL

WGPSN (Holdings) Limited (formerly Production Services Network Limited)
Registered number SC 288570
Directors' Report
For the year ended 31 December 2012

The directors present their report and the audited financial statements for the year to 31 December 2012.

Principal activities

WGPSN (Holdings) Limited is a limited company incorporated and domiciled in Scotland. Its principal activity is to hold investments and provide finance to fellow John Wood Group PLC ("Wood Group") entities that are involved in the provision of brownfield support services for oil, gas and other process industries, which includes engineering, construction, hook-up, commissioning, operations and maintenance.

Results and dividends

The profit for the year, after taxation, amounted to \$122,612k (2011: \$11,308k). The directors do not recommend the payment of a dividend (2011: \$nil).

Review of business and future developments

In December 2012 the Company sold its subsidiary, PSN USA Holdings Inc, to a fellow Wood Group company, generating a gain on disposal of \$100,260k. The remainder of the profit for the year relates primarily to interest income from loans given to fellow Wood Group companies and to rental income.

The directors anticipate that there will not be any significant changes to the activities of the company in the medium-term.

Details of the Company's principal subsidiaries and joint ventures are given in note 21.

Events subsequent to the balance sheet date

The Company changed its name from Production Services Network Limited on 3 January 2013.

In January 2013 the Company sold its subsidiary, Wood Group PSN Australia Pty Limited, to a fellow Wood Group company, yielding a gain on disposal of \$223,582k. In February 2013 the Company invested \$111,386,000 into a new intermediate holding company.

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 Wood Group PSN, which includes the Company, is discussed in the Group's annual report and financial statements.

Principal risks and uncertainties

The main risk for the Company relates to the carrying value of its investment in and balances with its subsidiary undertakings.

There is also some exposure to financial risks which is discussed in more detail in note 18.

Donations

During the year the Company made charitable donations amounting to \$nil (2011: \$nil). No donations were made to any registered political party (2011: \$nil) nor were any political expenses incurred during the year (2011: \$nil).

Independent auditors

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

Directors' Report (continued)

Directors

The directors who held office during the year and to the date of this report, unless stated otherwise, were as follows:

D Kemp	(appointed 19 April 2013)
A McGregor	(resigned 18 January 2013)
D Skinner	(resigned 19 April 2013)
A Webster	(appointed 18 January 2013)

Directors' statement as to disclosure of information to auditors

The directors who were members of the Board at the time of approving the Directors' report are listed on page 2. 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 preparing their report) 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.

Directors' responsibilities statement

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

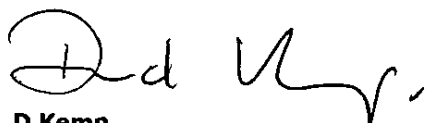
Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare financial statements in accordance applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice), including 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.

On behalf of the Board



D Kemp
Director
14 June 2013

Independent auditors' report to the members of WGPSN (Holdings) Limited

We have audited the financial statements of WGPSN (Holdings) Limited for the year ended 31 December 2012 which comprise profit and loss account, the balance sheet, the statement of changes in equity and 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), including FRS 101 "Reduced Disclosure Framework".

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 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.

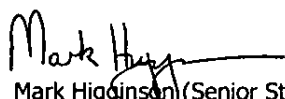
Opinion on other matter prescribed by the Companies Act 2006

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.

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.



Mark Higginson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
14 June 2013

WGPSN (Holdings) Limited (formerly Production Services Network Limited)
Profit and loss account
for the year to 31 December 2012

	Note	2012 \$000	2011 \$000
Turnover		-	-
Administrative expenses		(1,459)	(1,931)
Other operating income	3	2,148	2,152
Operating profit	3, 4	689	221
Gain on disposal of fixed asset investments	5	100,260	-
Income from shares in Group undertakings	6	880	577
Interest receivable and similar income	7	21,070	18,511
Interest payable and similar charges	8	(334)	(8,387)
Profit on ordinary activities before taxation		122,565	10,922
Tax credit on profit on ordinary activities	9	47	386
Profit for the financial year		122,612	11,308
Attributable to:			
Equity owners of the Company		122,612	11,308

The results have been derived wholly from continuing operations.

WGPSN (Holdings) Limited (formerly Production Services Network Limited)
Balance sheet
as at 31 December 2012

	Note	2012 \$000	2011 \$000
Fixed assets			
Tangible assets	10	10,735	11,588
Investments	11	30,975	42,315
		41,710	53,903
Current assets			
Debtors	12	997,515	883,868
Cash at bank and in hand		18,640	11,257
		1,016,155	895,125
Creditors: amounts falling due within one year	13	(4,246)	(15,873)
Net current assets		1,011,909	879,252
Total assets less current liabilities		1,053,619	933,155
Creditors: amounts falling due after more than one year	14	(15,020)	(17,168)
Net assets		1,038,599	915,987
Capital and reserves			
Called-up share capital	15	3,763	3,763
Share premium		1,261	1,261
Additional paid-in capital		1,015,650	1,015,650
Other reserves	16	534	534
Profit and loss account		17,391	(105,221)
Total shareholders' funds		1,038,599	915,987

The financial statements on pages 6 to 18 were approved by the Board of Directors on 14 June 2013 and were signed on its behalf by:



D Kemp
Director

WGPSN (Holdings) Limited (formerly Production Services Network Limited)
Statement of changes in equity
for the year ended 31 December 2012

	Called-up share capital \$000	Preference shares \$000	Share premium \$000	Additional paid-in capital \$000	Other reserves \$000	Profit and loss account \$000	Total equity \$000
As at 1 January 2011	3,036	727	1,261	-	534	(116,529)	(110,971)
Profit for the year	-	-	-	-	-	11,308	11,308
Reclassification of share capital	727	(727)	-	-	-	-	-
Capital contribution received	-	-	-	1,015,650	-	-	1,015,650
As at 31 December 2011	3,763	-	1,261	1,015,650	534	(105,221)	915,987
Profit for the year	-	-	-	-	-	122,612	122,612
As at 31 December 2012	3,763	-	1,261	1,015,650	534	17,391	1,038,599

WGPSN (Holdings) Limited (formerly Production Services Network Limited)
Notes to the financial statements
for the year ended 31 December 2012

1. General information

WGPSN (Holdings) Limited ("the Company") is a limited company incorporated and domiciled in Scotland. Its ultimate holding company is John Wood Group PLC. Its principal activity is to hold investments and provide finance to entities that are involved in the provision of brownfield support services for oil, gas and other process industries, which includes engineering, construction, hook-up, commissioning, operations and maintenance.

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 the Companies Act 2006 and with Financial Reporting Standard 101, "Reduced Disclosure Framework", which was published in November 2012.

The previous financial statements were prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union, IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The adoption of Financial Reporting Standard 101 has not resulted in any change to the measurement principles adopted under IFRSs and, therefore, the comparatives have not been restated, other than for certain presentational changes to comply with Companies Act requirements.

Adoption of Financial Reporting Standard 101 has enabled the Company to take advantage of certain disclosure exemptions, most notably in respect of financial instruments (IFRS 7 requirements) and related party transactions with fellow 100% subsidiaries of John Wood Group PLC. Furthermore the Company is no longer required to prepare a cashflow statement.

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

The Company's business activities, together with the factors likely to affect its future, are set out in the Directors report. The financial position of the Company is shown in the balance sheet on page 7. In addition, note 18 includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposures to interest rate risk and liquidity risk. It has access to inter-Group funding.

Having reviewed business plans and projections, the Directors believe that the Company is well placed to manage its business risks successfully and they have an expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.2 Functional and reporting currency

The financial statements are presented in US dollars, which is the functional currency of the Company.

2.3 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.

2.4 Investments in subsidiaries and joint ventures

Investments are measured initially at cost, including transaction costs, less any provision for impairment. The Company does not prepare consolidated financial statements because it is a wholly owned subsidiary of John Wood Group PLC, which prepares consolidated financial statements (note 20).

2. Summary of significant accounting policies – continued

2.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Land is not depreciated and depreciation on other assets is calculated using the straight-line method to allocate their cost less estimated residual values over their estimated useful lives, as follows:

Buildings	8 to 20 years
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The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each balance sheet date.

2.6 Debtors

Trade and other debtors are recognised initially at fair value less an allowance for any amounts estimated to be uncollectible. An estimate for doubtful debts is made when there is objective evidence that the collection of the debt is no longer probable.

2.7 Loans to subsidiaries and joint ventures

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment.

A provision for impairment will be made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original loan. The carrying amount of the loan would be reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as irrecoverable.

2.8 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception date, or whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys the right to use the asset.

The Company has entered into operating leases, the receipts and payments for which are recognised in the profit and loss account on a straight-line basis over the lease terms.

Rental income is recognised over the period to which it relates. Where a lease commencement premium is received it is deferred on the balance sheet within creditors falling due within one year and greater than one year, and released to the profit and loss account over the remaining life of the lease.

2.9 Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method which is based on discounting estimated future cash flows using the latest market interest rates and estimated cash flows. Amortised cost is calculated by taking into account any directly attributable transaction costs, and any premium on settlement that will probably be incurred.

Where a contract contains an embedded derivative the entire hybrid contract is measured at fair value through profit and loss, except where the embedded derivative does not significantly modify the cash flows. Borrowing costs are expensed through the profit and loss account.

2. Summary of significant accounting policies – continued

2.10 Company share ownership plan

Prior to acquisition by Wood Group, the Company established an Employee Benefit Trust ("EBT") to warehouse ordinary shares purchased by employees of its subsidiary companies, which were purchased at fair value utilising newly issued shares. The shares were transferred to the members of the Trust upon acquisition by Wood Group, at which stage the EBT was dissolved. The cost to the Company, calculated in accordance with IFRS 2, was credited to Other Reserves. Since the beneficiaries were employees of other Group companies, rather than of the Company, those other companies bore the profit and loss expense. Accordingly in the Company's own financial statements the debit was to Investments in subsidiaries.

2.11 Taxation

The tax expense represents the sum of taxes currently payable and deferred taxes. The tax currently payable is the Company's liability for current tax, calculated using tax rates and laws 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 years 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 except:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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.

2.12 Derivative financial instruments and hedging activities

The Company uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as debtors when in-the-money and as creditors when out-of-the-money.

In all cases the derivatives were entered into to provide economic hedges but are not designated as hedges for accounting purposes. Any gains and losses arising from changes in fair value are taken to the profit and loss account.

2.13 De-recognition of financial assets and liabilities

Financial assets

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

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2. Summary of significant accounting policies - continued

2.14 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Taxation

The Company has significant tax losses carried forward, as described in note 9. The directors have concluded that, at this point in time, it is not yet appropriate to recognise an asset in respect of these losses as the probability of their availability for future use has not yet been established.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of assets

The Company assesses whether there are any indicators of impairment for all assets at each reporting date. Assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Such measurements involve an estimation of future cash flows and the selection of a suitable discount rate.

3. Operating profit

Operating profit is stated after charging/(crediting):

	Note	2012 \$000	2011 \$000
Operating lease payments		-	34
Net foreign exchange loss		562	798
Depreciation	10	853	853
Rental income		(2,148)	(2,152)
Services provided by the Company's auditor:			
Fees payable for the UK statutory audit		-	-
Fees payable for other services		-	-

The audit fees for 2011 and 2012 were borne by other Group companies.

4. Staff costs and directors' remuneration

The company did not have any employees during 2011 or 2012.

The directors neither received nor waived any emoluments during the year from the Company (2011: \$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.

5. Gain on disposal of fixed asset investments

The gain on disposal in 2012 relates to the sale of the Company's subsidiary, PSN USA Holdings Inc, to a fellow Wood Group company.

6. Income from shares in Group undertakings

	2012	2011
	\$000	\$000
Dividends receivable from equity investments	880	577
	880	577

7. Interest receivable and similar income

	2012	2011
	\$000	\$000
Interest receivable from Wood Group companies	21,026	17,743
Bank interest receivable	44	123
Exceptional finance income*	-	645
	21,070	18,511

* *Exceptional finance income*

Prior to 2011 the company had fully amortised the remaining finance fees and fully recognised redemption premiums relating to the expected acceleration of its external loan repayment schedule. The credit in 2011 reflected the actual repayment profile following acquisition by John Wood Group PLC.

8. Interest payable and similar charges

	2012	2011
	\$000	\$000
Interest payable to Wood Group companies	334	-
Bank interest payable and similar charges	-	8,387
	334	8,387

9. Taxation

	2012	2011
	\$000	\$000
Current tax		
UK corporation tax – current year	97	(170)
UK corporation tax – amounts over-provided in previous years	(144)	(23)
Foreign tax - current year	-	205
Foreign tax - amounts over-provided in previous years	-	(398)
Total current income tax credit	(47)	(386)
Deferred tax	-	-
Tax credit in the profit and loss account	(47)	(386)

9. Taxation (continued)

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

	2012 \$000	2011 \$000
Profit before tax of \$122,565k (2011: \$10,922k) at average UK standard rate of corporation tax of 24.5% (2011: 26.5%)	30,028	2,894
Non-deductible or non-taxable items	(23,127)	197
Effect of inter-company dividends	(216)	(153)
Movements in tax losses and tax credits not recognised	(6,486)	(3,108)
Effect of different tax rates on overseas earnings	(102)	(193)
UK corporation tax over-provided in previous years	(144)	(23)
Current tax credit for the year	(47)	(386)

The Company has no deferred tax asset recognised as at 31 December 2012 (2011: \$nil). It has an unrecognised deferred tax asset of \$14,129k (2011: \$20,615k, as restated) relating to tax losses carried forward.

The standard Corporation Tax rate in the UK changed from 26% to 24% with effect from 1 April 2012. Accordingly, the Company's profits for 2012 are taxed at 24.5%.

In addition to the changes in rates of Corporation tax disclosed above a number of further changes to the UK Corporation tax system have been announced. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012. Further reductions to the main rate were announced in the 2012 Autumn Statement and the March 2013 Budget Statement to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The effects of the changes enacted in the Finance Act 2012 have no significant impact upon these financial statements.

The proposed reductions in the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015 are both expected to be enacted as part of Finance Act 2013. The effects of the proposed changes have no significant impact upon these financial statements.

10. Tangible fixed assets

	Land and buildings \$000	Total \$000
Cost at 1 January 2012 and 31 December 2012	15,918	15,918
Accumulated depreciation		
At 1 January 2012	4,330	4,330
Charge for the year	853	853
At 31 December 2012	5,183	5,183
Net book value		
at 31 December 2012	10,735	10,735
at 31 December 2011	11,588	11,588

11. Investments

	Subsidiaries & joint ventures
	\$'000
Cost	
At 1 January 2012	53,782
Disposals (note 5)	(11,505)
At 31 December 2012	42,277
Provision for impairment	
At 1 January 2012	11,467
On disposals	(165)
At 31 December 2012	11,302
Net book value	
at 31 December 2012	30,975
at 31 December 2011	42,315

Details of the Company's principal subsidiaries and interests in joint ventures are shown in note 21.

12. Debtors

	2012	2011
	\$'000	\$'000
Trade debtors – Wood Group companies	16,061	15,169
Loans to Wood Group companies	980,960	867,954
Prepayments and accrued revenue	-	30
Derivative financial instruments	326	-
Corporation tax	168	-
Other taxes	-	715
	997,515	883,868

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

13. Creditors: amounts falling due within one year

	2012	2011
	\$'000	\$'000
Trade creditors – Wood Group companies	2,098	2,974
Accrued expenses and deferred income	2,148	2,362
Loans from Wood Group companies	-	9,336
Derivative financial instruments	-	1,019
Corporation tax	-	182
	4,246	15,873

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

14. Creditors: amounts falling due after more than one year

	2012	2011
	\$000	\$000
Accrued expenses and deferred income	15,020	17,168
	15,020	17,168

15. Called-up Share capital

	2012	2011
	\$000	\$000
2,088,870 (2011: 2,088,870) Ordinary shares of £1 each	3,763	3,763
Total called-up share capital	3,763	3,763

16. Other reserves

During 2010 a number of shares held by the Employee Benefit Trust were reallocated, which resulted in a fair value share-based payment charge of \$534k.

17. 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.

Included within trade debtors and creditors are the following balances with Production Services Emirates LLC, in which the Company owns 49% but has management control:

	2012	2011
	\$000	\$000
Within trade debtors	590	259
Within trade creditors	164	-

Interest receivable and similar income includes \$45,000 (2011: \$40,000) due from Production Services Emirates LLC. During both years the Company paid certain expenses on behalf of Production Services Emirates LLC and recharged these at cost.

18. Financial risk management objectives and policies**18.1 General**

The Company's main financial assets are loan and trade debtor balances due from fellow Wood Group companies and bank balances. The Company's principal financial liabilities, other than derivatives, comprise payables to fellow Wood Group companies and deferred income.

The Company enters into forward currency contracts, to manage the currency risks arising from its financial assets and liabilities. It is, and has been throughout 2012 and 2011, the Company's policy that no speculative trading in derivatives shall be undertaken.

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

18. Financial risk management objectives and policies (continued)

(a) Cash flow interest rate risk

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

(b) Foreign currency risk

The Company is exposed to foreign currency risk on bank balances, lendings and borrowings that are not denominated in US dollars. As noted above, it manages this risk through use of forward currency contracts.

(c) Credit risk

The Company's credit risk principally relates to the loans due from fellow Group companies, as disclosed in note 12.

With respect to other financial assets, these primarily relate to cash at bank. The Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments. It is the Company's policy to hold significant deposit balances with reputable institutions with an acceptable credit rating.

(d) Liquidity risk

The Company has significant net assets and net current assets and therefore has minimal liquidity risk.

18.2 Derivative instruments

The fair values of the Company's forward currency contracts at the balance sheet date were as follows:

	2012	2011
	£000	£000
Reported under debtors: amounts falling due within one year	326	-
Reported under creditors: amounts falling due within one year	-	(1,019)

19. Events subsequent to the Balance sheet date

In January 2013 the Company sold its subsidiary, Wood Group PSN Australia Pty Limited, to a fellow Wood Group company, yielding a gain on disposal of \$223,582k. In February 2013 the Company invested \$111,386,000 into a new intermediate holding company.

20. Ultimate holding company

The Company is a wholly owned subsidiary of JWG USA Holdings Limited.

The directors regard John Wood Group PLC, a company registered in Scotland, as the ultimate holding 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.

21. Subsidiaries and joint ventures

The Company's principal subsidiaries and joint ventures at 31 December 2012 are listed below:

Name of company	Country of incorporation	Ownership interest
Production Services Network Emirates LLC *, ***	Abu Dhabi	49%
Wood Group PSN Australia Pty Limited	Australia	100%
Production Services Network WA Pty Limited	Australia	100%
Production Services Network Canada Inc	Canada	100%
Wood Group PSN – Western Canada Limited *	Canada	100%
PSN KazStroy JSC *, **	Kazakhstan	50%
Production Services Network (Philippines) Corp ***	Philippines	40%
Sakhalin Technical Services Network LLC *	Russia	80%
Production Services Network Eurasia LLC	Russia	100%
Production Services Network Sakhalin LLC *	Russia	100%
Wood Group International Services Pte. Limited	Singapore	100%
Wood Group PSN Limited	UK	100%
Production Services Network (UK) Limited	UK	100%
Production Services Network Bangladesh Limited	UK	100%

* Held by a subsidiary undertaking.

** The company is jointly controlled and the voting power held equates to the ownership interest therein.

*** The Company has management control of these companies.