Jacobs Process Limited

Report and financial statements for the year end 30 September 2016

Report and Financial Statements
30 September 2016

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Corporate information

Directors	L Power (resigned 5 December 2016) J Doyle (resigned 7 October 2016) P Seaton (appointed 2 November 2016)
Secretary	M Norris
Registered office	1180 Eskdale Road Winnersh Wokingham Berkshire RG41 5TU
Registered number of incorporation	454398
Bankers	Natwest Croydon Business Centre 40 Whitgift Centre Croydon Surrey CR9 3BQ
Auditors	Ernst & Young LLP G1 5 George Square Glasgow G2 1DY

Strategic report
30 September 2016

The directors present their Strategic report for the year ended 30 September 2016.

Business review

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.

Future Developments

The ultimate objective of the Directors of the company is to wind up the company up once all remaining projects come to end.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are as follows:

Financial risk management policy

The Company's principal financial instruments comprise cash and cash equivalents. Other financial assets and liabilities, such as trade creditors and trade debtors, arise directly from operating activities.

The main risks associated with the Company's financial assets and liabilities are set out below.

Interest rate risk: The Company holds any surplus cash in a floating rate interest yielding bank current account.

Credit risk: The Company has external debtors; however the Company undertakes assessments of its customers in order to ensure that credit is not extended where there is a likelihood of default.

Strategic report (continued)
30 September 2016

Legislative risks

The performance of the Company's services in the UK is bound by the Health and Safety legislation that governs the activities on construction sites. These standards are subject to periodic revision and continued compliance with the legislation imposes a cost to the business. Failure to comply with the legislation could materially affect the Group's ability to operate.

On behalf of the Board

P Seaton
Director

Date: 15 JUN 17

Directors' report
30 September 2016

The Directors have pleasure in presenting their report and financial statements for the year ended 30 September 2016 for Jacobs Process Limited, company registration number 454398.

Directors of the company
The current directors are shown on page 2.

Results
The profit for the year ended 30 September 2016 after taxation was £456k (2015:£1,149k loss).

Operating income during the year has been created by the release of an over- provision in relation to a contract which has been offset by costs within the year.

The directors do not recommend a dividend (2015:£nil).

Going concern
In line with the FRC guidance on going concern, the directors have undertaken an exercise to review the appropriateness of the continued use of the going concern basis and have concluded that it is appropriate. The factors considered by the directors are identical to those of its intermediate parent company, Jacobs UK Holdings Limited, and are outlined within the Directors' Report of that company.

Future developments
The ultimate objective of the Directors of the company is to wind up the company up once all remaining projects come to end.

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 above. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- Each director has taken all 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.

Auditors
A resolution proposing in accordance with Section 485 of the Companies Act 2006 the re-appointment of Ernst & Young LLP as auditors and authorising the directors to determine their remuneration will be submitted to the Annual General Meeting.

On behalf of the Board

P Seaton
Director

Date: 15 Jun 17

Directors' responsibilities statement
30 September 2016

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS101).

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 those financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

Independent auditor's report to the members of Jacobs Process Limited

We have audited the financial statements of Jacobs Process Limited for the year ended 30 September 2016 which comprise the Income statement, the Statement of comprehensive income, the Statement of changes in equity, the Balance Sheet and the related notes 1 to 16. 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 Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 auditor

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

Opinion on 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; 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 Strategic Report and 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.

Ernst & Young LLP

Janie McMinn (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

Glasgow

Date 22/6/17

Income statement
for the year ended 30 September 2016

	Note	*2016* *£'000*	*2015* *£'000*
Turnover	3	**-**	2,369
Operating expenses		**1,246**	(3,232)
Operating income/loss		**1,246**	(863)
Tax on loss on ordinary activities	4	**(790)**	(286)
Income/loss for the financial year		**456**	(1,149)

Statement of comprehensive income
for the year ended 30 September 2016

	Note	*2016* *£'000*	*2015* *£'000*
Profit/loss for the year		**456**	(1,149)
Other comprehensive income			
Items that cannot be reclassified to profit or loss:		-	-
Other comprehensive income for the year net of tax		-	-
Total comprehensive profit/loss for the year		**456**	(1,149)

Statement of changes in equity
for the year ended 30 September 2016

	Equity share capital £'000	*Other reserves £'000*	*Profit & loss account £'000*	*Total equity £'000*
At 1 October 2014	17,000	30,250	(602)	**46,648**
Loss for the year	-	-	(1,149)	**(1,149)**
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(1,149)	**(1,149)**
At 30 September 2015	17,000	30,250	(1,751)	**45,499**
Profit for the year	-	-	456	**456**
Other comprehensive income	-	-	-	-
Total comprehensive profit for the year	-	-	456	**456**
At 30 September 2016	17,000	30,250	(1,295)	**45,955**

Balance sheet
at 30 September 2016

	Note	2016 £'000	2015 £'000
Fixed Assets			
Investments	7	**35,000**	35,000
		35,000	35,000
Current assets			
Debtors:			
Amounts falling due within one year	8	**11,137**	10,606
Deferred tax asset		**13**	18
Cash at bank and in hand		**417**	4,473
		11,567	15,097
Creditors			
Amounts falling due within one year	9	**(612)**	(4,598)
Net current assets		**10,955**	10,499
Net assets		**45,955**	45,499
Capital and reserves			
Share capital	10	**17,000**	17,000
Other Reserves		**30,250**	30,250
Profit and loss account		**(1,295)**	(1,751)
		45,955	45,499

Approved by the Board on 15/6/17

P Seaton
Director

Notes to the financial statements
30 September 2016

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Jacobs Process Limited (the 'company') for the year ended 30 September 2016 were authorised for issue by the board of directors on 15 JUNE 2017 and the balance sheet was signed on the board's behalf by P Seaton. The company is incorporated and domiciled in England and Wales.

These financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and applicable accounting standards. The company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated. The principal accounting policies adopted by the company are set out in note 2. The financial statements are prepared on a going concern basis.

2. Accounting policies

2.1 *Basis of preparation*

The company transitioned from the previously extant UK GAAP to FRS 101 for both years presented. Transition tables showing all material adjustments are disclosed in note 15.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30 September 2016.

The company has taken advantage of the following disclosure exemptions under FRS 101:
(a) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement.
(b) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  (i) paragraph 79(a)(iv) of IAS 1;
(c) the requirements of paragraphs 10(d), 10(f), 38(c), 38(d) and 134-136 of IAS 1 Presentation of Financial Statements;
(d) the requirements of IAS 7 Statement of Cash Flows;
(e) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
(f) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
(g) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
(h) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2. Accounting policies (continued)

2.2 Significant accounting policies

(a) *Investments*

The principal business of the company is detailed in the Strategic report on page 3.

Fixed asset investments are originally recorded at cost. The company assesses at each reporting date whether there is an indication that the investment may be impaired.

(b) *Impairment of non-financial assets*

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the income statement.

Notes to the financial statements
30 September 2016 (continued)

2. Accounting policies (continued)

2.2 Significant accounting policies

(c) *Foreign currency translation*
The company's financial statements are presented in Sterling, which is also the company's functional currency.

(d) *Transactions and balances*
Transactions in foreign currencies are initially recorded in the company's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(e) *Trade and other debtors*
Trade debtors are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Notes to the financial statements
30 September 2016 (continued)

2. Accounting policies (continued)

2.2 Significant accounting policies (continued)

(f) Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the exception that deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Notes to the financial statements
30 September 2016 (continued)

3. Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of value added tax. Turnover is analysed by geographical market as follows:

	2016	2015
	£'000	£'000
By origin		
UK	-	2,369

4. Taxation

	2016	2015
	£'000	£'000
(a) *Tax on profit on ordinary activities*		
Current tax:		
UK Corporation tax	**111**	(269)
Adjustment in respect of prior years	-	154
Overseas tax – withholding tax	**674**	397
Total current income tax charge	**785**	282
Deferred tax:		
Origination and reversal of temporary differences	**3**	4
Deferred tax rate change	2	-
Total deferred tax charge	**5**	4
Tax expense in the income statement	**790**	286

Notes to the financial statements
30 September 2016 (continued)

4. Taxation (continued)

(b) Reconciliation of the total tax charge

The tax expense in the income statement for the year is higher to the standard rate of corporation tax in the UK of 20% (2015: 20.5%). The differences are reconciled below:

	2016	*2015*
	£'000	*£'000*
Accounting profit/(loss) before income tax	**1,246**	(863)
Tax calculated at UK standard rate of corporation tax of 20% (2015: 20.5%)	**249**	(177)
Effects of:		
Deferred tax rate change	**2**	-
Overseas tax – withholding tax	**674**	397
UK tax relief on withholding tax written off	**(135)**	(88)
Adjustment in respect of prior periods	-	154
Total tax charge reported in the income statement	**790**	286

The main UK corporation tax rate reduced from 21% to the current rate of 20% on 1 April 2015. The Finance Act (No. 2) 2015 includes legislation which will reduce the tax rate further to 19%, from 1 April 2017, and to 18%, from 1 April 2020. However, during the 2016 Budget, the Chancellor announced a further reduction to the main rate of UK corporation tax to 17% from 1 April 2020. This became enacted when The Finance Act 2016 received Royal Assent on 15 September 2016. Deferred tax balances in the financial statements have therefore been recognised at the 17% rate.

5. Auditors' remuneration

The auditor's remuneration is borne by Jacobs UK Limited.

Notes to the financial statements
30 September 2016 (continued)

6. Staff costs and directors' remuneration

(a) Staff costs

The company did not employ any persons during the year (2015:Nil)

(b) *Directors' remuneration*

None of the directors received any emoluments for their services to the company. The emoluments of all the companies' directors are or were incurred by other Jacobs Engineering Group Inc companies and are disclosed in the accounts of these companies.

7. Investments

	2016	*2015*
	£'000	*£'000*
Shares in subsidiary undertakings	**35,000**	35,000

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
Jacobs Matasis (Pty) Limited	South Africa	74

The principal activities of all the trading subsidiary undertakings are the provision of conceptual design, engineering services, procurement, project management, construction and commissioning services to various industries.

Notes to the financial statements
30 September 2016 (continued)

8.	**Debtors** (amounts falling due within one year)	***2016*** ***£'000***	*2015* *£'000*
	Trade debtors	**210**	686
	Amounts recoverable on contracts	**1,049**	6,644
	Amounts owed by ultimate parent undertaking	**9,687**	2,957
	Corporation tax	**191**	319
		11,137	10,606

Amounts due by group undertakings are interest free, have no fixed date of repayment and are repayable on demand.

9.	**Creditors** (amounts falling due within one year)	***2016*** ***£'000***	*2015* *£'000*
	Payments on account	**182**	125
	Other creditors & accruals	**430**	4,473
		612	4,598

10. Authorised and issued share capital

	2016 ***£'000***	*2015* *£'000*
Authorised:		
17,000 ordinary shares of £1 each	**17,000**	17,000
Allotted, called up and fully paid:		
17,000 ordinary shares of £1 each	**17,000**	17,000

Notes to the financial statements
30 September 2016 (continued)

11. Contingent liabilities

The National Westminster Bank Plc holds an unlimited inter-company cross guarantee between the company and the group companies listed below:

- Jacobs U.K. Limited
- Jacobs GIBB Limited
- Jacobs Engineering UK Limited
- Jacobs One Limited
- Jacobs Field Services Limited
- LeighFisher Limited
- JEG Acquisition Company Limited
- Sula Systems Limited
- Gibb Holdings Limited
- Jacobs E&C International Limited
- Jacobs E&C Limited

Under a group registration, the company is jointly and severally liable for value added tax due by some other group undertakings. At 30 September 2016 this contingent liability amounted to £13,572k (2015: £15,714).

12. Post balance sheet events

There were no significant events since the year end.

13. Group undertaking

The company's immediate parent undertaking and controlling party is Jacobs UK Limited a company incorporated in the United Kingdom. The company's ultimate parent undertaking and controlling party is Jacobs Engineering Group Inc.,. a company incorporated in the United States of America.

The parent undertaking of the smallest group of undertakings of which the company is a member is Jacobs UK Limited. The largest group of undertakings of which the company is a member and for which group financial statements are drawn up is Jacobs Engineering Group Inc., a company incorporated in the United States of America. Copies of its group financial statements are available to the public from its registered office at 1999 Bryan Street, Suite 1200, Dallas, Texas 75201, United States of America.

14. Related party transactions

The company has taken advantage of the exemption under paragraph 8(j) and 8(k) of FRS101 not to disclose transactions with wholly owned subsidiaries.

Notes to the financial statements
30 September 2016 (continued)

15. Transition to FRS 101

For all periods up to and including the year ended 30 September 2015, the company prepared its financial statements in accordance with previously extant generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 30 September 2016, are the first the company has prepared in accordance with FRS 101.

Accordingly, the company has prepared financial statements which comply with FRS 101 applicable for periods beginning on or after 1 October 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the company has started from an opening balance sheet as at 1 October 2014, the company's date of transition to FRS 101, and made those changes in accounting policies and other restatements required for the first time adoption of FRS 101. As such, this note explains the principal adjustments made by the company in restating its balance sheet as at 1 October 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the year ended 30 September 2015.

On transition to FRS 101, the company has applied the requirements of paragraphs 6-33 of IFRS 1 First time adoption of International Financial Reporting Standards.

Notes to the financial statements
30 September 2016 (continued)

15. Transition to FRS 101 (continued)

Reconciliation of equity as at 30 September 2014

	Note	UK GAAP £'000	FRS 101 Reclassification/ remeasurement £'000	FRS 101 Total £'000
Fixed Assets				
Investments		35,000	-	**35,000**
		35,000	-	**35,000**
Current assets				
Debtors:				
Amounts falling due within one year		8,476	-	**8,476**
Cash at bank and in hand		4,029	-	**4,029**
		12,505	-	**12,505**
Creditors				
Amounts falling due within one year				
Creditors		(857)	-	**(857)**
Net current assets		11,648	-	**11,648**
Net assets		46,648	-	**46,648**
Capital and reserves				
Share capital		17,000	-	**17,000**
Other reserves		30,250	-	**30,250**
Profit and loss account		(602)	-	**(602)**
		46,648	-	**46,648**

15. Transition to FRS 101 (continued)

Reconciliation of equity as at 30 September 2015

	Note	UK GAAP £'000	FRS 101 Reclassification/ remeasurement £'000	FRS 101 Total £'000
Fixed Assets				
Investments		35,000	-	**35,000**
		35,000	-	**35,000**
Current assets				
Debtors:				
Amounts falling due within one year		10,624	-	**10,624**
Cash at bank and in hand		4,473	-	**4,473**
		15,097	-	**15,097**
Creditors				
Amounts falling due within one year				
Creditors		(4,598)	-	**(4,598)**
Net current assets		10,499	-	**10,499**
Net assets		45,499	-	**45,499**
Capital and reserves				
Share capital		17,000	-	**17,000**
Other reserves		30,250	-	**30,250**
Profit and loss account		(1,751)	-	**(1,751)**
		45,499	-	**45,499**

16. Reconciliation of profit for the year ended 30 September 2015

The remeasurement differences on reported profit of the company for the year ended 30 September 2015 amounted to £Nil.