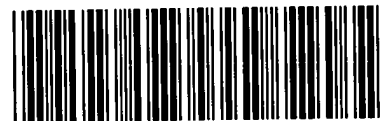


HALCROW INTERNATIONAL PARTNERSHIP
(a private unlimited Company)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

REGISTERED NUMBER: 02809680

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HALCROW INTERNATIONAL PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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HALCROW INTERNATIONAL PARTNERSHIP
STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

Our Business

Halcrow International Partnership operates in Dubai and forms part of the Jacobs Engineering Inc Group. Effective 29 August 2022 Jacobs Solutions Inc. ("Jacobs"), became the new holding company which became the new parent company of Jacobs Engineering Group Inc. Jacobs is a professional engineering services firm providing engineering, consulting, design, design for design-build, procurement, operations and maintenance, programme management and technical services in select markets. The primary area of focus for the Company is in the field of civil engineering consultancy.

The following areas represent some of the fields in which the Company operates: construction engineering services, road and traffic engineering services, water and irrigation engineering services, ports engineering consultancies, airports engineering services, tunnels and bridges engineering services, onshore and offshore oil and gas fields and facilities services, power transmission and distribution engineering consultancy, comprehensive architectural planning engineering consultancy and foundations and soil mechanics engineering services. Key locations in which the Company currently operates include Dubai, Sharjah and Abu Dhabi.

We provide services 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.

Our revenues are dependent upon our ability to attract and retain qualified and productive 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 ultimate parent undertaking effective from 29 August 2022 is Jacobs Solutions Inc., a new holding company which became the new parent company of Jacobs Engineering Group Inc., the former ultimate parent undertaking. Jacobs is based in the USA and is listed on the New York Stock Exchange (NYSE). The results of the Company are consolidated into the Group Financial Statements of Jacobs and copies of the Consolidated Financial Statements are available on the Group's website www.jacobs.com.

Principal Risks and Uncertainties Related to Our Business

Unpredictable economic cycles - demand for our engineering and other services is affected by the general level of economic activity in the markets in which we operate. Our customers and the markets in which we compete to provide services are likely to experience periods of economic decline from time to time. We are engaged in a highly competitive business in which most of our contracts with public sector clients are awarded through a competitive bidding process. In both the private and public sectors, acting either as a prime contractor or as a subcontractor, we may join with other firms that we otherwise compete with to form a team to compete for a single contract. Because a team can often offer stronger combined qualifications than any firm standing alone, these teaming arrangements can be very important to the success of a particular contract competition or proposal. Consequently we maintain a network of relationships with other companies to form teams that compete for particular contracts and projects.

Regulatory challenges - the global nature of our business creates regulatory challenges, where failure to comply with anti-bribery and other governmental laws (whether directly or through acts of others, intentionally or through inadvertence) could, among other things, harm our reputation. While our staff are trained on the Foreign Corrupt Practices Act, the United Kingdom Bribery Act and other anti-corruption laws and we have procedures and controls in place to monitor compliance, situations outside of our control may arise that could potentially put us in violation of these regulations and thus negatively impact our business. Within the group we have ethics policies that are applicable to all employees that mandate rules of conduct to all employees including all senior executives and Directors. We maintain a confidential telephone and web-based hotline, where employees can seek guidance or report potential violations of laws, Jacobs policies or rules of conduct.

Foreign exchange risk - the Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. We attempt to minimise our exposure to this by denominating our contracts in the currencies of our expenditures and obtaining escalation provisions for projects in inflationary economies.

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

Key Performance Indicators

The Company has a number of key performance indicators (KPI's), both financial and non-financial. Financial KPI's such as turnover and gross margin are covered in the Business Review section; non-financial KPI's such as client focus, safety and people investment are covered in the Market Outlook section.

HALCROW INTERNATIONAL PARTNERSHIP
STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022
(continued)

Business Review

Revenues - Turnover decreased from £38.4m in the year ended 1 October 2021 to £36.4m in the year ended 30 September 2022. The level of trading has decreased year-on-year due to the near completion of the SEPCO project. The gross margin has decreased in 2022 to 26% from 29% in 2021.

Market Outlook

United Arab Emirates (UAE) economic growth strengthened in 2022, benefitting from a rapid and effective coronavirus disease response, supportive fiscal measures, and the benefits of earlier social and business-friendly reforms. The economic outlook remains positive, supported by strong domestic activity. Overall, gross domestic product is projected to grow at 3.6 percent in 2023, with non-hydrocarbon growth of 3.8 percent driven by continued tourism activity and increased capital expenditure. Strong reform efforts continue under the UAE 2050 strategies. Advancement on Comprehensive Economic Partnership Agreements will boost trade and integration in global value chains and further attract Foreign Direct Investment. In addition, the benefits of artificial intelligence and digitalization and investments in enabling infrastructure will further support economic diversification, foster a smooth energy transition, and help address vulnerabilities from global decarbonization efforts. Long-term vulnerabilities from global decarbonization efforts are being addressed through commitments to climate initiatives and a balanced approach to energy transition.

UAE 2031 vision aims to double the country's gross domestic product (GDP) from AED 1.49 trillion to AED 3 trillion. It represents a national plan to shape the future of the country for the next 10 years, with focus on social, economic, investment and development aspects. The plan seeks to enhance the position of the UAE as a global partner and an attractive and influential economic hub. It aims to highlight the successful economic model of the UAE and the opportunities it provides to all global partners.

Jacobs expect growth of 10% in FY 2024 in UAE and over all 25% to 30% in the ME region.

Client Focus - Enhancements continued to be made to the client service team to improve the ability to understand and respond to client issues and needs during the year. We aim for continued improvement to client relationship management, sales efficiency and cross market opportunities. We believe this will result in further improving the cost effectiveness of our offering to our clients.

People Investment - Employees have access to a variety of learning opportunities, including through the Jacobs Learning Management System where there is a mandatory annual compliance training programme, ranging from risk management to business development. This is in addition to a variety of professional network groups within the group organisation, such as the Women's Network and one for junior to mid-level staff.

Economic disruption caused by Covid and other geo-political events

The global Covid-19 pandemic continued during the year ending 30 September 2022. The Company was not significantly affected by the pandemic but nonetheless enacted several initiatives in response, including staff working from home where possible and making use of government furlough scheme for staff unable to work from home.

Our new financial year has begun positively but like many businesses we are seeing challenges of labour and materials shortages impacting the timetable for projects and price inflation. We continue to work closely with our customers to navigate and mitigate the risks arising from global economic uncertainties.

By order of the board of Directors on 29 September 2023


S Miles

Director

HALCROW INTERNATIONAL PARTNERSHIP
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

The Directors present their report on the affairs of the Company, together with the audited Financial Statements for the year ended 30 September 2022.

Principal activity

The principal activity of the Company is the provision of services as consulting engineers in the Middle East. The Company is a private unlimited Company.

Results

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

Going concern

The Company's business activities together with the factors likely to affect its future developments and position are set out in the Strategic Report on pages 1 to 2. The Company has recorded a profit before tax of £1,059k in the current financial year (2021: £1,013k profit). The Company's balance sheet shows that it has current assets of £101,271k and current liabilities of £44,949k at its most recent balance sheet date.

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 of the company, current market conditions and the longer-term outlook of the Company. At 30 September 2022 the Company had net assets of £39,518k. The Company is a member of the Jacobs Solutions Inc group of companies. Management do not prepare cash flow forecasts at a statutory entity level as the group's business is managed on a performance unit basis. Forecasts are produced quarterly for performance units. The related forecasts for the performance units within the Company are reviewed by senior management both in the UK and the US. The period covered by management's assessment is to 30 September 2024.

The Company operates under the terms of the Jacobs global transfer pricing (TP) model. As such, a fellow group company bears the risk and the Company is forecast within the going concern period to generate an overall nominal profit consistent with the TP model. Any differences between the actual performance and the pricing per the TP model are settled by cash in the month following quarter end. In addition the Directors have considered the following factors in their going concern assessment:

- Although contractually the TP agreement requires settlement by cash in the month following quarter end, in practice the efficient processes in the group means the TP positions are usually settled monthly, meaning the entity has very limited cashflow operational risk;
- Monthly cash flows experienced by the Company over the period since the year end to date of these financial statements indicate that the Company continues to generate cash from operations and is expected to do so over the period to 30 September 2024, even when considering any reasonably plausible downside;
- Whilst there has been a prolonged period of economic uncertainty due to the Coronavirus (COVID 19) pandemic, the Company has not been adversely affected;

Having considered the above factors the directors have concluded that the Company will generate sufficient cash flows from operations to continue to trade for at least the period to 30 September 2024. However, the company is funded by amounts advanced from other Jacobs group companies. At 30 September 2022 the Company had amounts due to other group companies of £24,382k. 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. They have therefore concluded that it remains appropriate to prepare the financial statements on a going concern basis. However, there is no formal commitment from Jacobs Solutions Inc for these funds to be provided throughout the going concern period. This represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. 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 have not recommended a dividend payment in respect of the year ended 30 September 2022 (2021: £nil).

Share capital

The ordinary share capital of the Company at 30 September 2022 was held beneficially as follows:

Halcrow Group Limited	50,000 ordinary shares (100%)
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Directors

The following served on the board of Directors during the year under review and to the current date:

A Lane
S Miles

HALCROW INTERNATIONAL PARTNERSHIP
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

(continued)

Employee involvement

The policy of the Company is one of continuing to develop effective means of consultation and communication within and between its operating constituents. Consultation is achieved through an Employee Forum, which is elected by employees and meets on a regular basis. Communication is achieved through a variety of means that deliver regular information relating to the finances, resources, technical developments and achievements of the group.

Energy consumption

In accordance with the Streamlined Energy & Carbon Reporting legislation, the energy use and associated greenhouse gas emissions are for those entities based within the UK only that come under the operational control boundary. Therefore, given all trading activity within Halcrow International Partnership takes place outside of the UK through the overseas branches in United Arab Emirates, the directors do not consider the entity to be in the scope of the new regulations. This aligns with the guidance for large unquoted companies – excluding the requirement for UK entities with overseas operations to disclose their energy, use and associated greenhouse gas emissions.

Disabled persons

The Company's policy is to give full and fair consideration to applications from disabled persons for positions in which they can perform the tasks required. Effectively, the same opportunities for training, career advancement and promotion are given to disabled persons employed by the Company as to all other staff, where this is practicable. The employment of those who become disabled whilst in the employment of the Company is continued wherever possible and appropriate training is arranged.

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
- each Director has taken all the steps that they ought to have taken as a Director in order to make themselves 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.

Approved by the Board and signed on its behalf by:

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


S Miles
Director
Date: 29/09/2023

Registered Number:
02809680

HALCROW INTERNATIONAL PARTNERSHIP

DIRECTORS' STATEMENT OF RESPONSIBILITIES UNDER SECTION 172 COMPANIES ACT 2006 FOR THE YEAR ENDED 30 SEPTEMBER 2022

The Directors are fully apprised of their responsibilities under section 172 of the Companies Act 2006 and are so advised and updated regularly by the Jacobs Group internal legal counsel, and as where appropriate, its external legal counsel. Such responsibilities are as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members a whole, and in doing so have regard (amongst other matters) to -

- 1) the likely consequences of any decision in the long term,
- 2) the interests of the company's workforce,
- 3) the need to foster the company's business relationships with suppliers, customers and others,
- 4) the impact of the company's operations on the community and the environment,
- 5) the desirability of the company maintaining a reputation for high standards of business conduct and
- 6) the need to act fairly as between members of the company

Business

Halcrow International Partnership is a company of the wider Jacobs Group. At Jacobs, we're challenging today to reinvent tomorrow by solving the world's most critical problems for thriving cities, resilient environments, mission-critical outcomes, operational advancement, scientific discovery and cutting-edge manufacturing, turning abstract ideas into realities that transform the world for good. Leveraging a talent force of approximately 60,000, Jacobs provides a full spectrum of professional services including consulting, technical, scientific and project delivery for the government and private sector. Our deep global domain knowledge - applied together with the latest advances in technology - are why customers large and small choose to partner with Jacobs.

Challenging today. Reinventing tomorrow

At Jacobs values continue to guide our behaviours, relationships and outcomes - allowing us to act as one company and unify us worldwide when interacting with our clients, employees, communities and shareholders.

- We do things right. We always act with integrity - taking responsibility for our work, caring for our people and staying focused on safety and sustainability. We make investments in our clients, people and communities, so we can grow together.
- We challenge the accepted. We know that to create a better future, we must ask the difficult questions. We always stay curious and are not afraid to try new things.
- We aim higher. We do not settle - always looking beyond to raise the bar and deliver with excellence. We are committed to our clients by bringing innovative solutions that lead to profitable growth and shared success.
- We live inclusion. We put people at the heart of our business. We have an unparalleled focus on inclusion, with a diverse team of visionaries, thinkers and doers. We embrace all perspectives, collaborating to make a positive impact.

Our three-pillar strategy is based on the foundation of these values, as we drive to become the employer of choice, deliver connected and sustainable solutions, and leverage technology-enabled execution.

Shareholders

Halcrow International Partnership is owned 100% by its ultimate parent undertaking Jacobs Solutions Inc ("JSI"). JSI provides support to the company through a variety of sources: funding availability, Executive leadership, systems and IT and going concern support as needed.

Stakeholder Engagement

The directors of Halcrow International Partnership recognise its importance of building and maintaining its relationships with its key stakeholders - advisors and suppliers. The Directors take active steps to develop and strengthen them through dialogue and engagement. Such relationships are closely monitored at Board level.

Key stakeholders

Workforce

The Company is a member of the wider Jacobs group. As part of Jacobs, it puts the workforce at the heart of its business. There is a strong focus on inclusion, with a diverse team of visionaries, thinkers, and doers. Jacobs embraces all perspectives, collaborating to make a positive impact. As part of its Culture of Caring, it unites employees across the globe to foster these differences and amplify each voice through our employee networks. Refer to www.jacobs.com for further details on our eight active employee networks. Such networks play a critical role in attracting new talent into our business, helping to shape our recruiting strategies and policies, our science, technology, arts and maths (STEAM) programs and our accessibility practices. In 2022, more than 2,600 graduates were welcomed into our Jacobs global team.

At Jacobs, inclusion powers our collective strength. We believe our differences can broaden perspectives, our connections build confidence, and our collaboration inspires growth. At Jacobs, we believe the wellbeing of our people is fundamental to our success. Through our Beyond Zero® culture of caring and genuine concern for each other, we work together to create a workplace that values the safety, positive mental health, and sense of belonging of all employees.

In 2019, the Environmental Business International (EBI) recognized Jacobs' Mental Health Matters program for Social Contribution Merit and we also received a Silver Award in the Mind Workplace Wellbeing Index, recognizing our progress and commitment to the mental wellness of our employees.

Our unique employee experience platform - e3: engage, excel, elevate - it not just a system but a mindset for developing our employees through continuous feedback and celebrations, aligning priorities, learning new skills and upskilling knowledge. In 2022, the e3 learning platform provided over 26,000 training programmes to employees globally.

As result of the COVID-19 pandemic Jacobs is offering the workforce a new way of working, we are in the process of implementing our plan for the 'future of work' initiative providing the flexibility of our workforce to move seamlessly between virtual and physical space. The workforce is centric to our future of work initiative, everything is rooted in the workforce experience and engagement to allow our workforce to work more effectively, grow to their full potential and support innovation through new tools and software to allow for more effective work collaboration, creating a connected and sustainable Jacobs world.

HALCROW INTERNATIONAL PARTNERSHIP
DIRECTORS' STATEMENT OF RESPONSIBILITIES UNDER SECTION 172 COMPANIES ACT 2006
FOR THE YEAR ENDED 30 SEPTEMBER 2022
(continued)

Suppliers

The board recognises the key role its suppliers play in ensuring the company delivers a reliable service to its clients. The Company collaborates with its subcontractors and suppliers to achieve innovation solutions in support of project delivery around the world. The Company's intent is to treat its suppliers as partners; we ensure our vendors provide the required compliance and quality, reliability and flexibility. We rely on the capability of our suppliers including both large and small businesses to help deliver our services. Jacobs' procurement managers are in regular discussion with vendors. The key component to our success is our commitment to conducting business ethically, safely, and fairly — and we expect our business partners to do the same. Our supply base aspiration is geared toward building relationships with the best suppliers in areas of innovation, compliance, quality, capabilities, on-time delivery and sustainability. To accomplish this, we constantly monitor existing Jacobs suppliers and evaluate new potential suppliers.

Clients

We are committed to our clients by bringing innovative solutions that lead to profitable growth and shared success. We take on some of the world's biggest challenges, bringing a different way of thinking to everything we do, challenging the status quo and challenging what others might accept. Jacobs carry out client surveys and have regular meetings with key clients.

Jacobs' line of business provide end to end solutions for our clients most complex projects.

One of our key differentiators is our global integrated delivery model, which harnesses deep domain expertise from our global Solutions and Technology organization that is leveraged with the benefits of scale when we focus the world's best talent to deliver innovative and value to our clients.

Our Promise, Purpose & Values mentioned above help define who we are and what we stand for and together they summarize the fundamental tenants for how we interact with our clients; in addition Jacobs strategic business initiatives, including project management, projects controls, global quality and design excellence continue to improve performance on the solutions we deliver in our projects, programs, and services for our clients.

Community and Environment

The board is committed to managing the wider social environmental and economic impacts of its operations which involves the way it deals with its clients and manages sustainability issues in its supply chain. Refer to www.jacobs.com for details of our Human rights policy, Modern Slavery Act Statement and Supplier Code of Conduct. Jacobs are committed to local communities in which it operates.

From the way business is operated, to the work performed with clients, the Jacobs' Climate Action Plan will make a positive environmental, societal and economic difference for businesses, governments and communities around the world. In 2020, Environmental Business International (EBI) recognised our work with 6 business achievements awards for environmental and climate change innovations. Refer to www.jacobs.com for a copy of Jacobs Climate Action Plan.

Jacobs employees around the world make a positive difference for our clients and the communities in which we live and work. As part of our PlanBeyond™ sustainability strategy, we launched our Global Giving and Volunteering program — Collectively™ — in FY20. At the year end, the program has donated \$3.2m to charitable causes through employee fundraising, Jacobs matching campaigns and Jacobs donations. Established to govern and centralize our giving strategy and budget and provide a user-friendly way for employees to donate and volunteer, the program unites our 60,000 employees to support more than 2 million charities around the globe. From volunteering, employee matching campaigns and other fundraising, to providing wide-ranging technical and logistics support.

Governance

The Company is a member of the Jacobs group and adopts its code of business conduct, ethics, and corporate governance guidance as per its ultimate parent undertaking Jacobs Solutions Inc. The Board's approach on corporate governance is based on these group-wide policies which cover the main aspects of corporate responsibility and ethical behaviour. The full text of these codes of ethics and corporate governance guidelines is available from www.jacobs.com.

Approved by the Board and signed on its behalf by:


S Miles
Director
Date: 29/09/2023

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

Registered Number:
02809680

HALCROW INTERNATIONAL PARTNERSHIP

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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 INTERNATIONAL PARTNERSHIP

Opinion

We have audited the financial statements of Halcrow International Partnership for the year ended 30 September 2022 which comprise the Profit and Loss Account, the Statement of comprehensive income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "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 30 September 2022 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. 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. In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

HALCROW INTERNATIONAL PARTNERSHIP

(continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the UK Companies Act 2006, FRS 102, and local laws and regulations relating to the company's operations in United Arab Emirates.
- We understood how Halcrow International Partnership is complying with those frameworks by making enquiries of management, those charged with governance, and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and any correspondence with tax authorities. We noted no contradictory evidence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by making enquiries of management from various parts of the business and performing walkthroughs of the significant classes of transactions, including controls designed to prevent and detect material misstatements. Where the risk of manipulation was considered to be higher, we performed audit procedures to address each identified fraud risk. Revenue recognition was considered to be a fraud risk due to the potential for inappropriate manipulation of estimated costs to complete within large active lump sum / fixed fee contracts.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. For a sample of projects, our procedures included inspecting contract agreements and amendments and discussing contract progress with project teams. We made an assessment of the reasonableness of estimated costs to complete which included analysing supporting evidence, performing year on year analysis and considering the reasonableness of historical estimates for similar projects. In addition, we made enquiries of the company's internal legal team, recalculated the valuation of unbilled receivables, and verified the subsequent recovery of project receivables. We also determined management override to be a fraud risk. Procedures to address this risk, in addition to the above, included testing manual journal entries and identifying specific transactions which did not meet our expectations based on specific criteria. We gained an understanding of the transactions and agreed to source documentation.

We also performed a review of board minutes to identify any non-compliance with laws and regulations and to identify any contradictory audit evidence. In addition, we designed and executed procedures to test the appropriateness of financial statement disclosures.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

HALCROW INTERNATIONAL PARTNERSHIP

(continued)

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.

Ernst & Young LLP

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

29 September 2023

HALCROW INTERNATIONAL PARTNERSHIP
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	<u>2022</u> £	<u>2021</u> £
Turnover	2	36,413,146	38,415,896
Cost of sales		<u>(26,948,526)</u>	<u>(27,211,821)</u>
Gross profit		9,464,620	11,204,075
Administrative expenses		<u>(7,597,700)</u>	<u>(9,557,094)</u>
Operating profit	3	1,866,920	1,646,981
Interest receivable and similar income	4	9,123	432
Interest payable and similar charges	5	<u>(817,458)</u>	<u>(634,903)</u>
Profit on ordinary activities before taxation		1,058,585	1,012,510
Tax on profit on ordinary activities	7	<u>(100,652)</u>	<u>(169,250)</u>
Profit for the financial year		<u>957,933</u>	<u>843,260</u>

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

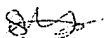
HALCROW INTERNATIONAL PARTNERSHIP
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	<u>2022</u> £	<u>2021</u> £
Profit for the year		<u>957,933</u>	<u>843,260</u>
Other Comprehensive Income			
Remeasurement of the net defined benefit pension liability	11	(1,108,300)	1,178,011
Foreign exchange differences on translation of foreign operations		<u>7,293,217</u>	<u>(1,250,472)</u>
Other Comprehensive Income for the year, net of income tax		<u>6,184,917</u>	<u>(72,461)</u>
Total Comprehensive Income for the year		<u><u>7,142,850</u></u>	<u><u>770,799</u></u>

HALCROW INTERNATIONAL PARTNERSHIP
BALANCE SHEET AT 30 SEPTEMBER 2022

	Notes	<u>2022</u> £	<u>2021</u> £
Fixed assets			
Tangible assets	8	<u>1,255,385</u>	<u>584,428</u>
		<u>1,255,385</u>	<u>584,428</u>
Current assets			
Debtors: amounts falling due within one year	9	72,520,533	58,595,671
Deferred tax	6	88,662	-
Cash at bank and in hand		<u>28,661,415</u>	<u>24,421,326</u>
		101,270,610	83,016,997
Creditors: amounts falling due within one year	10	<u>(44,948,830)</u>	<u>(38,473,761)</u>
Net current assets		<u>56,321,780</u>	<u>44,543,236</u>
Total assets less current liabilities and net assets excluding pension liability		57,577,165	45,127,664
Pensions and similar obligations	11	<u>(18,058,791)</u>	<u>(12,752,139)</u>
Net assets		<u><u>39,518,374</u></u>	<u><u>32,375,524</u></u>
Capital and reserves			
Called up share capital	12	50,000	50,000
Translation reserve		10,408,186	3,114,969
Profit and loss account		<u>29,060,188</u>	<u>29,210,555</u>
Equity Shareholder's funds		<u><u>39,518,374</u></u>	<u><u>32,375,524</u></u>

The Financial Statements for Halcrow International Partnership, registered number 02809680, were approved by the board of Directors and authorised for issue on 29 September 2023. They were signed on its behalf by:


S Miles
Director

HALCROW INTERNATIONAL PARTNERSHIP
STATEMENT OF CHANGES IN EQUITY AT 30 SEPTEMBER 2022

	Notes	Called up share capital	Translation reserve	Profit and loss account	Total equity
		£	£	£	£
Balance at 03 October 2020		50,000	4,365,441	27,189,284	31,604,725
Total comprehensive income for the year					
Profit for the year		-	-	843,260	843,260
Other comprehensive income					
Remeasurement of the net defined benefit liability	11	-	-	1,178,011	1,178,011
Foreign exchange differences on translation of foreign operations		-	(1,250,472)	-	(1,250,472)
Total comprehensive income for the year		-	(1,250,472)	2,021,271	770,799
Balance at 01 October 2021		50,000	3,114,969	29,210,555	32,375,524
Total comprehensive income for the year					
Profit for the year		-	-	957,933	957,933
Other comprehensive income					
Remeasurement of the net defined benefit liability	11	-	-	(1,108,300)	(1,108,300)
Foreign exchange differences on translation of foreign operations		-	7,293,217	-	7,293,217
Total comprehensive income for the year		-	7,293,217	(150,367)	7,142,850
Balance at 30 September 2022		50,000	10,408,186	29,060,188	39,518,374

HALCROW INTERNATIONAL PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

Halcrow International Partnership is a private unlimited Company 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"). The presentation currency of these Financial Statements is sterling whereas the functional currency is Arab Emirates Dirhams. The functional currency is different from the presentation currency as the Company operates through branches based in the United Arab Emirates, where the local currency is Arab Emirates Dirhams.

The Company is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. 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) Certain disclosures required by IFRS 102 26 Share Based Payments are not disclosed
- (iv) Transactions with companies within the Jacobs group are not disclosed

This information is included in the consolidated financial statements of Jacobs Solutions Inc, the ultimate parent company of Halcrow International Partnership Limited, effective from 29 August 2022. Jacobs Solutions Inc is a new holding company of the previous ultimate parent Jacobs Engineering Group Inc. These financial statements are available from the Jacobs website: www.jacobs.com.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements. COVID19 is a non-adjusting post balance sheet event, and further information is included in note 18. The impact of COVID19 on the going concern basis for the financial statements, and management's assessment, is disclosed in note 1(b) and in the Directors' Report.

(a) Measurement convention

The Financial Statements are prepared on the historical cost basis.

(b) Going concern

The Company's business activities together with the factors likely to affect its future developments and position are set out in the Strategic Report on pages 1 to 2. The Company has recorded a profit before tax of £1,059k in the current financial year (2021: £1,013k profit). The Company's balance sheet shows that it has current assets of £101,271k and current liabilities of £44,949k at its most recent balance sheet date.

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 of the company, current market conditions and the longer-term outlook of the Company. At 30 September 2022 the Company had net assets of £39,518k. The Company is a member of the Jacobs Solutions Inc group of companies. Management do not prepare cash flow forecasts at a statutory entity level as the group's business is managed on a performance unit basis. Forecasts are produced quarterly for performance units. The related forecasts for the performance units within the Company are reviewed by senior management both in the UK and the US. The period covered by management's assessment is to 30 September 2024.

The Company operates under the terms of the Jacobs global transfer pricing (TP) model. As such, a fellow group company bears the risk and the Company is forecast within the going concern period to generate an overall nominal profit consistent with the TP model. Any differences between the actual performance and the pricing per the TP model are settled by cash in the month following quarter end. In addition the Directors have considered the following factors in their going concern assessment:

- Although contractually the TP agreement requires settlement by cash in the month following quarter end, in practice the efficient processes in the group means the TP positions are usually settled monthly, meaning the entity has very limited cashflow operational risk;
- Monthly cash flows experienced by the Company over the period since the year end to date of these financial statements indicate that the Company continues to generate cash from operations and is expected to do so over the period to 30 September 2024, even when considering any reasonably plausible downside;
- Whilst there has been a prolonged period of economic uncertainty due to the Coronavirus (COVID 19) pandemic, the Company has not been adversely affected;

Having considered the above factors the directors have concluded that the Company will generate sufficient cash flows from operations to continue to trade for at least the period to 30 September 2024. However, the company is funded by amounts advanced from other Jacobs group companies. At 30 September 2022 the Company had amounts due to other group companies of £24,382k. 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. They have therefore concluded that it remains appropriate to prepare the financial statements on a going concern basis. However, there is no formal commitment from Jacobs Solutions Inc for these funds to be provided throughout the going concern period. This represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would be required if the company was unable to continue as a going concern.

(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 these estimates. In the opinion of the Directors, there are no critical estimates or judgements, which have a material impact on the Financial Statements other than as included in the notes below and in respect of indefinite lived current assets. The Company has indefinite lived current assets in the form of amounts owed by group and related undertakings. The Company determines on an annual basis whether there are any internal or external conditions that may indicate that the carrying value is impaired and whether an impairment exercise is required.

(d) Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of transaction or, if hedged, at the forward 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 forward contract rate.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations and on foreign currency borrowings, to the extent that they hedge the Company's investment in such operations, are reported in the statement of other comprehensive income. All other exchange differences are included in the profit and loss account.

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. We attempt to minimise our exposure by denominating our contracts in the currencies of our expenditures and obtaining escalation provisions for projects in inflationary economies.

The assets and liabilities of the branches are translated into the presentational currency at the rate of exchange ruling at the balance sheet date. Income and expenses for each statement of comprehensive income are translated at exchange rates at the dates of transaction. All resulting exchange differences are taken to the profit and loss account.

HALCROW INTERNATIONAL PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

(continued)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

(e) Basic financial instruments

Trade and other 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, together with bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

(f) Tangible fixed assets

Fixed assets are stated at cost less depreciation and impairment provisions. Impairment provisions are determined by comparing the carrying value of the asset with its recoverable amount. The recoverable amount is the higher of the amount that can be obtained from selling the asset or the value of expected discounted cash flows arising from owning the asset.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation of tangible fixed assets is by equal annual instalments calculated to write off the cost less estimated residual value of each asset on a straight-line bases over its anticipated useful life.

The annual rate of depreciation applied to each class of tangible fixed asset is as follows:

Improvements to short leasehold property	period of lease
Furniture and equipment:	
Computers	20% - 33%
Others	10% - 33%

(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.

Non financial assets

The carrying amounts of the Company's non financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. 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.

(h) Employee benefits

Defined benefit plans

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Company determines the net interest expense/income on the net defined benefit liability/asset for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability/asset taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the Company's obligations. A valuation is performed by a qualified actuary using the projected unit credit method.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on defined benefit liability, and the cost of plan introduction, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

Share based payment transactions

The group share option programmes allow employees to acquire beneficial ownership in the shares of the ultimate parent Company. The fair value of options granted is recognised as an equity settled share based payment. The fair value of the options granted is measured using an option pricing model at the date of grant, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

For the Common Stock plans the fair value of the stock granted is measured based on the market value of the stock. The amount recognised as an expense is adjusted to reflect the underlying change in market value.

HALCROW INTERNATIONAL PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022
(continued)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

(i) Provisions

Professional indemnity claims - where claims have been made against the Company, judgements are made by management to evaluate the claims and categorise these as either remote, possible or probable. Provisions are made to the extent that it is considered probable that an obligation will arise. In making these judgements, an inherent level of uncertainty is involved.

(j) Turnover and recognition of profit

Turnover represents amounts earned for professional services provided and items procured for clients, adjusted, where necessary, for the stage of completion of individual contracts. It excludes value added and similar taxes.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed to date as a proportion of the estimated total contract value.

Change orders are included in total estimated contract revenue only when approved by the client.

In making estimates of total contract value, judgements are required to evaluate potential variances in schedule, the cost of materials and labour, productivity, liability claims, contract disputes and achievement of contract performance standards. We record the cumulative effect of changes in contract revenue and forecast cost at completion in the period in which the changed estimates are determined to be reliably estimable. In making these judgements there is an inherent level of uncertainty involved.

(k) Amounts recoverable on contracts and Payments on account

Amounts recoverable on contracts represent the excess of contract revenue recognised over billings to date on contracts in progress. These amounts become billable according to the contract terms, which usually consider the passage of time, achievement of certain milestones or completion of the project.

Payments on account represent the excess of billings to date, per the contract terms, over revenue recognised on contracts in progress. As the projects near completion, the payments on account balance should decline.

(l) Allowance for uncollectible trade debtors

We reduce trade debtors by estimating an allowance for amounts that may become uncollectible in the future. Management determines the estimated allowance based on their judgement in evaluating the ageing of the receivables and the financial condition of our clients. Factors affecting management judgement will include the type of client and the client's current financial condition.

(m) Concentrations of credit risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and trade receivables. Cash is primarily held with major banks and financial institutions and typically is insured up to a set amount. The Directors consider that the risk of any potential loss on deposits is minimal. Concentrations of credit risk relative to trade debtors is considered to be limited due to our diverse client base, which includes government, public and private sector clients across a number of markets.

(n) Expenses

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight line basis over the term of the lease unless the payments to the lessor are structured to increase in line with general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and interest payable

Interest receivable and similar income includes interest receivable on short term bank deposits; interest receivable on loans to related parties and other interest receivable.

Interest payable and similar charges includes interest payable on bank loans and overdrafts; finance charges in respect of defined benefit pension liabilities; interest payable on loans from related parties and other interest payable.

Interest income and interest payable are recognised in profit or loss as they accrue.

(o) 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.

HALCROW INTERNATIONAL PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022
(continued)

2 TURNOVER

The Directors consider there to be one class of business, being consulting engineers. The geographical analysis of turnover is set out below:

	<u>2022</u>	<u>2021</u>
	£	£
Middle East	36,413,146	38,415,896

3 OPERATING PROFIT

	<u>2022</u>	<u>2021</u>
	£	£
Included in profit are the following:		
Depreciation of tangible fixed assets	489,062	370,391
(Release)/ Increase in bad debt provisions	(19,422)	(140,201)
Exchange losses / (gains)	2,265,170	754,401
Operating leases		
Rent of properties payable	126,336	661,566

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2022</u>	<u>2021</u>
	£	£
Interest receivable on:		
Short term bank deposits	975	160
Group undertakings	8,148	272
	9,123	432

5 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2022</u>	<u>2021</u>
	£	£
Interest payable on:		
Net interest charge on pension schemes	343,695	246,189
Loans from group undertakings	473,763	388,714
	817,458	634,903

6 EMPLOYEE INFORMATION

	<u>2022</u>	<u>2021</u>
	Number	Number
(a) The average number of persons, including Directors, employed by the Company during the year was:		
Professional and technical	764	649
Administrative	44	47
	808	696

	<u>2022</u>	<u>2021</u>
	£	£
(b) Staff costs during the year were:		
Wages and salaries	72,916,807	51,852,364
Social security costs	15,236	8,865
Expenses related to defined benefit plans	2,729,926	2,350,602
Redundancy costs	2,146,674	2,562,214
	77,808,643	56,774,045

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 Enil (2021: Enil)

HALCROW INTERNATIONAL PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022
(continued)

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2022</u> £	<u>2021</u> £
United Kingdom corporation tax	9,988	(45,029)
UK corporation tax-adjustments in respect of prior periods	(214)	67,383
Overseas taxation	<u>179,540</u>	<u>146,896</u>
Total current tax	189,314	169,250
Deferred tax-adjustment in respect of prior periods	-	(67,383)
Impact of change in tax rate	-	(21,279)
Deferred tax (recognised)/ not recognised	<u>(88,662)</u>	<u>88,662</u>
Total deferred tax	(88,662)	-
Total tax charge/(credit) for the year	<u><u>100,652</u></u>	<u><u>169,250</u></u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19% (2021: 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.

	<u>2022</u> £	<u>2021</u> £
Profit on activities before tax	<u>1,058,585</u>	<u>1,012,510</u>
Tax on profit on ordinary activities at standard rate	201,131	192,377
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	259,751	7,927
Tax exempt overseas branch (profit) / loss	(450,894)	(245,333)
Overseas tax	179,540	146,896
Recognition of deferred tax asset on previously unrecognised tax losses	(88,662)	-
Adjustments in respect of prior periods	(214)	-
Impact of change in tax rate	-	(21,279)
Deferred tax not recognised	-	88,662
Total tax charge/(credit) for year	<u><u>100,652</u></u>	<u><u>169,250</u></u>

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. The Finance Bill 2021 was substantively enacted on 24 May 2021. Deferred tax balances have therefore been recognised on the balance sheet at the rate of 25% (2021: 25%) which represents the future corporation tax rate that was enacted at the balance sheet date.

Deferred tax assets relating to branch activities have not been recognised, as the Company has made a tax election to exempt branch profit / (loss).

	<u>As at 30 September 2022</u> £	<u>As at 01 October 2021</u> £
Deferred Tax		
Deferred Tax Asset		
Opening balance	-	-
Deferred tax-adjustment in respect of prior periods	-	67,383
Impact of change in tax rate	-	21,279
Deferred tax not recognised	-	(88,662)
Recognition of deferred tax asset on previously unrecognised tax losses	<u>88,662</u>	<u>-</u>
Disclosed on the Balance Sheet	<u><u>88,662</u></u>	<u><u>-</u></u>
Deferred tax relates to the following:		
Deferred Tax Asset		
Losses	<u>88,662</u>	<u>-</u>
Disclosed on the Balance Sheet	<u><u>88,662</u></u>	<u><u>-</u></u>

HALCROW INTERNATIONAL PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

(continued)

8 TANGIBLE FIXED ASSETS

	Motor Vehicles	Improvements to short leasehold properties	Furniture and equipment	TOTAL
	£	£	£	£
Cost				
At 02 October 2021	39,187	1,182,251	1,766,146	2,987,584
Exchange movement	38,559	258,470	395,352	692,381
Additions	-	65,393	1,057,428	1,122,821
Disposals	(47,754)	-	(781)	(48,535)
At 30 September 2022	29,992	1,506,114	3,218,145	4,754,251
Depreciation				
At 02 October 2021	39,187	1,154,522	1,209,446	2,403,155
Exchange movement	8,567	233,481	412,355	654,403
Charge for the year	-	45,043	444,019	489,062
Disposals	(47,754)	-	-	(47,754)
At 30 September 2022	-	1,433,046	2,065,820	3,498,866
Net Book Value				
At 30 September 2022	29,992	73,068	1,152,325	1,255,385
At 01 October 2021	-	27,729	556,700	584,429

9 DEBTORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 30 September 2022	As at 01 October 2021
	£	£
Trade debtors	10,973,262	13,328,577
Amounts recoverable on contracts	25,105,215	24,925,207
Amounts owed by group undertakings	34,497,144	18,823,825
United Kingdom corporation tax	35,255	45,029
Other debtors and prepayments	1,909,657	1,473,033
	<u>72,520,533</u>	<u>58,595,671</u>

All other amounts due from group undertakings are interest free, have no fixed date of repayment and are repayable on demand or within 30 days.

10 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 30 September 2022	As at 01 October 2021
	£	£
Payments on account	8,803,095	6,906,279
Trade creditors	2,780,939	2,672,384
Amounts owed to group undertakings	24,381,977	20,427,455
Other taxation and social security	162,181	211,335
Other creditors and accruals	8,820,638	8,256,308
	<u>44,948,830</u>	<u>38,473,761</u>

All other amounts due to group undertakings are interest free, have no fixed date of repayment and are repayable on demand or within 30 days.

HALCROW INTERNATIONAL PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022
(continued)

11 PENSIONS AND SIMILAR OBLIGATIONS

In the UAE the company provides end of service benefit plans that pay out a defined level of benefit based on the length of a member's service and salary. The plan is unfunded.

The end of service plans in UAE are still open to new members.

The calculations for the end of service plans for UAE have been based on a valuation using full membership data at the census date. As required by FRS102, the value of the defined benefit liabilities has been measured using the projected unit method.

The following table sets out the key FRS102 assumptions as at 30 September 2022 used for the plans. 2022 is the twelfth year that Halcrow International has disclosed the UAE Schemes under FRS102.

Assumptions	As at 30 September 2022	As at 01 October 2021
Price inflation (RPI)	n/a	n/a
Price inflation (CPI)	n/a	n/a
Discount rate	2.1% p.a.	1.7% p.a.
Pension increases (fixed)	n/a	n/a
Pension increases (5% LPI)	n/a	n/a
Salary Growth (on average)	3.1% p.a.	2.7% p.a.

Life expectancy is not a feature of the UAE plan as these arrangements pay out lump sums to individuals on leaving service or retirement. The key demographic assumptions for these plans are turnover. UAE is assumed to have on average 15% p.a. turnover (15% p.a. in 2021)

The arrangement in UAE is unfunded and thus no interest on assets assumption is required

	As at 30 September 2022 Fair Value (plan in deficit)	As at 01 October 2021 Fair Value (plan in deficit)
Breakdown of Net Liability		
	£	£
Balance Sheet		
Total fair value of assets	-	-
Present value of liabilities	(18,058,791)	(12,752,139)
Deficit in the schemes	(18,058,791)	(12,752,139)
Related deferred tax	-	-
Net liabilities	(18,058,791)	(12,752,139)

Under FRS102, the scheme is represented on the balance sheet as a net pension liability of £18,058,791 (before deferred tax)

HALCROW INTERNATIONAL PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022
(continued)

11 PENSIONS AND SIMILAR OBLIGATIONS (continued)

The scheme liabilities under FRS102 moved over the year as follows:

	<u>As at 30 September 2022</u>	<u>As at 01 October 2021</u>
	£	£
Scheme liabilities at the beginning of the year	(12,752,139)	(14,251,713)
Current service cost	(2,386,231)	(2,104,412)
Interest on post-retirement liabilities	(343,695)	(246,189)
Actuarial gain/(loss)	(1,108,300)	1,178,011
Benefits paid	1,158,580	2,002,445
Currency gain/(loss)	(2,627,006)	669,719
Scheme liabilities at the end of the year	<u>(18,058,791)</u>	<u>(12,752,139)</u>

The value of the pension scheme assets moved over the year as follows:

	<u>As at 30 September 2022</u>	<u>As at 01 October 2021</u>
	£	£
Scheme assets at the beginning of the year	-	-
Employer contributions	1,158,580	2,002,445
Benefits paid	(1,158,580)	(2,002,445)
Scheme assets at the end of the year	<u>-</u>	<u>-</u>

The following amounts have been included within operating profit under FRS102 in relation to the defined benefit schemes:

	<u>As at 30 September 2022</u>	<u>As at 01 October 2021</u>
	£	£
Current service cost	2,386,231	2,104,412
Total operating charge	<u>2,386,231</u>	<u>2,104,412</u>

The following amounts have been included as net finance costs under FRS102:

	<u>As at 30 September 2022</u>	<u>As at 01 October 2021</u>
	£	£
Interest on post-retirement liabilities	343,695	246,189
Interest on net defined benefit liability	<u>343,695</u>	<u>246,189</u>

12 SHARE CAPITAL

	<u>As at 30 September 2022</u>	<u>As at 01 October 2021</u>
	£	£
Allotted, Called-up and fully paid:		
50,000 (2021: 50,000) ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

HALCROW INTERNATIONAL PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022
(continued)

13 LEASE COMMITMENTS

At 30 September 2022 the Company was committed to making the following payments in respect of operating leases:

	<u>As at 30 September 2022</u>	<u>As at 01 October 2021</u>
	£	£
Land and buildings		
Within one year	24,875	434,123
In second to fifth years	-	92,277
	<u>24,875</u>	<u>526,400</u>

14 CONTINGENT LIABILITIES

We maintain a variety of commercial commitments that are generally made available to provide support for various provisions in our engineering contracts. Performance and advance payment bonds are issued by our banks, for the purpose of guaranteeing our performance on contracts.

	<u>As at 30 September 2022</u>	<u>As at 01 October 2021</u>
	£	£
Performance and advance payment bonds provided by banks	<u>13,036,263</u>	<u>11,668,683</u>

We are also party to various legal actions arising in the normal course of business. These actions often take years to complete and many result in no adverse action or alternatively could result in settlement. Damages assessed in connection with and the cost of defending such actions could be substantial. While the outcomes of pending proceedings and legal actions are often difficult to predict, management believes that proceedings and legal actions currently pending would not result in a material adverse effect on the results of operations or financial condition even if the final outcome is adverse to the Company.

15 RELATED PARTY TRANSACTIONS

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

16 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Halcrow Group Limited, a company incorporated in England & Wales. The ultimate parent undertaking effective from 29 August 2022 is Jacobs Solutions Inc., a new holding company which became the new parent company of Jacobs Engineering Group Inc., the former ultimate parent undertaking.

Both companies are incorporated in the state of Delaware 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.