

**CH2M HILL IDC (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**REGISTERED NUMBER: SC158615**

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**CH2M HILL IDC (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**CH2M HILL IDC (UK) LIMITED**  
**DIRECTOR'S REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

The director presents his report on the affairs of the company, together with the audited financial statements for the year ended 31 December 2017.

**1 Principal activity**

The principal activity of the company is the provision of consulting engineering services to private industrial clients.

**2 Results**

The company has no ongoing projects having completed all previous projects in prior years. During the year, the company worked on projects on behalf of fellow group companies and the revenue reported in these financial statements is for professional services provided. On 1 February 2017 the company's employees were transferred to a fellow group company and the company ceased receiving revenue. It is the director's intention to wind the company up in the near future. The company made a loss after taxation of £52,561 in the year (2016: loss of £879,033).

The director is unable to recommend a dividend payment in respect of the year ended 31 December 2017 (2016: Nil)

**3 Share capital**

The ordinary share capital of the company at 31 December 2017 was held beneficially as follows:

CH2M Hill Engineers Inc	270,000 ordinary shares (100%)
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**4 Directors**

The following served on the board of directors during the period under review and to the current date:

P McRoberts

**5 Going Concern**

In February 2017, the company's employees were transferred to a fellow group company and the company ceased receiving revenue.

It is the intention of the director to wind the company up in the near future. The director does not therefore consider it appropriate to prepare the financial statements on a going concern basis and the financial statements have been prepared on a break-up basis.

**6 Break up basis of preparation**

The financial statements have been prepared on a break-up basis reflecting the intention of the directors to wind the company up. The directors have considered the requirement to reduce the book value of the company's assets to their estimated realisable amounts and to provide for any further liabilities which will arise and to reclassify fixed assets as current assets. No adjustments have been made as a result of preparing the financial statements on a break up basis. All losses and liabilities have been recognised and presented at recoverable value. Any additional winding up costs incurred will be covered by fellow group undertakings.

**CH2M HILL IDC (UK) LIMITED**  
**DIRECTOR'S REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
(continued)

**7 Auditor**

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

- so far as the director is aware, there is no relevant audit information of which the company auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

KPMG LLP resigned as auditors during the year and were replaced by Ernst & Young LLP. At the next General Meeting, it will be proposed that Ernst & Young LLP are appointed auditors in accordance with Section 485 of the Companies Act 2006.

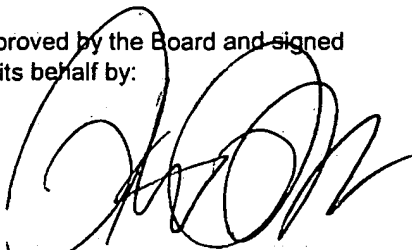
**8 Merger**

On December 15th 2017 Jacobs Engineering Group, Inc. ("Jacobs") acquired all of the outstanding shares of the former ultimate parent CH2M HILL Companies, Ltd ("CH2M HILL"). Jacobs is an international technical professional services company which is listed on the New York Stock Exchange (NYSE).

**9 Small Companies' Exemption**

The Directors have taken the advantage of the small companies' exemption available under the Companies Act 2006 S. 414B in not preparing a Strategic Report.

Approved by the Board and signed  
on its behalf by:



P McRoberts  
Director  
27 September 2018

Registered office:  
4th Floor  
115 George Street  
Edinburgh EH2 4JN  
United Kingdom

Registered Number:  
SC158615

**CH2M HILL IDC (UK) LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS'**  
**REPORT AND THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

The director is responsible for preparing 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. As explained in note 1 (a), the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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**  
**CH2M HILL IDC (UK) LIMITED**

**Adverse Opinion**

We have audited the Financial Statements of CH2M HILL IDC (UK) Limited for the year ended 31 December 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 12, 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). As disclosed in note 1, the accounts have been prepared on a break-up basis.

In our opinion, because of the significance of the matter described (below) in the 'basis for adverse opinion on financial statements' paragraph, the financial statements:

- do not give a true and fair view of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have not been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have not been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for adverse opinion**

As explained more fully in note 1 to the financial statements, the company has not prepared a cashflow statement, or a related party disclosure note as required by the Companies Act 2006 and FRS 102. Following the acquisition by Jacobs Engineering Group, Inc in December 2017, the company was unable to take its usual exemption from the requirement to prepare a statement of cashflows and related party notes. As these are material and pervasive departures from the Companies Act 2006 and FRS 102, in our opinion, the financial statements have not been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the requirements of the Companies Act 2006. Had a cash flow statement and related party notes been prepared, many elements in the accompanying financial statements would have been materially affected. These effects on the financial statements of the failure to prepare these disclosures have not been determined.

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.

**Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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**

Notwithstanding our adverse opinion on the financial statements, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- we have not received all the information and explanations we require for our audit.
- the Director was not entitled to take the advantage of the small companies' exemption in not preparing the Strategic Report.

### Responsibilities of directors

As explained more fully in the director's responsibilities statement set out on page 3, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

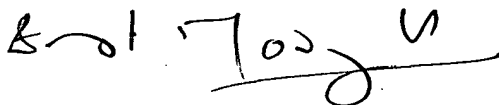
### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

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



Signature  
Adrian Mulea (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
London

Date: 28 SEPTEMBER 2018

**CH2M HILL IDC (UK) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	<u>2017</u> £	<u>2016</u> £
<b>Turnover</b>	2	230,487	1,918,759
Cost of sales		<u>(127,348)</u>	<u>(1,306,813)</u>
Gross profit		103,139	611,946
Administrative expenses		<u>162,492</u>	<u>(1,321,619)</u>
<b>Operating Loss</b>	3	265,631	(709,673)
Interest payable and similar charges	4	<u>(314,407)</u>	<u>(169,360)</u>
<b>Loss on ordinary activities before taxation</b>		(48,776)	(879,033)
Tax on loss on ordinary activities	7	<u>-</u>	<u>-</u>
<b>Loss for the financial year</b>		<u><u>(48,776)</u></u>	<u><u>(879,033)</u></u>

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

Notes on pages 8 to 14 form part of these financial statements.

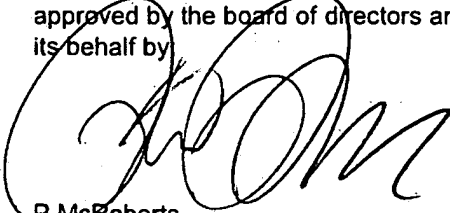


**CH2M HILL IDC (UK) LIMITED**  
**BALANCE SHEET AT 31 DECEMBER 2017**

	Notes	<u>2017</u> £	<u>2016</u> £
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	2,347,857	3,215,368
Cash at bank and in hand		<u>30,894</u>	<u>19,310</u>
		2,378,751	3,234,678
Creditors: amounts falling due within one year	9	<u>(11,036,517)</u>	<u>(11,839,883)</u>
<b>Net current liabilities</b>		<u>(8,657,766)</u>	<u>(8,605,205)</u>
<b>Net liabilities</b>		<u>(8,657,766)</u>	<u>(8,605,205)</u>
<b>Capital and reserves</b>			
Called up share capital	11	270,000	270,000
Capital contribution reserve		-	3,785
Profit and loss account		<u>(8,927,766)</u>	<u>(8,878,990)</u>
<b>Shareholder's deficit</b>		<u>(8,657,766)</u>	<u>(8,605,205)</u>

Notes on pages 8 to 14 form part of these financial statements.

The Financial Statements for CH2M HILL IDC (UK) Limited, registered number SC158615, were approved by the board of directors and authorised for issue on 27 September 2018. They were signed on its behalf by



P McRoberts  
 Director

**CH2M HILL IDC (UK) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2017**

	Called up share capital	Capital contribution	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 January 2016	270,000	39,705	(7,999,957)	(7,690,252)
Loss for the period	-	-	(879,033)	(879,033)
Total comprehensive income for the year	-	-	(879,033)	(879,033)
<b>Transactions with owners, recorded directly in equity</b>				
Equity-settled share based payment transactions	-	(35,920)	-	(35,920)
Total contributions by and distributions to owners	-	(35,920)	-	(35,920)
Balance at 31 December 2016	270,000	3,785	(8,878,990)	(8,605,205)
Balance at 1 January 2017	270,000	3,785	(8,878,990)	(8,605,205)
Loss for the period	-	-	(48,776)	(48,776)
Total comprehensive income for the year	-	-	(48,776)	(48,776)
<b>Transactions with owners, recorded directly in equity</b>				
Issue of shares	-	-	-	-
Equity-settled share based payment transactions	-	(3,785)	-	(3,785)
Dividends	-	-	-	-
Total contributions by and distributions to owners	-	(3,785)	-	(3,785)
Balance at 31 December 2017	270,000	0	(8,927,766)	(8,657,766)

Notes on pages 8 to 14 form part of these financial statements.

**CH2M HILL IDC (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1 PRINCIPAL ACCOUNTING POLICIES**

**Basis of accounting**

CH2M Hill IDC (UK) Limited is a company limited by shares and incorporated and domiciled in the UK.

The financial statements have been prepared on a break-up basis reflecting the intention of the director to wind the company up and in accordance with Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS102"). The director has considered the requirement to reduce the book value of the company's assets to their estimated realisable amount and to provide for any further liabilities which will arise and to reclassify fixed assets as current assets. No adjustments have been made as a result of preparing the financial statements on a break up basis.

**Measurement Convention and Going Concern**

The company has no ongoing projects having completed all projects in prior years. In February 2017, the company's employees were transferred to a fellow group company and the company ceased receiving revenue. It is the intention of the director to wind the company up in the near future. On the basis the company will be wound up, the director does not consider it appropriate to prepare the financial statements on a going concern basis and consequently the financial statements have been prepared on a break-up basis.

Historically, the results of CH2M Hill IDC (UK) Limited ("the company") and its subsidiary undertakings have been included within the consolidated Financial Statements of CH2M Hill Companies Limited, which until 15 December 2017, was the ultimate parent company, incorporated in the USA. As a result, CH2M Hill IDC (UK) was exempt from the requirement to prepare consolidated Financial Statements as permitted under s401 of the Companies Act.

On 15 December 2017, the acquisition of the CH2M group by Jacobs Engineering Group, Inc was declared unconditional, making this entity the company's ultimate parent undertaking from this date. As a result of this acquisition, CH2M Hill Companies Limited was not required to, and did not prepare and make available to the public audited, consolidated Financial Statements for the financial year ended 31 December 2017. As a consequence however, CH2M Hill Europe Limited is no longer exempt from the requirement of The Companies Act 2006 and FRS 102 to prepare consolidated Financial Statements for the year ended 31 December 2017.

In addition, the Director is not entitled to avail a number of disclosure exemptions previously available, including those relating to the preparation of a cash flow statement and related party transactions. In the opinion of the director, these disclosure requirements are only likely to apply for the year ended 31 December 2017 as the company will be included in the consolidated financial results of Jacobs Engineering Group, Inc for the accounting period ending 30 September 2018 onwards and thus entitled to take the relevant exemptions.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the director, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

**(a) Measurement convention and going concern**

It is the intention of the director to wind-up the affairs of the company in the near future. The director does not consider it appropriate, therefore, to prepare the Financial Statements on a going concern basis and they have thus been prepared on a break-up basis.

The Financial Statements have been prepared on a break-up basis reflecting the intention of the director to wind-up the company's affairs. The director has considered the requirement to reduce the book value of the company's assets to their estimated realisable amounts and to provide for any further liabilities which will arise and to reclassify fixed assets as current assets. No adjustments have been necessary to the carrying values of assets and liabilities as a result of preparing the Financial Statements on a break-up basis. All assets and liabilities are presented as current assets and liabilities.

**(b) 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 director, there are no critical estimates or judgements, which have a material impact on the Financial Statements other than in respect of 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.

**(c) Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Gains or losses on translation are included in the profit and loss account.

**CH2M HILL IDC (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

(continued)

**1 PRINCIPAL ACCOUNTING POLICIES (continued)**

(d) 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.

(e) 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.

(f) Employee benefits

*Defined contribution plans and other long term employee benefits*

The main plan is the CH2M HILL 2013 Group Personal Pension Plan

A defined contribution plan is a post employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees. The company ceased making contributions when these employees were transferred to a fellow Group company.

**CH2M HILL IDC (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

(continued)

**1 PRINCIPAL ACCOUNTING POLICIES (continued)**

*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.

**(g) 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 value of work performed to date as a proportion of the estimated total contract value.

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, 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.

**(h) Expenses**

*Interest payable*

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

Interest payable is recognised in profit or loss on an accruals basis.

**(i) Taxation**

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

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

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

**CH2M HILL IDC (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

(continued)

**2 TURNOVER**

The director considers there to be one class of business, being consulting engineers, with turnover deriving from the principal activity of the company. The geographical analysis of turnover is set out below:

	<u>2017</u>	<u>2016</u>
	£	£
United Kingdom	<u>230,487</u>	<u>1,918,759</u>

**3 OPERATING PROFIT/(LOSS)**

	<u>2017</u>	<u>2016</u>
	£	£
Operating Profit/(Loss) is stated after charging:		
Auditor's remuneration for audit of the financial statements	-	7,000
Exchange losses	-	89,781
	<u>-</u>	<u>96,781</u>

There were no fees paid to the auditor for non-audit services (2016: £nil). 2016 amounts relate to KPMG LLP.

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	<u>2017</u>	<u>2016</u>
	£	£
Interest payable on:		
Loans from related parties	314,407	169,429
Other	-	(68)
	<u>314,407</u>	<u>169,360</u>

**5 EMPLOYEE INFORMATION**

	<u>2017</u>	<u>2016</u>
	Number	Number
(a) The average number of persons employed by the company during the year was:		
Production	-	16
Administration	-	3
	<u>-</u>	<u>19</u>
(b) Staff costs during the year were:		
Wages and salaries	139,450	1,371,125
Social security costs	12,441	160,793
Contributions to defined contribution plans	8,924	110,835
Cost of employee share schemes	(3,785)	(35,920)
	<u>157,030</u>	<u>1,606,833</u>

Staff were paid for one month of the year and then transferred to a fellow group company.

**CH2M HILL IDC (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
(continued)

<b>6 DIRECTORS' EMOLUMENTS</b>	<u>2017</u>	<u>2016</u>
	£	£
The directors' remuneration and the remuneration of the highest paid director are as follows:		
Aggregate emoluments	-	152,972
Contributions to defined contribution plans	-	34,533
	<u>-</u>	<u>187,505</u>

All directors who served during the year were employed and paid by related undertakings.  
No directors exercised share options during the year (2016: One).

<b>7 TAX ON LOSS ON ORDINARY ACTIVITIES</b>	<u>2017</u>	<u>2016</u>
	£	£
Current tax	-	-
Deferred tax	-	-
Total tax charge for the year	<u>-</u>	<u>-</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19.25% (2016: 20%). 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>2017</u>	<u>2016</u>
	£	£
Loss on activities before tax	<u>(48,776)</u>	<u>(879,033)</u>
Tax on loss on ordinary activities at standard rate	(9,389)	(175,807)
Factors affecting charge for the year:	-	-
Expenses not deductible for tax purposes	-	(6,037)
Temporary differences on which no deferred tax has been provided for	-	181,844
Group relief surrendered for nil payment	<u>9,389</u>	<u>-</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the Company's future current tax charge accordingly.

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**8 DEBTORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>2017</u>	<u>2016</u>
	£	£
Amounts owed by group undertakings	2,347,858	3,201,156
Prepayments and accrued income	-	14,212
	<u>2,347,858</u>	<u>3,215,368</u>

Amounts owed by Group Undertakings are unsecured, non-interest bearing and repayable on demand.

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

	<u>2017</u>	<u>2016</u>
	£	£
Trade creditors	-	6,274
Amounts owed to group undertakings	11,024,398	11,733,871
Other creditors	12,119	64,650
Accruals and deferred income	-	35,088
	<u>11,036,517</u>	<u>11,839,883</u>

**10 PENSIONS AND SIMILAR OBLIGATIONS**

The company operated the CH2M HILL 2013 Group Personal Pension Plan, a defined contribution arrangement, for eligible employees. The assets of the scheme are held separately from those of the company and are invested by independent investment managers.

During the year ended 31 December 2017, contributions by the company of £8,924 were made to the Plan (2016: £110,835).

**11 SHARE CAPITAL**

	<u>2016</u>	<u>2015</u>
	£	£
Allotted, called up and fully paid:		
270,000 (2016: 270,000) ordinary shares of £1 each	<u>270,000</u>	<u>270,000</u>

No ordinary shares of £1 each were issued during the year.



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**12 ULTIMATE PARENT UNDERTAKING**

The intermediate parent undertaking is CH2M Hill Companies Ltd, a company incorporated in the United States of America. On 15 December 2017, the acquisition of the CH2M group by Jacobs Engineering Group, Inc was declared unconditional, making this entity the company's ultimate parent undertaking from this date.

As explained more fully in Note 1 to the Financial Statements, the results of the Company are not included in the consolidated financial statements of any other group undertaking for the year ended 31 December 2017.