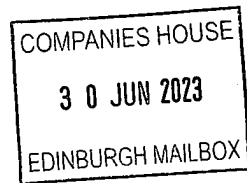


**HALCROW GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**REGISTERED NUMBER: 03415971**



**HALCROW GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**  
**Corporate Information**

<b>Directors</b>	S Miles A Lane
<b>Secretary</b>	R Holman
<b>Registered Office</b>	Cottons Centre Cottons Lane London SE1 2QG
<b>Registered number of incorporation</b>	03415971
<b>Bankers</b>	Bank of America 2 King Edward Street London EC1A 1HQ
<b>Auditors</b>	Ernst & Young LLP G1 5 George Square Glasgow G2 1DY

**HALCROW GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**HALCROW GROUP LIMITED**  
**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**

We are 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 around the world.

We provide services to a diverse customer base as part of the wider Jacobs group. Our clients include public and private sector organizations in a variety of geographies, 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.

The ultimate parent undertaking is Jacobs Solutions Inc. ("Jacobs"). Effective from 29 August 2022, Jacobs Solutions Inc is a new holding company of the previous ultimate parent Jacobs Engineering Group Inc. 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](http://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. 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.

**Funding and liquidity risk** - the Company finances its operations from borrowing facilities from its parent company. The Company's principal objective is to maintain appropriate funding facilities relative to the level of current and future requirements.

**Credit risk** - this is primarily attributable to the Company's billed and unbilled 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.

**Business Review**

Turnover increased from £2m in 2021 to £4m 2022. The loss before taxation was £1,251k (2021: £5k).

**HALCROW GROUP LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**  
(continued)

**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's subsidiaries within the Halcrow Group Limited Group were not significantly affected by the pandemic but nonetheless enacted several initiatives in response, included staff working from home where possible and making use of government furlough scheme for staff unable to work from home. 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 and continues to apply its travel policy of reducing travel to business critical only.

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. There has been no impact on operations due to the ongoing war in Ukraine.

**Market Outlook**

**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.

**Safety** - The Halcrow organisation is proud to report millions of work hours without a lost time incident in 2022 due to a continuing and relentless focus on operating safely in all markets.

**People Investment** - We continue to invest in staff across the enterprise. Employees have access to a variety of learning opportunities, ranging from risk management to business development. Included through the Jacobs Learning Management System, there is also mandatory annual compliance training. 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.

By order of the board of Directors on



S Miles

Director

Date 30/06/2023

**HALCROW GROUP LIMITED**  
**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 international consulting engineers.

**Results**

The Company's results are outlined in the Business Review section of the Strategic Report.

**Prior Year Adjustment**

During the year to 30 September 2022, it was identified that there was an intercompany adjustment of £6m that should not have transferred to Jacobs UK Limited as part of the trade and assets transfer on 2 October 2020. As this amount was deemed material it has resulted in a prior year adjustment. The effect of this adjustment on the prior year is stated in the table below. Please see Note 17 for further details.

**Future Developments**

Following the transfer of the majority of the company's trade and assets to Jacobs UK Limited on 02 October 2020 the company will remain to continue as a going concern for the foreseeable future as its operations continue in its foreign branches.

**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, liquidity needs, current market conditions and the longer-term outlook of the Company through to 31 July 2024.

Whilst there has been a prolonged period of economic uncertainty due to the Coronavirus (COVID19) pandemic, the Company has not been adversely affected. At 30 September 2022 the company had net assets £22.8m which included £28.1m in receivables from other group companies. The counterparty to the intercompany balances would however need to be able to collect its intercompany receivables from other group companies in order to settle the payables to the company. At the period end the company had intercompany payables on demand of £8.9m and other payables outside intercompany of £3.4m, with cash of £2.9m.

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. 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 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 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 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 30 September 2022.

**Foreign branches**

The Company operates 10 branches outside of the UK, the results of which form part of these Financial Statements.

**Share capital**

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

Halcrow Consulting Limited	30,033,339 ordinary shares
----------------------------	----------------------------

**Directors**

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

S Miles

H D Morrison (Resigned 15 December 2022)

A Lane

B Harvey (Resigned 26 September 2022)

**Financial Instruments**

The Company's financial instruments are trade and other debtors/creditors, and cash and cash equivalents. Details of the Company's exposure to funding, liquidity and credit risk are given in the Strategic Report on page 1.

**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.

**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.

**HALCROW GROUP LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**  
(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
- 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.

**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:

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



S Milas  
Director  
Date 30/06/2023

Registered Number:  
03415971

**HALCROW GROUP LIMITED**

**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 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 GROUP LIMITED**

**Opinion**

We have audited the Financial Statements of Halcrow Group Limited for the year ended 30 September 2022 which comprise of the Profit and Loss Account, Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes 1 to 17, 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 including 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

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

**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.

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 set out on pages 1 to 4 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.

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 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 the Directors' Report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**HALCROW GROUP LIMITED**  
(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 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.

**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 those that relate to the reporting framework, being FRS 102 and the Companies Act 2006, and the relevant tax compliance regulations.
- We understood how the company 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 noncompliance with such laws and regulations. Our procedures included making enquiries of the company's internal legal team, recalculating the valuation of unbilled receivables, and verifying 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.

**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

Date: 30/06/2023

**HALCROW GROUP LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Notes	<u>2022</u> £000	<u>2021</u> £000
		Total	Total
<b>Turnover</b>	2	4,068	2,120
Cost of sales		<u>(4,088)</u>	<u>(2,245)</u>
Gross loss		(20)	(125)
Administrative expenses		<u>(1,278)</u>	<u>12</u>
<b>Operating Loss</b>	3	(1,298)	(113)
Interest receivable and similar income	4	53	111
Interest payable and similar charges	5	<u>(6)</u>	<u>(3)</u>
<b>Loss on ordinary activities before taxation</b>		(1,251)	(5)
Tax on loss on ordinary activities	8	<u>99</u>	<u>(414)</u>
<b>Loss for the financial year</b>		<u><u>(1,152)</u></u>	<u><u>(419)</u></u>

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


**HALCROW GROUP LIMITED**  
**STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Notes	<u>2022</u> £000	<u>2021</u> £000
Loss for the year		<u>(1,152)</u>	<u>(419)</u>
Other Comprehensive loss			
Foreign exchange differences on tax translation of foreign operations		<u>451</u>	<u>(1,031)</u>
Other Comprehensive loss for the year, net of income tax		<u>451</u>	<u>(1,031)</u>
Total Comprehensive loss for the year		<u><u>(701)</u></u>	<u><u>(1,450)</u></u>

**HALCROW GROUP LIMITED**  
**BALANCE SHEET AS AT 30 SEPTEMBER 2022**

	Notes	<u>2022</u> £000	<u>Restated 2021</u> £000
<b>Fixed assets</b>			
Tangible assets	9	-	1
Investments			
Investments in Subsidiaries	10	-	-
		<u>-</u>	<u>1</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	32,101	22,148
Cash at bank and in hand		<u>2,912</u>	<u>3,479</u>
		35,013	25,627
Creditors: amounts falling due within one year	12	<u>(12,284)</u>	<u>(2,198)</u>
<b>Net current assets</b>		<u>22,729</u>	<u>23,429</u>
<b>Total assets less current liabilities</b>		<u>22,729</u>	<u>23,430</u>
<b>Net assets</b>		<u>22,729</u>	<u>23,430</u>
<b>Capital and reserves</b>			
Called up share capital	13	30,033	30,033
Translation reserve		(290)	(741)
Profit and loss account		<u>(7,014)</u>	<u>(5,862)</u>
<b>Equity Shareholder's funds</b>		<u>22,729</u>	<u>23,430</u>

The Financial Statements for Halcrow Group Limited, registered number 03415971, were approved by the Board of Directors and authorised for issue on 2023. They were signed on its behalf by:

  
S Miles  
Director  
Date 30/06/2023

**HALCROW GROUP LIMITED**  
**STATEMENT OF CHANGES IN EQUITY AT 30 SEPTEMBER 2022**

	Notes	Called up share capital	Translation reserve	Profit and loss account	Total equity
		£000	£000	£000	£000
<b>Balance at 03 October 2020</b>		<b>30,033</b>	<b>290</b>	<b>557</b>	<b>30,880</b>
Opening balance adjustment				(6,000)	(6,000)
Restated opening reserves		30,033	290	(5,443)	24,880
<b>Total comprehensive income for the year</b>					-
Loss for the year		-	-	(419)	(419)
Foreign exchange differences on translation of foreign operations		-	(1,031)	-	(1,031)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>(1,031)</b>	<b>(419)</b>	<b>(1,450)</b>
<b>Balance at 01 October 2021 &amp; 02 October 2021</b>		<b>30,033</b>	<b>(741)</b>	<b>(5,862)</b>	<b>23,430</b>
<b>Total comprehensive income for the year</b>					
Loss for the year		-	-	(1,152)	(1,152)
Foreign exchange differences on translation of foreign operations		-	451	-	451
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>451</b>	<b>(1,152)</b>	<b>(701)</b>
<b>Balance at 30 September 2022</b>		<b>30,033</b>	<b>(290)</b>	<b>(7,014)</b>	<b>22,729</b>

**HALCROW GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**PRINCIPAL ACCOUNTING POLICIES**

**Basis of accounting**

Halcrow Group Limited is a private Company limited by shares and incorporated and resident 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. All amounts in the Financial Statements have been rounded to the nearest £1,000.

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 FRS 102.26 Share Based Payments
- (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 Group 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](http://www.jacobs.com).

During the year to 30 September 2022, it was identified that there was an intercompany adjustment of £6m that should not have transferred to Jacobs UK Limited as part of the trade and assets transfer on 2 October 2020. As this amount was deemed material it has resulted in a prior year adjustment. Please refer to Note 17 for further details.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30 September 2022, unless otherwise stated have been applied consistently to all years presented in these Financial Statements.

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**

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, liquidity needs, current market conditions and the longer-term outlook of the Company through to 31 July 2024.

Whilst there has been a prolonged period of economic uncertainty due to the Coronavirus (COVID19) pandemic, the Company has not been adversely affected. At 30 September 2022 the company had net assets £22.8m which included £28.1m in receivables from other group companies. The counterparty to the intercompany balances would however need to be able to collect its intercompany receivables from other group companies in order to settle the payables to the company. At the period end the company had intercompany payables on demand of £8.9m and other payables outside intercompany of £3.4m, with cash of £2.9m.

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. 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 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 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 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.

**(c) Use of estimates and assumptions**

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, refer to each individual accounting policy. The Directors have made judgements in these Financial Statements against critical accounting policies, and in particular, investment values, impairments, turnover, contract balances, employee benefits, provisions and deferred tax. For details of the judgements applied to each estimate refer to each individual accounting policy.

**HALCROW GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**1 PRINCIPAL ACCOUNTING POLICIES (continued)**

**(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 to this by denominating our contracts in the currencies of our expenditures and obtaining escalation provisions for projects in inflationary economies.

**(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 basis over its anticipated useful life.

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

Short leasehold property	Period of lease
Furniture and equipment:	
Computers	20% - 33%
Others	10% - 33%

**(g) 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.

An associate is an entity in which the group has significant influence, but not control, over the operating and financial policies of the entity. Significant influence is presumed to exist when the investor holds between 20% and 50% of the equity voting rights.

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.



**HALCROW GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**1 PRINCIPAL ACCOUNTING POLICIES (continued)**

**(h) 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 either the value in use or 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 and 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.

**(i) Turnover and recognition of profit**

Turnover represents amounts earned for professional services and items procured for clients, adjusted, where necessary, for the stage of completion on 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 costs incurred for work performed to date as a proportion of the estimated total contract costs.*

Change orders are included in total estimated contract revenue when it is probable that the change order will result in an addition to contract value and when the change order can be estimated. Management evaluates when a change order is probable based upon its experience in negotiating change orders, the customer's written approval of such changes or separate documentation of change order costs that are identifiable.

In making estimates of total contract value and total costs, 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 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.

**(j) 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 declines.

**(k) 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 judgements in evaluating the ageing of the receivables and the financial condition of our clients, which may be dependent on the type of client and the client's current financial condition.

**(l) 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 throughout the world 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.

**HALCROW GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**1 PRINCIPAL ACCOUNTING POLICIES (continued)**

(m) **Expenses**

*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, on pension assets and other interest receivable.

Interest payable and similar charges includes interest payable on bank loans and overdrafts; interest charges on finance leases; 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.

(n) **Taxation**

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

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

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

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

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

**2 TURNOVER**

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

	<u>2022</u>	<u>2021</u>
	£000	£000
United Kingdom, Ireland and rest of Europe	1,425	482
The Americas	-	41
Middle East and Africa	<u>2,643</u>	<u>1,597</u>
	<u>4,068</u>	<u>2,120</u>

**HALCROW GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**  
(continued)

**3 OPERATING LOSS**

	2022	2021
	£000	£000
Operating loss is stated after charging/(crediting):		
Depreciation of tangible fixed assets - owned	1	1
Exchange gains/(losses)	<u>430</u>	<u>(236)</u>

In 2021 and 2022 auditor remuneration has been borne by a member company of Jacobs Solutions Inc, Jacobs UK Limited.

**4 INTEREST RECEIVABLE AND SIMILAR INCOME**

	2022	2021
	£000	£000
Interest receivable on:		
Short term bank deposits	-	9
Loans to related parties	<u>53</u>	<u>102</u>
	<u>53</u>	<u>111</u>

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	2022	2021
	£000	£000
Interest payable on:		
Loans from related parties	<u>6</u>	<u>3</u>
	<u>6</u>	<u>3</u>

**6 EMPLOYEE INFORMATION**

	2022	2021
	Number	Number
(a) The average number of persons, including Directors, employed by the Company during the year was:		
Professional and technical	<u>3</u>	<u>5</u>
	<u>3</u>	<u>5</u>
(b) Staff costs during the year were:		
Wages and salaries	75	127
Social security costs	13	18
Contributions to defined contribution plans	1	1
Redundancy costs	<u>1</u>	<u>11</u>
	<u>90</u>	<u>157</u>

**HALCROW GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**  
(continued)

**7 DIRECTORS' EMOLUMENTS**

The emoluments of the companies' directors are or were paid by other Jacobs Solutions Inc. companies.

**8 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2022 £'000	2021 £'000
United Kingdom corporation tax	3	(1)
UK corporation tax on profits of the period	3	(1)
UK corporation tax- Prior Year Adjustment	(334)	-
Overseas taxation - Prior Year Adjustment	(11)	324
Overseas taxation - Tax charge	243	91
Total current tax (credit) / charge	(99)	414
Total deferred tax	-	-
Total tax (credit) / charge for period	(99)	414

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 recognised in the profit and loss account differs from the standard rate for the reasons set out in the following reconciliation.

	2022 £'000	2021 £'000
Loss on activities before tax	(1,251)	(5)
Tax on loss on ordinary activities at standard rate	(238)	(1)
Factors affecting charge for the period:		
Overseas taxation - Prior Year Adjustment	(11)	324
Expenses not deductible for tax purposes	273	-
Overseas taxation	211	91
UK corporation tax - Prior Year Adjustment	(334)	-
Total tax (credit) / charge for period	(99)	414

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.

The company has tax losses of £478,064 (2021: £478,064) on which a deferred tax asset has not been recognised.

**HALCROW GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**  
(continued)

**9 TANGIBLE FIXED ASSETS**

	Furniture and equipment	Total
	£000	£000
<b>Cost</b>		
At 02 October 2021 and 30 September 2022	10	10
<b>Depreciation</b>		
At 02 October 2021	9	9
Charge for the year	1	1
At 30 September 2022	10	10
<b>Net Book Value</b>		
At 30 September 2022	-	-
At 01 October 2021	1	1

**10 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS**

	£000
<b>Cost</b>	
At 02 October 2021 and 30 September 2022	2,027
<b>Provisions</b>	
At 02 October 2021 and 30 September 2022	(2,027)
<b>Net book value</b>	
At 01 October 2021 and 30 September 2022	-

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

The Company has taken advantage of the exemption from preparing Consolidated Financial Statements allowed by Section 401 of the Companies Act 2006 because it is a wholly owned subsidiary of its ultimate parent undertaking, Jacobs Solutions Inc, a company incorporated in the USA, which prepares Consolidated Financial Statements which are publicly available and may be obtained from the website [www.jacobs.com](http://www.jacobs.com). The accounts show information relating to the Company as an individual undertaking and not as a group.

Subsidiary undertakings are listed in note 15 of the Financial Statements.

**HALCROW GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**  
(continued)

**11 DEBTORS**

<u>Amounts falling due within one year</u>	<u>As at 30 September</u>	<u>Restated as at 01</u>
	<u>2022</u>	<u>October 2021</u>
	£000	£000
Trade debtors	2,598	413
Amounts recoverable on contracts	828	220
Amounts owed by group undertakings	28,084	21,308
United Kingdom corporation tax	135	-
Other tax and social security	381	137
Other debtors and prepayments	75	70
	<u>32,101</u>	<u>22,148</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.

**12 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>As at 30 September</u>	<u>As at 01 October</u>
	<u>2022</u>	<u>2021</u>
	£000	£000
Payments on account	175	316
Trade creditors	1,571	355
Amounts owed to group undertakings	8,906	-
United Kingdom corporation tax	-	210
Other creditors and accruals	1,632	1,317
	<u>12,284</u>	<u>2,198</u>

**13 SHARE CAPITAL**

	<u>As at 30 September</u>	<u>As at 01 October</u>
	<u>2022</u>	<u>2021</u>
	£000	£000
Allotted, Called up and fully paid:		
2022 (2021: 30,033,339) ordinary shares of £1 each	30,033	30,033
	<u>30,033</u>	<u>30,033</u>

**14 RELATED PARTY TRANSACTIONS**

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

**Directors**

There were no transactions with Directors during the year (2021: £nil).

**15 INVESTMENTS**

Subsidiary undertakings:-	Percentage owned	Country of registration/operation	Address	Principal country/area of
Halcrow Consulting India Private Limited	32%	India	R-27, 2nd Floor, Pratap Market, Jangpura -B, New Delhi, 110014, India	South Asia
Sir William Halcrow & Partners Limited	100%	England	Cottons Centre, Cottons Lane, London SE1 2QG	Latin America

**16 ULTIMATE PARENT UNDERTAKING**

The immediate parent undertaking is Halcrow Consulting 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 Solutions Inc. Copies of the consolidated accounts of Jacobs Solutions Inc. may be obtained from [www.jacobs.com](http://www.jacobs.com). The postal address is 1999 Bryan Street, Suite 1200, Dallas, TX 75201, United States.

**HALCROW GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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(continued)

**17 PRIOR YEAR ADJUSTMENT**

During the year to 30 September 2022, it was identified that there was an intercompany adjustment of £6m that should not have transferred to Jacobs UK Limited as part of the trade and assets transfer on 2 October 2020. As this amount was deemed material it has resulted in a prior year adjustment. The effect of this adjustment on the prior year is stated in the table below.

	2021	Adjustment	Restated 2021
<b>Balance Sheet</b>			
Amounts owed by group undertakings	27,308	(6,000)	21,308
Profit and loss account (adjustment to opening reserves)	(30,880)	6,000	(24,880)
<b>Total impact on the balance sheet for the year</b>	<b>(3,572)</b>	<b>-</b>	<b>(3,572)</b>