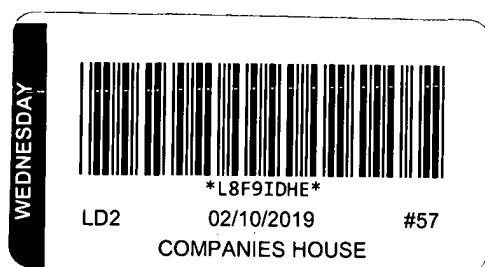


HALCROW HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

REGISTERED NUMBER: 01674044



HALCROW HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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HALCROW HOLDINGS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The Strategic report is prepared in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Our Business

Halcrow Holdings Limited is an investment Holding Company, whose subsidiaries provide engineering, consulting, design, design for design-build, procurement, operations and maintenance, programme management and technical services in select markets around the world.

The acquisition of the CH2M Companies Limited group by Jacobs in December 2017 has created a global company with an enhanced market share, which is generating significant growth opportunities for the enlarged group, including the company's subsidiaries. During 2018, the Company underwent a system migration in order to harmonise its information system with that of the Jacobs Group as a part of the Jacobs Group's plan for effective integration of the legacy CH2M Hill companies within the group.

Services are provided to a diverse customer base. Our clients include public and private sector organizations around the world, including local, regional and national governments, asset owners, international funding agencies, regulators, financial institutions, contractors, developers and operators. We believe we provide our clients with innovative project delivery using cost-effective approaches and advanced technologies.

Revenues of our subsidiaries are dependent upon our ability to attract and retain qualified and professional employees, identify business opportunities, allocate our labour resources to profitable markets, secure new contracts, execute existing contracts and maintain existing client relationships. Moreover, as a professional services company, the quality of the work generated by our employees is integral to our revenue generation.

The intermediate parent undertaking is CH2M Hill Europe Limited, a company incorporated in the United Kingdom (Cottons Centre, Cottons Lane, London SE1 2QG), whereas, the ultimate parent undertaking is Jacobs Engineering Group Inc. a company incorporated in the United States of America. The results of this company have been consolidated by Jacobs Engineering Group Inc. as at 30 September 2018, being the end of the first accounting period following the acquisition of the CH2M Group by Jacobs Engineering Group Inc. and copies of its Financial Statements are available on Group's website www.jacobs.com.

Previously, consolidated Financial Statements were prepared for the Halcrow Holdings Limited Group. For the accounting period ended 31 December 2018 however, the Directors, having sought and received the approval of the ultimate parent undertaking, have prepared Company-only Financial Statements as permitted by the Companies Act 2006.

Principal Risks and Uncertainties Related to Our Business

Investment risk - as the company is primarily a holding company for investments in the Jacobs Engineering Inc Group, the principal risks and uncertainties affecting the company are those relevant to those companies, as these may impact the carrying value of those investments. The principal risks and uncertainties identified are delivery risk, market risk and credit risk. Management monitors for evidence of the impact of such risks on a periodic basis and an allowance for impairment is made as appropriate.

Credit risk - this is primarily attributable to the Company's receivables from and payables to group and related undertakings. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Going concern- The Company has net liabilities of £74.0 million (2017: £67.9 million).

The Financial Statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future. The company has received confirmation in writing from its ultimate parent undertaking, Jacobs Engineering Group Inc., that it has directed the company's inter-company creditors that, if required, they will not seek payment of amounts outstanding and any related interest thereon for a period of at least 12 months from the date of approval of the Financial Statements. As a result, the Directors have a reasonable expectation that the company has adequate resources to meet any liabilities as they fall due during that period. For these reasons, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

Business Review and Outlook

The company made a loss on ordinary activities after taxation in 2018 of £26.1 million (2017: Profit of £3.2 million)

The loss for the year arises primarily as a result of an impairment charge of £20 million required in respect of the company's investment in Halcrow Consulting Limited, in addition to charges being required for inter-company debtor write-offs and foreign exchange losses.

By order of the board of directors on 30 September 2019

G Douglas
Director



HALCROW HOLDINGS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their report on the affairs of the Company, together with the audited financial statements for the year ended 31 December 2018.

Principal activity

The Company is the Holding Company of a sub-group of companies within the Jacobs Engineering Inc. Group supplying services as consulting engineers.

Results

The Company's results are outlined in the Strategic Report.

Dividend

The directors are unable to recommended a dividend payment in respect of the year ended 31 December 2018 (2017: £nil).

Share capital

The ordinary share capital of the Company at 31 December 2018 was held beneficially as follows:

CH2M HILL Europe Limited	41,837,979 ordinary shares (100%)
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On 29 June 2018, the company increased its ordinary share capital through the issue at par of 20,000,000 £1 shares.

Directors

The following served on the board of directors during the period under review and to the current date:

B R Shelton (Resigned 3 June 2019)

S J Hannis (Resigned 3 June 2019)

G Douglas (Appointed 3 June 2019)

J R Shattock (Appointed 3 June 2019)

HALCROW HOLDINGS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018
(continued)

Auditor

Each of the persons, who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the company auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Directors Qualifying Third Party Indemnity Provisions

The Company has granted indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

Approved by the Board and signed on
its behalf by:



G Douglas
Director
30 September 2019

Registered office:
Cottons Centre
Cottons Lane
London SE1 2QG
United Kingdom

Registered Number:
01674044

HALCROW HOLDINGS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT,
THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HALCROW HOLDINGS LIMITED

Opinion

We have audited the Financial Statements of Halcrow Holdings Limited for the year ended 31 December 2018 which comprise the Profit and Loss account, Statement of Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Financial Statements:

- give a true and fair view of the Company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the Directors have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HALCROW HOLDINGS LIMITED

(continued)

Other information (continued)

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HALCROW HOLDINGS LIMITED

(continued)

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities 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, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

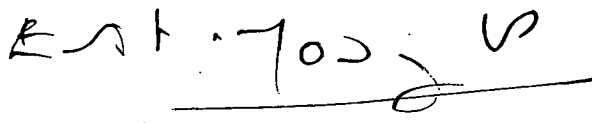
Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Adrian Mulea (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

1 OCTOBER 2019

HALCROW HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	<u>2018</u> £000's	<u>2017</u> £000's
Administrative expenses		<u>(1,039)</u>	<u>(1,325)</u>
Operating Loss	2	(1,039)	(1,325)
Impairment of Investments in subsidiary undertakings	6	(20,000)	-
(Impairment) / Reversal of provision against balances due from group undertakings		(3,730)	5,366
Interest receivable and similar income	3	2,068	3,453
Interest payable and similar charges	4	<u>(3,476)</u>	<u>(4,183)</u>
(Loss) / Profit on ordinary activities before taxation		(26,177)	3,311
Tax on (loss) / Profit on ordinary activities	5	<u>86</u>	<u>(66)</u>
(Loss) / Profit for the financial year		<u><u>(26,091)</u></u>	<u><u>3,245</u></u>

All items in the above profit and loss account relate to continuing operations.


HALCROW HOLDINGS LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £000's	2017 £000's
(Loss) / Profit for the year		<u>(26,091)</u>	<u>3,245</u>
Total Comprehensive (Loss) / Profit for the year		<u><u>(26,091)</u></u>	<u><u>3,245</u></u>

HALCROW HOLDINGS LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2018

	Notes	2018 £000's	2017 £000's
Fixed assets			
Investments			
Investments in Subsidiaries	6	<u>4,200</u>	<u>4,200</u>
		<u>4,200</u>	<u>4,200</u>
Current assets			
Debtors: amounts falling due within one year	7	26,935	26,892
Cash at bank and in hand		<u>506</u>	<u>25</u>
		27,441	26,917
Creditors: amounts falling due within one year	8	<u>(105,605)</u>	<u>(98,990)</u>
Net current liabilities		<u>(78,164)</u>	<u>(72,073)</u>
Total assets less current liabilities		<u>(73,964)</u>	<u>(67,873)</u>
Net liabilities		<u>(73,964)</u>	<u>(67,873)</u>
Capital and reserves			
Called up share capital	9	41,838	21,838
Share premium account		7,150	7,150
Profit and loss account		<u>(122,952)</u>	<u>(96,861)</u>
Equity Shareholder's deficit		<u>(73,964)</u>	<u>(67,873)</u>

The Financial Statements for Halcrow Holdings Limited, registered number 01674044, were approved by the board of directors and authorised for issue on 30 September 2019. They were signed on its behalf by:


G Douglas
Director

HALCROW HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2018

	Called up share capital	Share Premium	Profit and loss account	Total equity
	£000's	£000's	£000's	£000's
Balance at 1 January 2017	21,838	7,150	(100,106)	(71,118)
Profit for the year	-	-	3,245	3,245
	-	-	3,245	3,245
Balance at 31 December 2017	21,838	7,150	(96,861)	(67,873)
Balance at 1 January 2018	21,838	7,150	(96,861)	(67,873)
Loss for the year	-	-	(26,091)	(26,091)
Share capital issued in year	20,000	-	-	20,000
	20,000	-	(26,091)	(6,091)
Balance at 31 December 2018	41,838	7,150	(122,952)	(73,964)

HALCROW HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1 PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

Halcrow Holdings Limited is a Company limited by shares and incorporated and domiciled in the UK.

These Financial Statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is sterling. The balances have been rounded off to the nearest thousand.

Consolidated Financial Statements have not been prepared as the Company is itself a wholly owned subsidiary of Jacobs Engineering Group Inc. a company incorporated in the US, as permitted by section 400 of the Companies Act 2006. These Financial Statements present information about the Company and not the group.

The Company is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. the Company is included in consolidated Financial Statements of Jacobs Engineering Group Inc. and these Financial Statements can be obtained from www.Jacobs.com. The following exemptions available under FRS 102 in respect of certain disclosures for the Financial Statements have been applied:

- (i) No Cash Flow Statement with related notes is included
- (ii) Key Management Personnel compensation is not disclosed
- (iii) Transactions with companies within the Jacobs group are not disclosed

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

(a) **Measurement convention**

The Financial Statements are prepared on the historical cost basis.

(b) **Going concern**

After tax, the company recorded a loss of £26.1 million (2017: Profit of £3.2 million). The Company has net liabilities of £74.0 million (2017: £67.9 million).

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future. The company has received confirmation in writing from its ultimate parent undertaking, Jacobs Engineering Group Inc., that it has directed the company's inter-company creditors that, if required, they will not seek payment of amounts outstanding and any related interest thereon for a period of at least 12 months from the date of approval of the financial statements. As a result, the Directors have a reasonable expectation that the company has adequate resources to meet any liabilities as they fall due during that period. For these reasons, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

(c) **Use of critical estimates and judgements**

The preparation of Financial Statements in conformity with FRS102 requires management to make certain estimates, judgements and assumptions. These estimates, judgements and assumptions can affect the reported amounts of assets and liabilities as of the date of the Financial Statements, as well as the reported amounts of revenue and expenses during the periods presented. Actual results could differ from our estimates. For further details on use of estimates and judgements, refer to each individual accounting policy. The Directors have made judgements in these Financial Statements against critical accounting policies, and in particular in respect of investment impairment.

(d) **Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Gains or losses on translation are included in the profit and loss account.

HALCROW HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1 PRINCIPAL ACCOUNTING POLICIES (continued)

(e) Basic financial instruments

Debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at cost plus attributable transaction costs. Subsequent to initial recognition, trade and other debtors are recognised at the amortised cost less any impairment provisions, with, trade and other creditors being measured at amortised cost.

Interest bearing borrowings classified as basic financial instruments

Interest bearing borrowings repayable on demand are recognised at the transaction value, with interest being charged to the profit and loss account.

(f) Investments

Investments in subsidiaries are carried at cost less impairment. Management determines the amount of the impairment based on their judgements in evaluating the financial performance and operations of those subsidiaries. In making these judgements an inherent level of uncertainty is involved.

(g) Expenses

Interest receivable and Interest payable

Interest receivable and similar income includes interest receivable interest receivable on loans to related parties.

Interest payable and similar charges includes interest payable on loans from related parties.

Interest income and interest payable are recognised in profit or loss on an accrued basis.

HALCROW HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1 PRINCIPAL ACCOUNTING POLICIES (continued)

(h) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax, including UK corporation tax and foreign tax, is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the Financial Statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Recognition, therefore involves judgement based on management's forecasts of future performance.

2 OPERATING LOSS

	<u>2018</u> £000's	<u>2017</u> £000's
Included in Operating loss for the year are the following:		
Exchange losses / (gains)	<u>623</u>	<u>(596)</u>

Ernst & Young LLP's remuneration for the audit of the Company only Financial Statements for the year was £9,500 (2017: Audit fees for the audit of the Consolidated Financial Statements of Halcrow Holdings Limited amounted to £94,100). No other amounts were payable by the Company to its auditor for non-audit services (2017: £nil). In both 2018 and 2017, auditors remuneration has been borne by an intermediate subsidiary undertaking, Halcrow Group Limited.

The Company had no employees (2017: none).

The level of qualifying services of the Directors of the Company is considered to be incidental and negligible compared to the services provided to the group. There are no management charges to the Company from the parent company for these services. Consequently it is determined that the remuneration for such qualifying services is £nil (2017: £nil).

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2018</u> £000's	<u>2017</u> £000's
Interest receivable on:		
Loans to group undertakings	<u>2,068</u>	<u>3,453</u>
	<u>2,068</u>	<u>3,453</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2018</u> £000's	<u>2017</u> £000's
Interest payable on:		
Loans from group undertakings	<u>3,476</u>	<u>4,183</u>
	<u>3,476</u>	<u>4,183</u>

HALCROW HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

(continued)

5 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	<u>2018</u> £000's	<u>2017</u> £000's
UK corporation tax	(86)	66
Total current tax	(86)	66
Total deferred tax	-	-
Total tax (credit)/charge for year	<u>(86)</u>	<u>66</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19% (2017: 19.25%). The actual tax charge for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation.

	<u>2018</u> £000's	<u>2017</u> £000's
(Loss)/Profit on ordinary activities before tax	<u>(26,177)</u>	<u>3,311</u>
Tax on (loss)/profit on ordinary activities at standard rate	(4,974)	637
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	1,088	(675)
Amounts not recognised for deferred tax purposes	-	(612)
Non- deductible impairment in investment	3,800	-
Effects of overseas tax rates	-	66
Group relief surrendered / (received) for nil payment	-	650
Total tax (credit)/charge for year	<u>(86)</u>	<u>66</u>

A reduction in the UK corporation tax from 19% to 18% (effective 1 April 2020) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

The company had unrecognised tax losses carried forward of £9,829,275 as at 31 December 2018 (2017: £9,829,275). No deferred tax asset has been recognised on the basis there is not expected to be sufficient taxable income against which the loss can be offset.

6 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Shares in subsidiary undertakings

	£000's
Cost	
At 1 January 2018	28,226
Additions: Halcrow Consulting Limited	20,000
At 31 December 2018	<u>48,226</u>
Provisions	
At 1 January 2018	24,026
Impairment: Halcrow Consulting Limited	20,000
At 31 December 2018	<u>44,026</u>
Net book value	
At 31 December 2017 & 31 December 2018	<u>4,200</u>

None of the investments included in above amounts is listed on a recognised investment exchange.

Subsidiary undertakings are listed in note 11 to the Financial Statements.

HALCROW HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

(continued)

7 DEBTORS

Amounts falling due within one year

	<u>2018</u>	<u>2017</u>
	£000's	£000's
Amounts owed by group undertakings	26,819	26,892
Group Relief Receivable	80	-
Other Taxation	36	-
	<u>26,935</u>	<u>26,892</u>

Amounts owed by group undertakings are unsecured, interest bearing and repayable on demand.

8 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2018</u>	<u>2017</u>
	£000's	£000's
Amounts owed to group undertakings	105,599	98,984
Accruals and deferred income	6	6
	<u>105,605</u>	<u>98,990</u>

9 SHARE CAPITAL

	<u>2018</u>	<u>2017</u>
	£000's	£000's
Authorised, allotted, called-up and fully paid Share Capital:		
41,837,979 (2017: 21,837,979) ordinary shares of £1 each	<u>41,838</u>	<u>21,838</u>

On 28th June 2018, the company issued at par 20,000,000 £1 ordinary shares to CH2M Hill Europe Limited.

10 RELATED PARTY TRANSACTIONS

In accordance with section 33.1A of FRS 102, 'Related Party Disclosures', transactions with other group undertakings within the Jacobs Engineering group have not been disclosed in these Financial Statements.

HALCROW HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

(continued)

11 SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

	Percentage owned	Country of registration	Principal country/ area of operation	Address
Subsidiary undertakings:				
Asia Halcrow Inc	100%	Philippines	East Asia	14th Floor Marco Polo, Ortigas Manila Sapphire Road, Ortigas Centre, Pasig City, 1600, Philippines
Burderop Investments Limited *	100%	England & Wales	Great Britain	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Crouch Hogg Waterman Limited	100%	Scotland	Great Britain	City Park 386 Alexandra Parade, Glasgow, G31 3AU Suite 3 - 3, Level 3, Lobby B, UOA Corporate Tower, Avenue 10, The Vertical, Bangsar South City, No. 8, 59200 Jalan Kerinchi, Kuala Lumpur, Malaysia
CH2M Services Sdn.Bhd	100%	Malaysia	East Asia	
Halcrow (Consulting Engineers & Architects) Limited	100%	England & Wales	Middle East	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Halcrow (Thailand) Limited	100%	Thailand	East Asia	173/14,15,17 Asia Centre Building, 16th Floor, South Sathorn Road, Khwaeng Thungmahamek, Khet Sathorn, Bangkok, 10120, Thailand
Halcrow Asia Limited	100%	England & Wales	East Asia	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Halcrow Asia Partnership Limited	100%	England & Wales	East Asia	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Halcrow Bahamas Ltd	100%	Bahamas	North America	Old Fort, Bldg. No. 4, Western Road, Nassau, Bahamas
Halcrow Bangladesh Limited	100%	Bangladesh	South Asia	House No. 7, Road No. 18, Block A, Banani, Dhaka-1213, Bangladesh
Halcrow Canada Inc	100%	Canada	North America	245 Consumers Avenue, Suite 400, Toronto ON M2J 1R3, Canada
Halcrow Canada Limited	100%	England & Wales	Great Britain	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom Room 2709-2718, Level 27, Tower 1, Millennium City 1, No. 388 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong Room 2709-2718, Level 27, Tower 1, Millennium City 1, No. 388 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong Suite 3 - 3, Level 3, Lobby B, UOA Corporate Tower, Avenue 10, The Vertical, Bangsar South City, No. 8, Room 2505, 25/F, The Securities Building, , NO. 5020, Bin He Road, , Futian District, , Shenzhen, 518033,,
Halcrow China Limited	100%	Hong Kong	East Asia	
Halcrow China Limited	100%	Hong Kong	East Asia	
Halcrow Consultants Sdn Bhd	100%	Malaysia	East Asia	
Halcrow Consulting (Shenzhen) Co. Limited	100%	China	East Asia	
Halcrow Consulting India Private Limited	63%	India	South Asia	R-27, 2nd Floor, Pratap Market, Jangpura - B, New Delhi, 110014, India

HALCROW HOLDINGS LIMITED
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11 SUBSIDIARY AND ASSOCIATED UNDERTAKINGS (Continued)

	Percentage owned	Country of registration	Principal country/ area of	Address
Halcrow Consulting Limited *	100%	England & Wales	Great Britain	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom 75 Prodromou Avenue, Oneworld Parkview House, 4th Floors, Nicosia, P.C.2063, Cyprus
Halcrow Energy Limited	100%	Cyprus	Middle East	173/14,15,17 Asia Centre Building, 16th Floor, South Sathorn Road, Khwaeng Thungmahamek, Khet Sathorn, Bangkok,
Halcrow Environmental Consulting Co. Limited	100%	Thailand	East Asia	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom 173/14,15,17 Asia Centre Building, 16th Floor, South Sathorn Road, Khwaeng Thungmahamek, Khet Sathorn, Bangkok,
Halcrow Group Limited	100%	England & Wales	Great Britain	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom 173/14,15,17 Asia Centre Building, 16th Floor, South Sathorn Road, Khwaeng Thungmahamek, Khet Sathorn, Bangkok,
Halcrow Group (Thailand) Limited	100%	Thailand	East Asia	PO Box 1543, 18 Scott Bushe Street, Port of Spain, Trinidad and Tobago
Halcrow Group (Trinidad & Tobago) Limited	100%	Trinidad & Tobago	Trinidad & Tobago	St John's House, High Street, Tallaght, Dublin 24, Ireland, Ireland
Halcrow Group Ireland Limited	100%	Republic of Ireland	Europe	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Halcrow International Limited	100%	England & Wales	Great Britain	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Halcrow International Partnership	100%	England & Wales	Middle East	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Halcrow Management Sciences Limited	100%	England & Wales	Great Britain	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Halcrow Middle East Limited	100%	UAE Dubai	Middle East	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Halcrow Middle East LLC	100%	Oman	Middle East	PO Box 360, Dubai, United Arab Emirates c/o-Norton Rose Fullbright, , Level 16 Grosvenor Place,, 225 George Street, Sydney NSW 2000, Australia
Halcrow Pacific Pty Limited	100%	Australia	Australia	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Halcrow Rail Approvals Limited	100%	England & Wales	Great Britain	85 Carol Davila, Floor 2, room A, Bucharest, Romania
Halcrow Romania SRL	100%	Romania	Europe	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Halcrow Staff and Services Limited	100%	England & Wales	Great Britain	c/o-Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Halcrow Syria LLC	100%	Syria	Middle East	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Halcrow Water Services Limited	100%	England & Wales	Great Britain	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Halcrow Waterman Limited	100%	Scotland	Great Britain	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom

HALCROW HOLDINGS LIMITED
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11 SUBSIDIARY AND ASSOCIATED UNDERTAKINGS (Continued)

Sir William Halcrow & Partners (Malaysia) Limited	100%	England & Wales	East Asia	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Sir William Halcrow & Partners Limited	100%	England & Wales	Latin America	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Transmark Asia Limited	100%	England & Wales	East Asia	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Yolles Partnership Inc	100%	Canada	North America	245 Consumers Avenue, Suite 400, Toronto ON M2J 1R3, Canada
Yolles Partnership Limited	100%	England & Wales	Great Britain	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Other Investments:-				
Broadland Environmental Services Limited	10%	England & Wales	Great Britain	St James House, Knoll Road, Camberley, Surrey, GU15 3XW 8/F Salustiana Ty Tower, 104 Paseo de Roxas, Legaspi Village, Makati City, Philippines
Semper Consultants Inc	40%	Philippines	East Asia	
Joint arrangements:-				
Aberdeen Western Peripheral Route	50%	Scotland	Great Britain	City Park, 386 Alexandra Parade, Glasgow, G31 3AU
Aone	34%	England & Wales	Great Britain	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Bond Street	60%	England & Wales	Great Britain	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
CH2M Hill Fairhurst	50%	England & Wales	Great Britain	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Consortia Halcrow Sinergia Setepl	29%	Brazil	Latin America	
Energhia Consortium	29%	France	Europe	Iter Organisation, Building B23; Route De Vinon, 13067, France

HALCROW HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11 SUBSIDIARY AND ASSOCIATED UNDERTAKINGS (Continued)

	Percentage owned	Country of registration	Principal country/ area of operation	Address
Joint arrangements (continued):-				
Halcrow Consulting India Private Limited	63%	India	South Asia	R-27, 2nd Floor, Pratap Market, Jangpura - B, New Delhi, 110014, India
Halcrow Doran	50%	Northern Ireland	Great Britain	Norwood House, 96-102 Great Victoria Street, Belfast BT2 7BE
Halcrow Fairhurst	50%	England & Wales	Great Britain	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Halcrow Hyder	50%	England & Wales	Great Britain	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom
Halcrow Tata	50%	England & Wales	Great Britain	Cottons Centre, Cottons Lane, London, SE1 2QG, United Kingdom

* indicates that these investments are held directly.

The principal activity of all the above undertakings is the supply of services as consulting engineers.

Other Investments and Joint Arrangements are indirectly held by the Company through its subsidiary undertakings.

12 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is CH2M Hill Europe Limited, a company incorporated in England & Wales. The ultimate parent undertaking is Jacobs Engineering Group Inc. a Company incorporated in the United States of America. The smallest and largest group in which the results of this Company are consolidated is Jacobs Engineering Group Inc. Copies of the consolidated accounts of Jacobs Engineering Group Inc. may be obtained from www.jacobs.com, or from the postal address of 1999 Bryan Street, Suite 1200, Dallas, TX 75201, United States.