

JACOBS™

Jacobs E&C Limited

**Report and Financial Statements
for the year ended 30 September 2014**

Registered Number 4967961

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Jacobs E&C Limited

Financial statements for the year ended 30 September 2014

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Jacobs E&C Limited

Company information

Directors

Mr J C Doyle (appointed 18/10/2013)
Mr M W Fleetwood (resigned 25/09/2014)
Mr R A M Irvin (resigned 23/10/2013)
Mr L A Power (appointed 20/10/2014)

Secretary

Mr M Norris

Registered office

1180 Eskdale Road,
Winnersh,
Wokingham,
Berkshire.
RG41 5TU

Independent auditors

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

Bankers

National Westminster Bank
Whitgift Centre Branch
40 Whitgift Centre
Croydon
Surrey
C19 3BQ

Registered number

4967961

Jacobs E&C Limited

Strategic report for the year ended 30 September 2014

The directors present their Strategic Report for the year ended 30 September 2014.

Business review

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

The principal activities of Jacobs E&C Limited are the provision of conceptual design, engineering, procurement, project management, construction and commissioning services to a wide range of industries. The industries served include chemical, refinery, petrochemical, nuclear, water, non-ferrous and power, in the UK.

Turnover of the company increased by £12m from 2013 to £175m in 2014. Gross profit for the year increased by £4,376k from 2013 to £11,028k in 2014.

The Company made an operating loss in the year of £4,905k which compares favourably with an operating loss of £8,787k in 2013.

During the year contract issues continued to arise on some major projects and the directors have decided to continue to make precautionary provisions against these contracts.

The directors continue to work with the clients and are confident the issues will be resolved.

Future developments

The strategic decision, taken in 2013, to operate most of Jacobs' UK business through a single entity has meant the transfer of new and most existing contracts into Jacobs U.K. Limited, the company's intermediate parent undertaking. This will mean that future growth will be seen in Jacobs U.K. Limited rather than Jacobs E&C Limited.

Principal risks and uncertainties

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

Competitive risks

The Company is reliant on private bodies for contracts which are subject to competitive tender. Award of these contracts is uncertain and based on financial and performance criteria.

Financial Risk Management Policy

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

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

Interest rate risk: The Company holds surplus cash in floating rate interest yielding bank current accounts. The company's interest income and expenses are therefore affected by movements in interest rates. The company does not undertake active hedging of this risk.

Strategic report for the year ended 30 September 2014 (continued)

Financial Risk Management Policy (continued)

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

Liquidity risk: The Company aims to mitigate liquidity risk by managing cash generated by its operations and restricting capital expenditure if necessary.

Legislative risks

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

Internal Controls & Risk Management

Control of our Business process is maintained through the use of our Standard Operating Procedures (SOPs), supported by Work Process Maps that define our gated review methodology in assessing and minimizing risk.

This management system is accredited to ISO9001 with Lloyds Register Quality Assurance. Similarly our Occupational Health and Safety process is accredited to ISO18001.

The approach to managing risk is integrated into all aspects of our work and includes the bidding process, project management, design and construction and health, safety and environmental activities.

A focus on continuous improvement and exceeding client expectations drives our performance and this is enhanced by the use of Performance Improvement Teams. Regular meetings of Health and Safety leadership teams drive initiatives and enhance the communication of matters affecting the Health, Safety and Welfare for all personnel.

A trained team of auditors plan and conduct internal audits to all areas of the business. Appropriate corrective and preventive actions are identified and managed, to deliver ongoing improvements to the business.

On behalf of the board



**L A Power
Director**

Date: 22/12/14

Jacobs E&C Limited

Directors' report for the year ended 30 September 2014

The Directors have pleasure in presenting their report for the year ended 30th September 2014 for Jacobs E&C Limited, company registration number 4967961.

Results and dividends

The loss for the year after taxation was £3,392k (2013: £5,922k loss).

The directors do not recommend a dividend for the year ended 30 September 2014 (2013: £Nil).

Going Concern

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

Directors and their interests

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

Mr J C Doyle
Mr M W Fleetwood
Mr R A M Irvin

There are no directors whose interests require notification under the Companies Act 2006.

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- Each director has taken all steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

Jacobs E&C Limited

Directors' report for the year ended 30 September 2014 (continued)

Auditors

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

On behalf of the board



L. A. Power
Director

Date: 22/12/14

Statement of Directors' responsibilities

The directors are responsible for preparing the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JACOBS E&C LIMITED

We have audited the financial statements of Jacobs E&C Limited for the year ended 30 September 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JACOBS E&C LIMITED (continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



James Nisbet (Senior Statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow

Date: 23.12.14

Jacobs E&C Limited

Profit and loss account for the year ended 30 September 2014

| | | 2014 £'000 | 2013 £'000 |
|---|------|-----------------------|-----------------------|
| | Note | | |
| Turnover | 2 | 175,350 | 163,542 |
| Cost of sales | | <u>(164,322)</u> | <u>(156,890)</u> |
| Gross profit | | 11,028 | 6,652 |
| Administrative expenses | | <u>(15,933)</u> | <u>(15,439)</u> |
| Operating loss | 3 | (4,905) | (8,787) |
| Interest payable | 5 | <u>(2)</u> | <u>--</u> |
| Loss on ordinary activities before taxation | | (4,907) | (8,787) |
| Tax credit on loss on ordinary activities | 6 | 1,515 | 2,865 |
| Loss on ordinary activities after taxation and loss for the financial year | 12 | <u><u>(3,392)</u></u> | <u><u>(5,922)</u></u> |

All items in the above Profit & loss account relate to continuing operations.

Statement of total recognised gains and losses for the year ended 30 September 2014

The company has no recognised gains or losses other than the loss for the year or prior financial year.

There are no material differences between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical equivalents.

The notes on pages 11 to 18 form part of these financial statements.

Jacobs E&C Limited

Balance sheet as at 30 September 2014

| | Note | 2014 £'000 | 2013 £'000 |
|--|------|----------------------|----------------------|
| Fixed Assets | | | |
| Tangible fixed assets | 7 | - | - |
| Current assets | | | |
| Debtors | 8 | 53,000 | 56,465 |
| Cash at bank and in hand | | 5,659 | 5,829 |
| | | <u>58,659</u> | <u>62,294</u> |
| Creditors: | | | |
| Amounts falling due within one year | 9 | <u>(20,486)</u> | <u>(20,729)</u> |
| Net current assets | | 38,173 | 41,565 |
| Total assets less current liabilities | | 38,173 | 41,565 |
| Provisions for liabilities | 10 | <u>(37)</u> | <u>(37)</u> |
| Net assets | | <u>38,136</u> | <u>41,528</u> |
| Capital & Reserves | | | |
| Called up share capital | 11 | 51,000 | 51,000 |
| Profit and loss account | 12 | <u>(12,864)</u> | <u>(9,472)</u> |
| Total shareholders' funds | 13 | <u>38,136</u> | <u>41,528</u> |

These financial statements were approved by the Board of Directors on 22/12/14 and were signed on its behalf by :-



L A Power
Director

The notes on pages 11 to 18 form part of these financial statements.

Notes to the financial statements for the year ended 30 September 2014

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year is set out below.

Basis of accounting

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

Cashflow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Related parties transactions

The company is a wholly owned subsidiary of Jacobs Engineering Company Inc., the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Jacobs Engineering Company Inc.

Where the company is party to a joint arrangement which is not an entity, its part of the income and expenditure, assets and liabilities have been included in these financial statements.

Tangible fixed assets and depreciation

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

| | | |
|-----------------------|---|-----------------|
| Leasehold buildings | - | Length of lease |
| Office Equipment | - | 5 to 10 years |
| Fixtures and fittings | - | 3 to 10 years |
| Computer equipment | - | 3 years |

Leases

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

Notes to the financial statements for the year ended 30 September 2014

1. Accounting policies (continued)

Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced, except in respect of long term contracts where turnover represents the sales value of work done in the period, including estimates in respect of amounts invoiced.

Work in Progress

Long-term work-in-progress: a long term contract is defined as the provision of a service where the supply extends into different accounting periods. Long-term contracts are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. The amount by which turnover exceeds amounts invoiced is classified as amounts recoverable on contracts and is disclosed separately within debtors. Progress payments to the extent not matched with turnover are deducted from the value of work - in-progress or, to the extent that they exceed this value, are disclosed as payments received on account. The cost of work-in-progress is stated as actual direct material and labour cost, plus attributable overheads based on the normal level of activity.

Provision is made for all foreseeable losses expected to arise up to the completion of the contracts in progress or entered into up to the balance sheet date.

Long-term contract work in progress is stated at cost plus attributable profits estimated to be earned to date based on the stage of completion, less provision for any known or anticipated losses. For any contracts where receipts exceed the value of work done, the excess is included in creditors as payments on account.

Deferred taxation

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

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Notes to the financial statements for the year ended 30 September 2014

1. Accounting policies (continued)

Financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other Companies with the group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

2. Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of value added tax.

An analysis of turnover by geographical market is given below:

| | 2014 £'000 | 2013 £'000 |
|----------------|----------------|----------------|
| United Kingdom | <u>175,350</u> | <u>163,542</u> |

3. Operating loss

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
|--|---------------|---------------|

The operating loss is stated after charging:

| | | |
|---|----------|-----------|
| Operating lease costs: | | |
| hire of buildings | 205 | 250 |
| Depreciation and amount written off tangible fixed assets : | | |
| Leased | <u>-</u> | <u>16</u> |

The auditors' remuneration in 2014 and 2013 was borne by another group company, Jacobs U.K. Limited.

4. Directors' Emoluments

No emoluments were receivable by the directors of the Company (2013 - £Nil). All directors are employed and remunerated by other Jacobs Engineering Group companies.

5. Interest payable

| | 2014 £'000 | 2013 £'000 |
|---------------------------|---------------|---------------|
| External interest payable | <u>2</u> | <u>-</u> |

Notes to the financial statements for the year ended 30 September 2014

6. Taxation

Analysis of credit in year

| | 2014 | 2013 |
|---|--------------|-------|
| | £'000 | £'000 |
| Taxation credit based on loss for the year | | |
| UK Corporation tax at 22% (2013: 23.5%) | | |

| | | |
|--|----------------|---------|
| Current tax on income for the year | (1,101) | (2,067) |
| Adjustment in respect of prior periods | (459) | (763) |
| Total current tax credit | (1,560) | (2,830) |

Deferred tax:

| | | |
|--|-----------|------|
| Current year charge | 17 | 63 |
| Adjustment in respect of prior periods | 28 | (98) |

| | | |
|--|----------------|---------|
| Tax credit on loss on ordinary activities | (1,515) | (2,865) |
|--|----------------|---------|

Factors affecting the tax credit for the current year

The current tax credit assessed for the year is higher than (2013: lower than) the standard rate of corporation tax in the UK, 22% (2013 : 23.5%). The differences are as follows:

| | 2014 | 2013 |
|---|----------------|---------|
| | £'000 | £'000 |
| Loss on ordinary activities before taxation | (4,907) | (8,787) |
| Current tax applied at 22% (2013 : 23.50%) | (1,080) | (2,065) |
| Effect of : | | |
| Capital allowances for the period in excess of depreciation | (23) | (2) |
| Expenditure not deductible for tax | 2 | - |
| Adjustment in respect of prior periods | (459) | (763) |
| Total current tax credit | (1,560) | (2,830) |

Factors affecting future tax charges

The Company has tax losses of approximately £268k (2013: £268k) on which deferred tax has not been recognised.

Notes to the financial statements for the year ended 30 September 2014

6. Taxation (continued)

Deferred tax

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| At beginning of the year | 6 | 281 |
| Transfer from / (to) fellow group undertaking | 135 | (310) |
| Prior year adjustment | (28) | 98 |
| Charge to the profit and loss for the year | (23) | (68) |
| Effect of changes in tax rate on opening liability | 6 | 5 |
| At end of the year | <u>96</u> | <u>6</u> |

The elements of deferred taxation are as follows:

| | Recognised | | Unrecognised | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | As at <u>2014</u> £000 | As at <u>2013</u> £000 | As at <u>2014</u> £000 | As at <u>2013</u> £000 |
| Difference between accumulated depreciation and capital allowances | 96 | 6 | - | - |
| Tax losses | - | - | 268 | 268 |
| | <u>96</u> | <u>6</u> | <u>268</u> | <u>268</u> |

The chancellor has announced that the main UK corporation tax rate will be reduced from the current rate of 21% which has applied from 1 April 2014, to 20% on 1 April 2015. The reduction in the corporation tax rate was included within the Finance Act that was enacted on 17 July 2013.

As the rate was substantively enacted at the balance sheet date, then deferred tax should be calculated at the hybrid rate of 22%, for timing differences reversing in the accounting period ended 30 September 2014; 20.5% for timing differences reversing in the accounting period ended 30 September 2015; and 20% for timing differences reversing in the accounting period ended 30 September 2016 onwards.

However, as the impact on the deferred tax asset of the hybrid rates of 22% and 20.5% is not material, all timing differences at the balance sheet date have been calculated at 20%.

Notes to the financial statements for the year ended 30 September 2014

7. Tangible fixed assets

| | <u>Buildings</u> <u>Leasehold</u> £'000 | <u>Fixtures &</u> <u>Fittings</u> £'000 | <u>Office &</u> <u>Computer</u> <u>Equipment</u> £'000 | <u>Total</u> £'000 |
|--|---|---|---|-----------------------|
| Cost: | | | | |
| At 1 October 2013 and 30 September 2014 | <u>98</u> | <u>4</u> | <u>1</u> | <u>103</u> |
| Depreciation: | | | | |
| At 1 October 2013 and 30 September 2014 | <u>98</u> | <u>4</u> | <u>1</u> | <u>103</u> |
| Net book value: | | | | |
| At 1 October 2013 and 30 September 2014 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

8. Debtors - Amounts falling due within one year

| | 2014 £'000 | 2013 £'000 |
|------------------------------------|---------------|---------------|
| Trade debtors | 3,202 | 4,708 |
| Amounts recoverable on contracts | 34,490 | 2,410 |
| Amounts owed by group undertakings | 10,373 | 44,528 |
| Corporation tax receivable | 4,392 | 2,867 |
| Other debtors | 175 | 290 |
| Deferred tax asset | 96 | 6 |
| VAT receivable | 213 | - |
| Prepayments and accrued income | 59 | 1,656 |
| | <u>53,000</u> | <u>56,465</u> |

9. Creditors : Amounts falling due within one year

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Amounts claimed in advance on contracts | 805 | 680 |
| Trade creditors | 9,875 | 8,905 |
| Taxation and social security | 134 | - |
| Other creditors | 75 | - |
| VAT payable | - | 114 |
| Accruals and deferred income | 9,597 | 11,030 |
| | <u>20,486</u> | <u>20,729</u> |

Notes to the financial statements for the year ended 30 September 2014

10. Provisions for liabilities

| | Warranty Provisions £'000 |
|--|--|
| At 1 October 2013 and 30 September 2014 | <u><u>37</u></u> |

Warranty provisions are created where the company has a legal or constructive obligation to cover the reliability and performance of products over an extended period. Provisions are based on an assessment of future claims on completed contracts, with reference to past experience.

11. Called up share capital

| | 2014 £'000 | 2013 £'000 |
|--|-----------------------|-----------------------|
| Authorised: | | |
| 51,000,000 ordinary shares of £1 each | <u><u>51,000</u></u> | <u><u>51,000</u></u> |
| Allotted, called up and fully paid: | | |
| 51,000,000 ordinary shares of £1 each | <u><u>51,000</u></u> | <u><u>51,000</u></u> |
| Shares classified in shareholders' funds | <u><u>51,000</u></u> | <u><u>51,000</u></u> |

12. Reserves

| | Profit and Loss Account £'000 |
|-----------------------------|--|
| At 1 October 2013 | (9,472) |
| Retained loss for the year | <u>(3,392)</u> |
| At 30 September 2014 | <u><u>(12,864)</u></u> |

13. Reconciliation of movements in shareholders' funds

| | 2014 £'000 | 2013 £'000 |
|---|-----------------------|-----------------------|
| Opening shareholders' funds | 41,528 | 47,450 |
| Loss for the financial year and net reduction to shareholders' funds | <u>(3,392)</u> | <u>(5,922)</u> |
| Closing shareholders' funds | <u><u>38,136</u></u> | <u><u>41,528</u></u> |

Notes to the financial statements for the year ended 30 September 2014

14. Guarantees and contingent liabilities

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

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

Under a group registration, the Company is jointly and severally liable for value added tax due by some other group undertakings. At 30 September 2014 this contingent liability amounted to £10,124,639 (30 September 2013: £8,430,745).

Performance bonds totalling £1,781,657 (30 September 2013: £4,241,966) have been given in respect of the due performance of contracts.

15. Lease commitments

Annual commitments under non - cancellable operating leases are as follows:

| | 2014 £'000 | 2013 £'000 |
|-----------------------------|---------------|---------------|
| Expiry date within one year | <u>18</u> | <u>84</u> |

Operating leases are in respect of land and buildings

16. Ultimate parent company

At the year end the Company's immediate parent company was Jacobs Process Limited.

The largest group in which the results of the Company are consolidated for the year ended 30 September 2014 is that headed by Jacobs Engineering Group Inc., incorporated in the State of Delaware, USA. The smallest group in which they are consolidated is that headed by Jacobs U.K. Limited.

Group financial statements can be obtained from Jacobs Engineering Group Inc., 155 North Lake Avenue, PO Box 7084, Pasadena, CA 91101-7084, U.S.A.