

HALCROW CONSULTING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

REGISTERED NUMBER: 02326761



HALCROW CONSULTING LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2019

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HALCROW CONSULTING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Corporate Information

Directors

G Douglas
B Harvey

Secretary

T Chaudhary

Registered Office

Cottons Centre
Cottons Lane
London
SE1 2QG

Registered number of Incorporation

02326761

Bankers

Bank of America
2 King Edward Street
London
EC1A 1HQ

Auditors

Ernst & Young LLP
G1
5 George Square
Glasgow
G2 1DY

HALCROW CONSULTING LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

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

Our Business

Halcrow Consulting Limited is a 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.

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 immediate parent undertaking is Halcrow Holdings Limited, a company incorporated in the United Kingdom.

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 2019 and copies of its Financial Statements are available on Group's website www.jacobs.com.

Principal Risks and Uncertainties Related to Our Business

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 impairment. Impairment review for the investments in subsidiary undertakings involves judgements relating to the future profitability, which is based on the current results and future prospects of the entity, and, application of discount rates to the future cash flows of the company.

HALCROW CONSULTING LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019
(continued)

Business Review and Outlook

The Company made a profit on ordinary activities after taxation in 2019 of £28,621 (2018: £19,999,600 loss).

Administrative income of £107,400 (2018: £113,924) is in relation to income received from the Jacobs group global transfer policy arrangement in which Halcrow Consulting Limited is a member.

In the prior year, the Company made an investment of £20,000,000 in Halcrow Group Limited, which was fully impaired during the prior year.

The Directors assess the financial position of the Company through review of banking arrangements and costs incurred in running the company annually.

Future developments

It is the intention of the directors that the company will remain as a holding company for the foreseeable future.

Economic disruption caused by Covid

On 11 March 2020, the World Health Organization made an assessment that the outbreak of a coronavirus (COVID - 19) was to be characterised as a pandemic. As a result, businesses in general have subsequently seen reduced volumes and, where governments mandated, temporary suspension of travel and closure of commercial establishments.

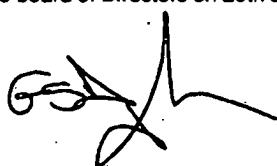
To alleviate the negative impact of the COVID-19 pandemic, the British Government and other independent jurisdictions and regulators have taken measures and issued directives to support businesses and the UK economy at large, including extensions of deadlines, facilitating continued business through social-distancing and easing pressure on credit and liquidity.

Specific to Jacobs, the Group has enacted several initiatives in response to the pandemic, which included making use of government support schemes including the furlough scheme and deferred VAT scheme. The company has now substantially returned all its staff from furlough and has repaid in full the VAT deferred in FY20. In addition, in the UK and globally Jacobs continues to review its property base with respect to the future of work and reduction in its office space footprint; the Group has also continued to apply its travel policy of reducing travel to a minimum.

By order of the board of Directors on 29th July 2021

G Douglas

Director



HALCROW CONSULTING LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report on the affairs of the Company, together with the audited Financial Statements for the year ended 31 December 2019.

Principal activity

The Company is the Holding Company of a group of companies supplying services as consulting engineers.

Results

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

The Company contracts with professional services firms as required and manages good relationships with its bankers. The Directors review external relationships and the company's performance on a regular basis

Going concern

In assessing whether the financial statements of the Company should be prepared on a going concern basis, the Directors have considered the current trading performance, budgets, current market conditions and the longer-term outlook of the Company through to 31st July 2022.

Whilst there has been a prolonged period of economic uncertainty due to the Coronavirus (COVID19) pandemic, the Company has not been adversely affected. The company does not trade and at 31 December had net liabilities £5,121k, arising from amounts owed to group companies.

The directors have prepared the financial statements on a going concern basis as they expect that adequate financing will be in place principally provided by parental support as necessary. The company is funded by amounts advanced from other Jacobs group companies. These amounts have no prescribed terms and are therefore repayable on demand. Having made appropriate enquiries, the directors are confident that the funding from other group companies will continue to be provided throughout the going concern period. As there is no formal commitment from JEG Inc for these funds to be provided throughout the going concern period, this represents a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern. Based on the confidence of the directors that the funds would be provided whenever necessary, the financial statements will continue to be prepared on a going concern basis. The financial statements do not include the adjustments that would be required if the company was unable to continue as a going concern.

Dividend

The Directors are unable to recommend a dividend payment in respect of the year ended 31 December 2019 (2018: 0.0p) per ordinary share.

Share capital

The ordinary share capital of the Company at 31 December 2019 was held beneficially as follows:

Halcrow Holdings Limited	42,907,917 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 and resigned on 30 November 2020)

B Harvey (Appointed on 30 November 2020)

HALCROW CONSULTING LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

(continued)

Auditor

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

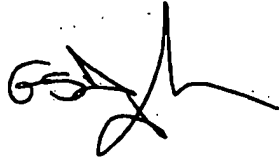
- so far as the Director is aware, there is no relevant audit information of which the Company auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's 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
Date: 29th July 2021

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

Registered Number:
02326761

HALCROW CONSULTING LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE
DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 CONSULTING LIMITED

Opinion

We have audited the Financial Statements of Halcrow Consulting Limited for the year ended 31 December 2019 which comprises of Profit and Loss account, the Balance Sheet, Statement of Changes in Equity, and related notes 1 to 11, 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Material uncertainty related to going concern

In forming our opinion on the financial statements, we have considered the adequacy of the disclosures made in Note 1(b) to the financial statements concerning the company's ability to continue as a going concern. The directors have prepared the financial statements on a going concern basis as they expect that adequate financing will be in place principally provided by parental support as necessary and that the company will continue to operate for the foreseeable future. However, a formal letter of support has not been provided by the parent. These conditions, along with the other matters explained in Note 1(b) to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 CONSULTING 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 Directors' report and the Strategic 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 CONSULTING LIMITED

(continued)

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 5, 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.

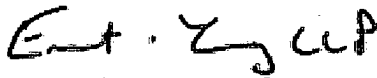
Auditor's responsibilities for the audit of the Financial Statements

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.



Nick Gomer (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow

3 August 2021

HALCROW CONSULTING LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	<u>2019</u> £	<u>2018</u> £
Administrative income		107,400	113,924
Administrative (expenses)		<u>-</u>	<u>(20,000,000)</u>
Operating profit/(loss)	2	107,400	(19,886,076)
Interest payable and similar charges	3	<u>(118,166)</u>	<u>(113,524)</u>
Loss on ordinary activities before taxation		(10,766)	(19,999,600)
Tax on loss on ordinary activities	4	<u>39,387</u>	<u>-</u>
Profit/(loss) for the financial year		<u>28,621</u>	<u>(19,999,600)</u>

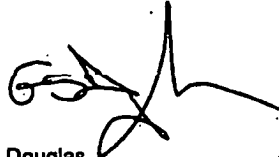
All items in the above profit and loss account relate to continuing operations.

The Company has no recognised gains and losses other than those shown above and therefore no separate statement of other comprehensive income has been presented.

HALCROW CONSULTING LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
Fixed assets			
Investments			
Investments in Subsidiaries	5	-	-
		-	-
Current assets and liabilities			
Debtors: amounts falling due within one year	6	457,535	299,733
Deferred Tax asset	4	39,387	-
Cash at bank and in hand		-	-
		496,922	299,733
Creditors: amounts falling due within one year	7	(5,618,032)	(5,449,464)
Net current liabilities		(5,121,110)	(5,149,731)
Total assets less current liabilities		(5,121,110)	(5,149,731)
Net liabilities		(5,121,110)	(5,149,731)
Capital and reserves			
Called up share capital	8	42,907,917	42,907,917
Profit and loss account		(48,029,027)	(48,057,648)
Shareholder's deficit		(5,121,110)	(5,149,731)

The Financial Statements for Halcrow Consulting Limited, registered number 02326761, were approved by the board of Directors and authorised for issue on 29th July 2021. They were signed on its behalf by:


G Douglas
Director

HALCROW CONSULTING LIMITED
STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 January 2018	22,907,917	(28,058,048)	(5,150,131)
Loss for the period	-	(19,999,600)	(19,999,600)
Other comprehensive income	-	-	-
Remeasurement of the net defined benefit liability	-	-	-
Issued Share Capital in the year	20,000,000	-	20,000,000
Total comprehensive income for the period	20,000,000	(19,999,600)	400
Balance at 31 December 2018 and at 1 January 2019	42,907,917	(48,057,648)	(5,149,731)
Profit for the period	-	28,621	28,621
Total comprehensive income for the period	-	28,621	28,621
Balance at 31 December 2019	42,907,917	(48,029,027)	(5,121,110)

HALCROW CONSULTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1 PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

Halcrow Consulting Limited is a private 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.

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 for 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

In assessing whether the financial statements of the Company should be prepared on a going concern basis, the Directors have considered the current trading performance, budgets, current market conditions and the longer-term outlook of the Company through to 31st July 2022.

Whilst there has been a prolonged period of economic uncertainty due to the Coronavirus (COVID19) pandemic, the Company has not been adversely affected. The company does not trade and at 31 December had net liabilities £5,121k, arising from amounts owed to group companies.

The directors have prepared the financial statements on a going concern basis as they expect that adequate financing will be in place principally provided by parental support as necessary. The company is funded by amounts advanced from other Jacobs group companies. These amounts have no prescribed terms and are therefore repayable on demand. Having made appropriate enquiries, the directors are confident that the funding from other group companies will continue to be provided throughout the going concern period. As there is no formal commitment from JEG Inc for these funds to be provided throughout the going concern period, this represents a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern. Based on the confidence of the directors that the funds would be provided whenever necessary, the financial statements will continue to be prepared on a going concern basis. The financial statements do not include the adjustments that would be required if the company was unable to continue as a going concern.

HALCROW CONSULTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1 PRINCIPAL ACCOUNTING POLICIES (continued)

(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 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.

(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

A subsidiary is an entity that is controlled by the parent. Control is established when the parent has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that are currently exercisable.

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) Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cashflows of that asset which can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. The Directors exercise judgement in relation to the carrying value of each investment to ensure that it is supportable at each balance sheet date.

HALCROW CONSULTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1 PRINCIPAL ACCOUNTING POLICIES (continued)

(h) Expenses

Interest payable

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

Interest payable is recognised in profit or loss on accrual basis.

(i) 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.

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.

2 OPERATING (LOSS) / INCOME

	2019	2018
	£	£
Included in operating loss for the year are the following:		
Provision against investment	-	(20,000,000)
Income from group undertakings	<u>107,400</u>	<u>113,924</u>

In both 2019 and 2018, auditor remuneration has been borne by an intermediate subsidiary undertaking, Halcrow Group Limited.

The Company had no employees (2018: 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 (2018: £nil).

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2019	2018
	£	£
Interest payable on:		
Loans from group undertakings	<u>118,166</u>	<u>113,524</u>

HALCROW CONSULTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2019 £	2018 £
UK Corporation tax on profits for the year	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	(22,452)	-
Changes in rate	2,363	-
Adjustments in respect of prior years	(21,570)	-
Prior year changes in rate	2,272	-
Total deferred tax	(39,387)	-
Total tax credit for the year	(39,387)	-

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19% (2018: 19%). 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.

	2019 £	2018 £
Loss on activities before tax	(10,768)	(19,999,600)
Tax on loss on ordinary activities at standard rate	(2,044)	(3,799,924)
Factors affecting charge for the year:		
Non deductible impairment of investment	-	3,800,000
Tax losses brought forward utilised	(20,406)	(78)
Change in rate	2,363	-
Prior year change in rate	2,270	-
Prior year deferred tax adjustment	(21,570)	-
Total tax (credit) for the year	(39,387)	-

The main UK Corporation tax rate reduced from 20% to the current rate of 19% on 1 April 2017. The Finance Act 2016 includes legislation which will reduce the tax rate further to 17% from 1 April 2020. This became law when the Finance Act received Royal Assent on 19 September 2016. Following the budget resolution on 17 March 2020, the main UK corporation tax rate will remain at 19% from 1 April 2020 (cancelling the enacted cut to 17%). This became substantially enacted post year end on 17th March 2020 and the impact on deferred tax will be £4,834.

The Company has unrecognised tax losses carried forward of £75,079 as at 31 December 2019. No deferred tax has been recognised on the basis there is not expected to be sufficient future taxable income against which the loss can be offset.

Following the budget announcement on 3 March 2021, it was announced that the main rate of corporation tax will increase to 25% from April 2023. The Finance Act incorporating these changes have not yet received royal assent but should it have been received, the impact on deferred tax would be £18,535.

Deferred Tax	2019 £	2018 £
Deferred Tax Asset		
Deferred Tax asset recognised		
Charged through the Income Statement	44,021	-
Impact of rate change	(4,834)	-
Disclosed on the Balance Sheet	39,387	-
Deferred tax relates to the following:		
Deferred Tax Asset		
Other timing differences	39,387	-
Disclosed on the Balance Sheet	39,387	-

HALCROW CONSULTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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5 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	£
Cost	
At 1 January 2019 and at 31 December 2019	46,932,920
Provisions	
At 1 January 2019 and at 31 December 2019	46,932,920
Net book value	
At 31 December 2019	-
At 31 December 2018	-

None of the investments included in above amounts is listed on a recognised investment exchange.
The investments held directly by the Company are shown in Note 10, and are indicated by * after the subsidiaries name.

6 DEBTORS

Amounts falling due within one year

	2019 £	2018 £
Amounts owed by related undertakings	457,535	299,733
	457,535	299,733

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

HALCROW CONSULTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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7 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Amounts owed to group undertakings	5,618,032	5,449,464
Other creditors	-	-
	<u>5,618,032</u>	<u>5,449,464</u>

Amounts owed to group undertakings are unsecured and consist of interest and non-interest bearing balances. The ultimate parent undertaking, Jacobs Engineering Group Inc., has directed these group undertakings, if required, not to 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.

8 SHARE CAPITAL

	2019	2018
	£	£
Allotted, called-up and fully paid Authorised Share Capital:		
Authorised, called up and fully paid 42,907,917 ordinary shares of £1 each	<u>42,907,917</u>	<u>42,907,917</u>

9 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 CONSULTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10 SUBSIDIARY, ASSOCIATED UNDERTAKINGS AND JOINT VENTURES

Subsidiary undertakings:

	Percentage owned	Country of registration	Address	Principal country/ area of operation
Halcrow International Limited *	100%	England	Cottons Centre, Cottons Lane, London SE1 2QG	Great Britain
Halcrow Management Sciences Limited *	100%	England	Cottons Centre, Cottons Lane, London SE1 2QG	Great Britain
Halcrow Rail Approvals Limited * (1)	100%	England	Cottons Centre, Cottons Lane, London SE1 2QG	Great Britain
Asia Halcrow Inc	100%	Philippines	14th Floor Marco Polo, Ortigas Manila Sapphire Road, Ortigas Centre, Pasig City, 1600, Philippines	East Asia
CH2M Services Sdn.Bhd	100%	Malaysia	Suite 3 - 3, Level 3, Lobby B, UOA Corporate Tower, Avenue 10, The Vertical, Bangsar South City, No. 0, 59200 Jalan Kerinchi, Kuala Lumpur, Malaysia	East Asia
Crouch Hogg Waterman Limited (1)	100%	Scotland	City Park 388 Alexandra Parade, Glasgow, G31 3AU	Great Britain
Halcrow (Consulting Engineers & Architects) Limited	100%	England	Cottons Centre, Cottons Lane, London SE1 2QG	Middle East
Halcrow (Thailand) Limited	100%	Thailand	173/14, 15, 17 Asia Centre Building, 16th Floor, South Sathorn Road, Khwaeng Thungmahamek, Khet Sathorn, Bangkok, 10120, Thailand	East Asia
Halcrow Asia Limited	100%	England	Cottons Centre, Cottons Lane, London SE1 2QG	East Asia
Halcrow Asia Partnership Limited	100%	England	Cottons Centre, Cottons Lane, London SE1 2QG	East Asia
Halcrow Bangladesh Limited	100%	Bangladesh	House No. 7, Road No. 18, Block A, Banani, Dhaka-1213, Bangladesh	South Asia
Halcrow Canada Inc	100%	Canada	245 Consumers Avenue, Suite 400, Toronto ON M2J 1R3, Canada	North America
Halcrow Canada Limited	100%	England	Cottons Centre, Cottons Lane, London SE1 2QG	Great Britain
Halcrow China Limited	100%	Hong Kong	Room 2709-2718, Level 27, Tower 1, Millennium City 1, No. 388 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong	East Asia
Halcrow Consultants Sdn Bhd	100%	Malaysia	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	East Asia
Halcrow Consulting (Shenzhen) Co. Limited	100%	China	Room 2505, 25/F, The Securities Building, , NO. 5020, Bin He Road, , Futian District,, Shenzhen, 518033,, China	East Asia
Halcrow Consulting India Private Limited	100%	India	R-27, 2nd Floor, Pratap Market, Jangpura -B, New Delhi, 110014, India	South Asia
Halcrow Energy Limited	100%	Cyprus	75 Prodromou Avenue, Oneworld Parkview House, 4th Floors, Nicosia, P.C.2063, Cyprus	Middle East
Halcrow Environmental Consulting Co. Limited	100%	Thailand	173/14, 15, 17 Asia Centre Building, 16th Floor, South Sathorn Road, Khwaeng Thungmahamek, Khet Sathorn, Bangkok, 10120, Thailand	East Asia

HALCROW CONSULTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10 SUBSIDIARY, ASSOCIATED UNDERTAKINGS AND JOINT VENTURES (continued)

	Percentage owned	Country of registration	Address	Principal country/area of operation
Halcrow Group (Thailand) Limited	100%	Thailand	173/14,15,17 Asia Centre Building, 16th Floor, South Sathorn Road, Khwaeng Thungmahamek, Khet Sathorn, Bangkok, 10120, Thailand	East Asia
Halcrow Group (Trinidad & Tobago) Limited	100%	Trinidad & Tobago	PO Box 1543, 18 Scott Bushy Street, Port of Spain, Trinidad and Tobago	Trinidad & Tobago
Halcrow Group Ireland Limited	100%	Republic of Ireland	St John's House, High Street, Tallaght, Dublin 24, Ireland.	Europe
Halcrow International Partnership	100%	England	Cottons Centre, Cottons Lane, London SE1 2QG	Middle East
Halcrow Middle East Limited	100%	UAE Dubai	PO Box 360, Dubai, United Arab Emirates	Middle East
Halcrow Middle East LLC	100%	Oman	Al Aziba, 18th of November Street, Villa No. 3209, Muscat, Sultanate of Oman, Oman	Middle East
Halcrow Pacific Pty Limited	100%	Australia	c/o-Norton Rose Fulbright, , Level 16 Grosvenor Place,, 225 George Street, , Sydney NSW 2000, Australia	Australia
Halcrow Romania SRL	100%	Romania	85 Carol Davila, Floor2, room A, Bucharest, Romania	Europe
Halcrow Syria LLC	100%	Syria	c/o-Cottons Centre, Cottons Lane, London SE1 2QG	Middle East
Halcrow Water Services Limited	100%	England	Cottons Centre, Cottons Lane, London SE1 2QG	Great Britain
Halcrow Waterman Limited	100%	Scotland	City Park, 388 Alexandra Parade,Glasgow,G31 3AU	Great Britain
Sir William Halcrow & Partners Limited	100%	England	Cottons Centre, Cottons Lane, London SE1 2QG	Latin America
Transmark Asia Limited	100%	England	Cottons Centre, Cottons Lane, London SE1 2QG	East Asia
Yolles Partnership Inc	100%	Canada	245 Consumers Avenue, Suite 400, Toronto ON M2J 1R3, Canada	North America
Yolles Partnership Limited	100%	England	Cottons Centre, Cottons Lane, London SE1 2QG	Great Britain
Consortia Halcrow Sinergia Setepia	29%	Brazil		Latin America

HALCROW CONSULTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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10 SUBSIDIARY, ASSOCIATED UNDERTAKINGS AND JOINT VENTURES (continued)

	Percentage owned	Country of registration	Address	Principal country/area of operation
Other Investments:				
Broadland Environmental Services Limited	10%	England	St James House, Knoll Road, Camberley, Surrey, GU15 3XW	Great Britain
Semper Consultants Inc	40%	Philippines	8/F Salvatoriana Ty Tower, 104 Paseo de Roxas, Legaspi Village, Makati City, Philippines	East Asia

All holdings are of ordinary shares.

* Indicates that these Investments are held directly by the Company.

(1) Company was dissolved on 5 January 2021

Other Investments are indirectly held by the Company through its Subsidiaries.

The principal activity of all the above undertakings is the supply of services as consulting engineers, except for Broadland Environmental Services Limited whose principal activity is environmental design, planning, construction and maintenance.

11 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Halcrow Holdings 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. The postal address is 1999 Bryan Street, Suite 1200, Dallas, TX 75201, United States.

12 POST BALANCE SHEET EVENTS

On 11 March 2020, the World Health Organization made an assessment that the outbreak of a coronavirus (COVID - 19) was to be characterised as a pandemic. As a result, businesses in general have subsequently seen reduced volumes and, where governments mandated, temporary suspension of travel and closure of commercial establishments.

To alleviate the negative impact of the COVID-19 pandemic, the British Government and other independent jurisdictions and regulators have taken measures and issued directives to support businesses and the UK economy at large, including extensions of deadlines, facilitating continued business through social-distancing and easing pressure on credit and liquidity.

Specific to Jacobs, the Group has enacted several initiatives in response to the pandemic, which included making use of government support schemes including the furlough scheme and deferred VAT scheme. The company has now substantially returned all its staff from furlough and has repaid in full the VAT deferred in FY20. In addition, in the UK and globally Jacobs continues to review its property base with respect to the future of work and reduction in its office space footprint; the Group has also continued to apply its travel policy of reducing travel to a minimum.