

JACOBS®

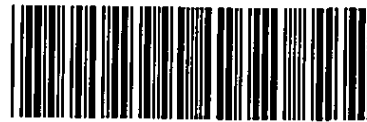
JACOBS PROCESS LIMITED

Company No. 454398

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2012

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JACOBS PROCESS LIMITED

Directors' Report and Financial Statements for the year Ended 30 September 2012

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JACOBS PROCESS LIMITED

Company information

Directors

J P Cnossen

D A Gordon

Secretary

A James

Registered Office

One Port Way

Port Solent

Portsmouth

Hants

PO6 4TZ

Independent Auditors

Ernst & Young LLP

G1

5 George Square

Glasgow

G2 1DY

Bankers

NatWest

Whitgift Centre Branch

40 Whitgift Centre

Croydon

Surrey

C19 3BQ

Registered number

454398

JACOBS PROCESS LIMITED

Directors' Report

The Directors have pleasure in presenting their report and the audited financial statements for the year ended 30 September 2012 for Jacobs Process Limited, company registration number 454398

Principal activities

Jacobs Process Limited is a member of the Jacobs Engineering Group, Inc , one of the world's largest and most diverse providers of professional technical services

The principal activity of Jacobs Process Limited is the provision of design, project management, consultancy, construction and commissioning services to the petrochemical, process, energy, environmental and pharmaceutical industries

Post Balance sheet event

On 1 October 2012 Jacobs UK Limited enacted business transfer agreements with Jacobs Process Limited and its subsidiaries. This involved the sale of the assets of those companies to Jacobs UK Limited with the exclusion of certain assets, contracts, liabilities and properties as disclosed in the agreements. The consideration for all three agreements is at market value and the final purchase price shall remain outstanding as an inter company loan account.

Business review and Outlook

The directors consider the level of business and the financial position at 30th September 2012 to be reasonable considering the current challenging market conditions. This resulted in a gross profit of £5,388,000 (2011 £3,986,000) and operating loss of £6,074,000 (2011 operating profit £1,275,000). Financial prospects and turnover are dependent upon the nature of contracts undertaken and may fluctuate over accounting periods.

2012 was another difficult year with investment activity in the Company's principal markets continuing to suffer from the global economic downturn and intense competition.

We anticipate that these challenging market conditions will continue throughout 2013.

We acknowledge the contribution made to the Company by all stakeholders, particularly by the staff and the shareholder. We count on the skill and dedication of our staff to ensure we continue to add value to our customers' business throughout the world. This ability to be value adding has been significantly enhanced by our membership of the Jacobs group of companies which will allow us to better address the needs of both our existing and our new customers.

JACOBS PROCESS LIMITED

Directors' Report (continued)

Principal risks and uncertainties

The majority of the company's activities take place overseas. Trading risks are considered normal in this business and are covered by various measures such as bank guarantees, bonding facilities, letters of credit and parent guarantees. The specific risk of contracts in foreign currencies is limited by ensuring adequate currency hedging procedures are in place.

The Company bears the normal risk of potential legal claims. This is dealt with on a case by case basis. In addition to the legal department of the Company, the Company is also supported by the legal departments of the parent company.

Going Concern

The Company's business activities together with the factors likely to affect its future development and position are set out in the Directors' Report on pages 2 to 5. The Company has recorded a loss before tax in the current financial year and the Company's balance sheet shows that it has current assets of £24m and current liabilities of £14m at its most recent balance sheet date.

The company participates in the Jacobs UK Limited (its intermediate parent) Group's centralised treasury arrangements and so shares and benefits from banking facilities with its parent company and fellow subsidiaries and Jacobs UK Limited provides support as required to the Company. The Company is ultimately owned by Jacobs Engineering Group Inc. As a consequence, the Company depends, in part, on the ability of the Jacobs Engineering Group Inc to continue as a going concern. The directors have considered the Group's funding relationship with Jacobs Engineering Group Inc to date and have considered available relevant information relating to Jacobs Engineering Group Inc's ability to continue as a going concern. In addition, the directors have no reason to believe that Jacobs Engineering Group Inc will not continue to fund the Company to enable it to continue in operational existence.

On the basis of these considerations, the directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the Accounts.

JACOBS PROCESS LIMITED

Directors' Report (continued)

Health, safety and environment

The Company is committed to undertaking business in such a way as to minimise the risks of injury or ill-health to people and damage to property. The Company has established and will maintain a Safety Management System in accordance with OSHAS 18001 2007 and is committed to comply with current occupational health and legislation.

The Company is independently assessed by Lloyd's Register Quality Assurance who carry out assessments on a six monthly basis. They have approved the Company's management systems and have issued the Company with an approval certificate to the two standards above and ISO 9001 2008 for Quality Management system (QMS).

The Company is committed to protecting the environment from avoidable harm. The Company fulfils this using an Environmental Management System (EMS). The EMS is approved and maintained to the requirements of ISO 14001 2004. Its purpose is to ensure that the Company meets its legal and policy requirements to protect and improve the environment in the course of carrying out its business.

Dividends

The directors do not recommend the payment of a dividend at 30 September 2012 (2011 nil).

Supplier payment policy

The Company is responsible for agreeing the terms and conditions under which business transactions with its suppliers are conducted. It is the Company's policy that payments to suppliers are made in accordance with these terms, provided that the supplier is also complying with all relevant terms and conditions.

The number of days billings from suppliers outstanding at 30 September 2012 was 19 days (2011 10 days).

Directors

The directors who held office during the year were as follows:

J P Cnossen

D A Gordon

Company Secretary

A J James

JACOBS PROCESS LIMITED

Directors' Report (continued)

Employees

The Company is committed to a policy of providing equal opportunities for all, regardless of race, religion, sex or disability

The Company is committed to training and management development, so as to ensure a supply of trained and skilled employees

The Company keeps employees informed about its current activities and progress by various methods, including in-house publications

Political and charitable donations

- ✓ The Company made no political contributions during the year (2011 £nil)
Donations to UK charities amounted to nil (2011 £100)

Disclosure of information to the auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are individually unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office

On behalf of the Board

Date



19 December 2012

D Gordon
Director
Jacobs Process Ltd
One Port Way,
Port Solent,
Portsmouth,
Hampshire, PO6 4TZ

JACOBS PROCESS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 judgments and 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 JACOBS PROCESS LIMITED

We have audited the financial statements of Jacobs Process Limited for the period ended 30 September 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 26. 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).

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.

Respective responsibilities of directors and auditors

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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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 30 September 2012 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JACOBS PROCESS LIMITED (continued)

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



*James Douglas Nisbet (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow*

21 / 12 / 2012

JACOBS PROCESS LIMITED

Company No. 454398

Profit and Loss Account for the year ended 30 September 2012

	<u>Notes</u>	<u>Year ended</u> <u>30/09/12</u> £000	<u>Nine months</u> <u>ended</u> <u>30/09/11</u> £000
Turnover	2	19,909	23,290
Cost of sales		<u>(14,521)</u>	<u>(19,304)</u>
Gross profit		5,388	3,986
Administrative expenses		<u>(11,462)</u>	<u>(2,711)</u>
Operating (loss) / profit	3	(6,074)	1,275
Other interest receivable and similar income	6	442	235
Interest payable and similar charges	7	<u>(123)</u>	<u>(120)</u>
(Loss) / profit on ordinary activities before taxation		(5,755)	1,390
Tax on (loss)/profit on ordinary activities	8	<u>2,816</u>	<u>(471)</u>
(Loss) / profit for the financial year	19	<u><u>(2,939)</u></u>	<u>919</u>

The above results relate entirely to continuing operations

The notes on pages 11 - 23 form an integral part of the financial statements

Statement of total recognised gains and losses for period ending 30 September 2012

There are no recognised gains or losses in either year other than the retained profit for that year (2011 nil)

There is no difference between the retained profit for this year and the historical cost equivalent, accordingly no statement of historical cost profit and losses has been prepared (2011 no difference)

JACOBS PROCESS LIMITED

Company No. 454398

Balance Sheet as at 30 September 2012

	<u>Notes</u>	<u>2012</u> £000	<u>2011</u> £000
FIXED ASSETS			
Tangible assets	10	119	68
Investments	11	<u>35,000</u>	<u>35,000</u>
		35,119	35,068
CURRENT ASSETS			
Debtors	12	19,299	7,565
Cash at bank and in hand	13	<u>4,597</u>	<u>7,013</u>
		23,896	14,578
CREDITORS: amounts falling due within one year	14	<u>(13,891)</u>	<u>(18,886)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>10,005</u>	<u>(4,308)</u>
TOTAL CURRENT ASSETS LESS CURRENT LIABILITIES		45,124	30,760
DEBTORS: due after one year	15	6,312	20,625
CREDITORS: amounts falling due after more than one year	16	-	(1,309)
PROVISION FOR LIABILITIES	17	<u>(4,660)</u>	<u>(361)</u>
NET ASSETS		<u>46,776</u>	<u>49,715</u>
CAPITAL AND RESERVES			
Called up share capital	18	17,000	17,000
Other reserves	20	30,250	30,250
Profit and loss account	19	<u>(474)</u>	<u>2,465</u>
EQUITY SHAREHOLDERS' FUNDS	21	<u>46,776</u>	<u>49,715</u>

The financial statements were approved by the Board of Directors on 19 12 12 and were signed on its behalf by



D. Gordon
Director

The notes on pages 10 – 23 form an integral part of the financial statements

JACOBS PROCESS LIMITED

Notes to the Financial Statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

(a) Basis of preparation

The financial statements have been prepared on a going concern basis and in accordance with applicable accounting standards, and under the historical cost accounting rules

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about the Group.

Under Financial Reporting Standard FRS 1 the Company is exempt from the requirement to prepare a cashflow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company was a wholly owned subsidiary of Jacobs UK Limited (previously known as Jacobs Engineering UK Limited), incorporated in The United Kingdom, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties), the consolidated financial statements of Jacobs Engineering UK Limited, within which this Company is included, are consolidated within the ultimate parent company, Jacobs Engineering Group Inc and can be obtained from the address in note 26.

Going Concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business review section of the Directors' Report on pages 2 to 5. The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The directors have a reasonable 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 financial statements.

(b) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if fixed under contractual arrangements, at the contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account when they arise.

JACOBS PROCESS LIMITED

Notes (continued)

1. Accounting policies (continued)

(c) Turnover

Turnover, which includes inter-company trading, represents the estimated sales value of work (excluding value added tax) done in the period in accordance with long term contract accounting. The percentage of completion method is followed in accounting for long-term contracts. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable. Losses on contracts are fully recognised when identified. Reimbursable contract revenue comprises amounts billable to clients based on chargeable work undertaken.

(d) Long-term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous periods. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

(e) Cost of sales

Cost of sales includes direct costs and attributable overheads.

(f) Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in period different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a non-discounted basis, at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted rates at the balance sheet date.

JACOBS PROCESS LIMITED

Notes (continued)

1. Accounting policies (continued)

(g) Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less any impairment, if any

(h) Tangible fixed assets and depreciation

Depreciation is provided to write off the costs less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic life as follows -

Fixtures and fittings	-	3 - 7 years
Motor vehicles	-	5 years
Plant and machinery	-	5 years

(i) Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

(j) Research and development

Research and development expenditure is written off as incurred

(k) Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

(l) Dividends on shares presented within shareholders' funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the period end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

JACOBS PROCESS LIMITED

Notes (continued)

2. Analysis of turnover

By geographical area

	<u>2012</u>	<u>Nine months</u> <u>ended 30/09/11</u>
	£000	£000
Americas	2,719	2,235
Asia/Middle East/ Australia	1,710	2,668
Continental Europe	6,960	14,405
South Africa	818	-
UK	<u>7,702</u>	<u>3,982</u>
	<u>19,909</u>	<u>23,290</u>

3. Operating loss/profit

	<u>2012</u>	<u>Nine months</u> <u>ended 30/09/11</u>
	£000	£000
Operating profit is stated after charging		
Auditor's remuneration - audit fees	51	45
Depreciation	111	71
Hire of other assets / operating leases	642	642
Exchange loss/(gain)	<u>1,053</u>	<u>(83)</u>

4. Remuneration of directors

	<u>2012</u>	<u>Nine months</u> <u>ended 30/09/11</u>
	£000	£000
Directors' emoluments	-	-

All directors are remunerated by other Group companies, accordingly there are no retirement benefits accruing to any of the directors of the Company which are borne by the Company. Their services to the Company are incidental to their wider role in the group.

JACOBS PROCESS LIMITED

Notes (continued)

5. Staff numbers and costs

The average number of persons employed by the Company including directors, analysed by category was as follows

	<u>2012</u> <u>Number</u>	<u>2011</u> <u>Number</u>
Engineering	158	156
Admin	<u>26</u>	<u>25</u>
Total number of Employees	<u>184</u>	<u>181</u>

	<u>2012</u> <u>£000</u>	<u>Nine months</u> <u>ended 30/09/11</u> <u>£000</u>
Staff costs including directors' emoluments		
Wages and salaries	10,792	8,112
Social security costs	1,210	873
Other pension costs (Note 24)	<u>1,512</u>	<u>1,031</u>
Total direct costs of employment	<u>13,514</u>	<u>10,016</u>

6. Interest receivable and similar charges

	<u>2012</u> <u>£000</u>	<u>Nine months</u> <u>ended</u> <u>30/09/11</u> <u>£000</u>
Interest receivable on		
Bank accounts	7	8
Intercompany loans	<u>435</u>	<u>227</u>
	<u>442</u>	<u>235</u>

7. Interest payable and similar charges

	<u>2012</u> <u>£000</u>	<u>Nine months</u> <u>ended</u> <u>30/09/11</u> <u>£000</u>
Interest payable on		
Bank loans and overdrafts	<u>123</u>	<u>120</u>
	<u>123</u>	<u>120</u>

JACOBS PROCESS LIMITED

Notes (continued)

8. Taxation

Analysis of credit / (charge) in the period

	<u>2012</u>		<u>Nine months ended</u> <u>30/09/11</u>	
	£000	£000	£000	£000
<i>UK corporation tax</i>				
Current year tax credit/(charge)	696		(377)	
Prior year adjustments	653		(325)	
<i>Foreign tax</i>				
Double taxation relief	-		-	
Current tax on income for the period	<u>(137)</u>		<u>231</u>	
Total current tax credit/(charge)		1,212		(471)
<i>Foreign tax</i>				
Chinese provision		892		-
<i>Deferred Taxation(note 9)</i>				
Origination and reversal of timing differences		779		-
Changes in tax rates or laws		<u>(67)</u>		<u>-</u>
Tax credit/(charge) on (loss)/profit on ordinary activities		<u>2,816</u>		<u>(471)</u>

The current tax credit / (charge) for 2012 is higher (2011 higher) than the standard rate of corporation tax in the UK (25%, 2011 26%)

	<u>2012</u>	<u>Nine months ended</u> <u>30/09/11</u>
	£000	£000
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	<u>(5,755)</u>	<u>1,391</u>
Current tax credit/(charge) at 25% (2011 26 67%)	1,439	(371)
<i>Effects of</i>		
Expenses not deductible for tax purposes	(2)	-
Prior year adjustments	653	(325)
Capital allowances in excess of depreciation	(11)	(11)
Other timing differences	(764)	5
Overseas tax	<u>(103)</u>	<u>231</u>
Total current tax credit/(charge) (see above)	<u>1,212</u>	<u>(471)</u>

JACOBS PROCESS LIMITED

Notes (continued)

8. Taxation (continued)

The Company has no tax losses carried forward at 31 December 2011. Future profits in this company are likely to bear taxation at standard rates of Corporation Tax.

9. Deferred Taxation

The deferred tax asset represents the value of tax relief in respect of provision for future expenditure.

	<u>As at</u> <u>30/09/12</u> £000
Deferred tax	
At beginning of year	56
P&L charge for the year	777
Prior year deferred tax adjustment	2
Change in rate	<u>(67)</u>
At end of year	<u>768</u>

The deferred tax asset at the 30 September 2012 of £768,000 (2011 £56,000) has been recognised in these accounts as the directors believe that sufficient profits will arise in the foreseeable future against which they can be realised. This asset, calculated at 23% along with any unrecognised amount is analysed as follows:

	<u>2012</u>		<u>2011</u>	
	Recognised	Unrecognised	Recognised	Unrecognised
	£000	£000	£000	£000
Asset	<u>768</u>	<u>-</u>	<u>56</u>	<u>-</u>
	<u>768</u>	<u>-</u>	<u>56</u>	<u>-</u>

On 26 March 2012 the Chancellor announced a reduction in the main rate of UK corporation tax to 24% with effect from 1 April 2012. The change became substantively enacted as at this date and therefore the effect of this reduction has been included in the figures above.

The rate was further reduced to 23% effective 1 April 2013. This rate was substantively enacted on 3 July 2012 and is therefore applicable for deferred tax purposes. Furthermore, the Finance Act 2011 announced a reduction in the rate of capital allowances for the main pool and the special rate pool to 18% and 8% respectively.

A further rate reduction to 21% has been proposed by the Chancellor, however this has not yet been enacted and is therefore not included in the figures above. The overall effect of a further reduction from 23% to 21%, if these changes were to be applied to the deferred tax balance as at 30 September 2012, would be to further reduce the deferred tax asset by £67k.

JACOBS PROCESS LIMITED

Notes (continued)

10. Tangible fixed assets

	<u>Furniture, Fixtures and Fittings</u> £000	<u>Computer Equipment & Vehicles</u> £000	<u>Plant and Machinery</u> £000	<u>Total</u> £000
Cost:				
At 1 October 2011	856	5	3	864
Additions	-	162	-	162
Assets reclassified	3	-	(3)	-
Disposals	-	(5)	-	(5)
At 30 September 2012	<u>859</u>	<u>162</u>	<u>-</u>	<u>1,021</u>
Accumulated depreciation:				
At 1 October 2011	789	5	2	796
Charge for the year	55	56	-	111
Assets reclassified	2	-	(2)	-
Disposals	-	(5)	-	(5)
At 30 September 2012	<u>846</u>	<u>56</u>	<u>-</u>	<u>902</u>
Net book value:				
At 30 September 2011	<u>67</u>	<u>-</u>	<u>1</u>	<u>68</u>
At 30 September 2012	<u>13</u>	<u>106</u>	<u>-</u>	<u>119</u>

During the year assets at cost of £3k were reclassified from Plant and Machinery to Fixtures and Fittings

11. Investments

Shares in Group undertakings

Cost and net book value	£000
At 1 October 2011 and at 30 September 2012	<u>35,000</u>

In the opinion of the directors, the individual value of the investments held in Jacobs E&C International Ltd and Jacobs E&C Limited is not less than its net book value in the balance sheet

JACOBS PROCESS LIMITED

Notes (continued)

11. Investments (continued)

The current trading subsidiary undertakings are as follows

	Country of Incorporation	% of ordinary share capital held
Jacobs E&C International Ltd	UK	100
Jacobs E&C Ltd	UK	100

The principal activities of Jacobs E&C Ltd and Jacobs E&C International Ltd are the provision of conceptual design, engineering services, procurement, project management, construction and commissioning services to various industries

12. Debtors

	<u>As at</u> <u>30/09/12</u> £000	<u>As at</u> <u>30/09/11</u> £000
Trade debtors	8,718	4,069
Amounts owed by group undertakings		
- Parent and fellow subsidiary undertakings	5,025	639
Amounts recoverable on contracts	2,343	1,964
Other debtors	198	444
Corporation Tax	1,752	-
Deferred Taxation	768	56
Prepayments and accrued income	495	393
	<u>19,299</u>	<u>7,565</u>

13. Cash at bank and in hand

As at 30 September 2012 of the total cash and bank balance on the balance sheet, £4.5 million (2011 £7 million) were deposits held in bank sub-accounts that were part of a group pooling system

JACOBS PROCESS LIMITED

Notes (continued)

14. Creditors - amounts falling due within one year

	<u>As at</u> <u>30/09/12</u> £000	<u>As at</u> <u>30/09/11</u> £000
Payments received on account	1,576	2,492
Trade creditors	768	563
Amounts owed to group undertakings		
- Fellow subsidiary undertakings	498	619
Other creditors, including taxation and social security	5,341	5,295
Corporation Tax	-	786
Accruals and deferred income	5,708	7,731
Loan notes	-	1,400
	<u>13,891</u>	<u>18,886</u>

15. Debtors due after one year

	<u>As at</u> <u>30/09/12</u> £000	<u>As at</u> <u>30/09/11</u> £000
Amounts owed by group undertakings	<u>6,312</u>	<u>20,625</u>

At 30 September 2012 amounts owed by group undertakings include an amount owed by Jacobs UK Limited of £6m which is unsecured, incurs interest at 2% and has an open-ended repayment period

At 30 September 2011 amounts owed by group undertakings included an amount owed by Jacobs Nederland BV of £14,405k which was repaid in June 2012 and an amount owed by Jacobs UK Limited of £6m

16. Creditors - amounts falling due after more than one year

	<u>As at</u> <u>30/09/11</u> £000	<u>As at</u> <u>30/09/10</u> £000
Loan notes due between 1 and 2 years	<u>-</u>	<u>1,309</u>

On 16 October 2006 Trafalgar House Trustees Limited issued Jacobs Process Limited the above Loan notes in order to fund the acquisition of part of the business and assets of TH E&C Resources Ltd. The Loan notes were issued at an interest rate of 6% and were due for repayment by 16 October 2012. The loan notes were repaid early on 27th February 2012.

JACOBS PROCESS LIMITED

Notes (continued)

17. Provision for Liabilities and Charges

	<u>Year ended</u> <u>30/09/12</u> £000	<u>Year ended</u> <u>30/09/12</u> £000	<u>Year ended</u> <u>30/09/12</u> £000
	Pensioners Medical	Legal Claims	Total
As at 1 October 2011	-	(361)	(361)
Created	(2,906)	(1,460)	(4,366)
Incurred during the year	-	67	67
As at 30 September 2012	<u>(2,906)</u>	<u>(1,754)</u>	<u>(4,660)</u>

The pensioners' medical provision is in respect of retired employees' private medical insurance

The legal provision was in respect of outstanding legal claims. In the year ended 30 September 2012 the provision level was assessed and an additional £1,460k was created. Invoices were received in the year ending 30 September 2012 giving rise to a decrease in the provision of £67k, (2011 £2k increase due to the receipt of credit notes)

18. Share capital

Ordinary shares of £1 each	<u>As at 30/09/12</u>		<u>As at 31/09/11</u>	
	Number '000's	£000	Number '000's	£000
Allotted, called up and fully paid	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>

As at 30th September 2012 the Company was a wholly owned subsidiary of Jacobs UK Limited

19. Reserves

	<u>Profit and</u> <u>Loss Account</u>
	£000
As at 1 October 2011	2,465
Retained loss for the year	<u>(2,939)</u>
As at 30 September 2012	<u>(474)</u>

JACOBS PROCESS LIMITED

Notes (continued)

20. Other reserves

	<u>Capital Redemption Reserve</u>
	<u>£000</u>
At 30 September 2011 and 30 September 2012	<u>30,250</u>

21. Reconciliation of movements in shareholders' funds

	<u>As at 30/09/12 £000</u>	<u>As at 31/09/11 £000</u>
Opening shareholders' funds	49,715	48,796
Retained (loss)/profit for the year	<u>(2,939)</u>	<u>919</u>
Closing shareholders' funds	<u>46,776</u>	<u>49,715</u>

22. Contingent liabilities

Performance bonds totalling £1,500k (2011 £5,844k) have been given in respect of the due performance of contracts. The Company is also party to claims which arise in the ordinary course of business. It is the Company's policy to provide in full where liabilities are expected to occur as a result of these guarantees and claims. It is not envisaged that any further liability to the Company will arise under guarantees already issued.

Under a group registration, the company is jointly and severally liable for value added tax due by some other group undertakings. At 30 September 2012 this contingent liability amounted to £7,548,796.

JACOBS PROCESS LIMITED

Notes (continued)

23. Operating lease commitments

The Company was committed to making the following payments during the next year in respect of operating leases, analysed by dates of expiry

	<u>2012</u>		<u>2011</u>	
	<u>Land and Buildings</u>	<u>Other</u>	<u>Land and Buildings</u>	<u>Other</u>
	£000	£000	£000	£000
Within one year	-	7	-	-
Within two to five years	620	2	620	22
After five years	-	-	-	-
	<u>620</u>	<u>9</u>	<u>620</u>	<u>22</u>

In the year ending 30th September 2012 £642k was charged to the profit and loss account in respect of operating leases (2011 £642k)

24. Defined contribution pension scheme

At the period end the Company's employees were members of a Defined Contribution pension arrangement, the Jacobs Defined Contribution Pension Scheme. The assets of the Scheme were held under trust, separately from the finances of the Company. Contributions were paid by the Company according to the Rules of the Scheme and were charged to the profit and loss account as they became payable.

The total pension cost for period was £1,512k (2011 £1,031k). This includes £139k (2011 £118) outstanding contributions at the balance sheet date.

25. Ultimate Parent Company

At the year end the Company's immediate parent company was Jacobs UK Limited, formerly known as Jacobs Engineering UK Limited.

The largest group in which the results of the Company are consolidated for the year ended 30 September 2012 is that headed by Jacobs Engineering Group Inc, incorporated in the State of Delaware, USA. The smallest group in which they are consolidated is that headed by Jacobs UK Limited, formerly Jacobs Engineering UK Limited.

Group financial statements can be obtained from Jacobs Engineering Group Inc., 1111 South Arroyo Parkway, 91105, PO Box 7084, Pasadena, CA 91109-7084 U S A.

26. Related party disclosures

As the Company was a wholly owned subsidiary of Jacobs UK Limited, formerly Jacobs Engineering UK Limited, incorporated in the United Kingdom, the company has taken advantage of the exemption contained in FRS 8 'related party disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).