

Registered number: 03620676

AECOM Design Build (Holdings) Limited

Report and Financial Statements

29 September 2023

AECOM Design Build (Holdings) Limited

Company Information

| | |
|--------------------------|---|
| Directors | DJ Price JL Lang |
| Secretary | B Taiwo |
| Auditor | Ernst & Young LLP 1 More London Place London SE1 2AF |
| Registered office | Aldgate Tower 2 Leman Street London United Kingdom E1 8FA |
| Bankers | Bank Of America 2 King Edward Street London EC1A 1HQL |

AECOM Design Build (Holdings) Limited

Directors' Report

For the year ended 29 September 2023

Registered No: 03620676

The Directors present their report for the year ended 29 September 2023.

The prior period of 12 months commenced on 2 October 2021 and ceased on 30 September 2022. The current period of 12 months commenced on 1 October 2022 and ceased on 29 September 2023.

Results and dividends

The loss for the year after taxation amounted to £3,187,000 (2022: loss of £1,639,000). The Directors are unable to recommend the payment of a dividend (2022: £nil).

Principal activity

The Company's principal activity in the year under review was that of a holding company and the Company will continue to act in this capacity for the foreseeable future. The Company is a subsidiary of AECOM. AECOM is a leading global provider of professional infrastructure consulting services for governments, businesses and organizations throughout the world. We provide advisory, planning, consulting, architectural and engineering design, construction and program management related services, and investment and development services to commercial and government clients worldwide in major end markets such as transportation, facilities, environmental, water and new energy.

Financial instruments

The Company finances its activities through a combination of reinvestment of profits and, where necessary, borrowings provided by fellow group undertakings. Financial instruments such as trade debtors and trade creditors arise directly from the Company's operating activities. Any risks associated with financial instruments are managed and reviewed at an AECOM group level.

Future developments

The Company has continued and will continue to manage its subsidiary in accordance with wider group objectives.

The Directors anticipate that the year ahead will continue to provide opportunities to grow and strengthen the AECOM group's business. In common with 2023, growth is expected to continue to arise through a combination of local and overseas opportunities, winning and executing larger projects in partnership and collaboration with the wider AECOM group. The Directors remain committed to driving down costs and improving efficiency generally across the business.

AECOM Design Build (Holdings) Limited

Directors' Report (continued)

For the year ended 29 September 2023

Principal risks and uncertainties

Being a holding company the principal risks and uncertainties facing the Company relate to the impact of any economic, political and social risks that may impact on the ability of its subsidiaries, fellow group undertakings and related parties to remit dividends and repay debt in the future. These risks are monitored by management in conjunction with the Directors as part of the wider group risk management activities. Steps, such as direct management of subsidiaries, are taken to mitigate risk when deemed appropriate.

The Directors have agreed that there is low credit risk associated with the recoverability of amounts owed by group undertakings.

Directors of the Company

The Directors, who held office during the year and up to the date of this report, were as follows:

DJ Price

JL Lang

No Director has any interest in the shares of the Company or other interests that require disclosure under the Companies Act 2006.

Directors' indemnity insurance is in place for all Directors, subject to the conditions set out in section 234 of the Companies Act 2006. Such indemnity insurance remains in force as at the date of approving the Directors' report.

Going concern

The Company has net current liabilities of £51,180,000 and net liabilities of £51,179,000. When performing the going concern assessment from the date of approval of the Company's financial statements through to May 21, 2025 (the 'Going Concern period'), the Board has assessed whether the Company will be able to meet its liabilities as and when they fall due.

The Board assessed the continuing impact of the economic factors (including climate related matters) affecting the UK economy through review of the Company's budgets and forecasts. The review has considered the Company's operational cash flow performance, as well as the cash flow requirements of the Company throughout the Going Concern period.

The Board has obtained a written confirmation of financial support from its ultimate parent undertaking, that it will assist the Company in meeting their liabilities as and when they fall due, for the period through to May 21, 2025, 12 months from the date of approval of the Company's financial statements.

After making enquiries and considering the above points, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the going concern period. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

AECOM Design Build (Holdings) Limited

Directors' Report (continued)

For the year ended 29 September 2023

Small companies' exemption


This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006. The Company has also taken advantage of the small companies' exemption from the requirement to prepare a strategic report.

Disclosure of information to the auditor

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 the Company's auditor, each of these Directors confirms that:

- So far as each person who was a Director at the date of approving this report is aware, there is no information (that is information needed by the Company's auditor in connection with preparing their report) of which the Company's auditor is unaware; and
- Each Director has taken all the steps that they are obliged 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.

On behalf of the Board



.....
JL Lang
Director

21 May 2024

AECOM Design Build (Holdings) Limited

Statement of Directors' Responsibilities

For the year ended 29 September 2023

The Directors are 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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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 Auditor's Report to the Members of AECOM Design Build (Holdings) Limited

Opinion

We have audited the financial statements of AECOM Design Build (Holdings) Limited for the year ended 29 September 2023, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 13, 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 101 'Reduced Disclosure Framework' (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 29 September 2023 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. 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 the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue and up to 21 May 2025.

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

Other information

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of AECOM Design Build (Holdings) Limited (continued)

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' 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 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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

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 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.

Independent Auditor's Report to the Members of AECOM Design Build (Holdings) Limited (continued)

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.

Our approach was as follows:

- 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, Companies Act 2006, Bribery Act 2010, laws and regulations relating to health and safety and employee matters and relevant tax compliance regulations in the jurisdictions in which the Company operates.
- We understood how AECOM Design Build (Holdings) Limited is complying with those frameworks by enquiry with management, and by identifying the policies and procedures regarding compliance with laws and regulations. We corroborated our enquiries through our review of board minutes, compliance issues reported through a whistleblowing hotline, if any, and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by enquiry with management (including legal) and those charged with governance to understand where they considered there was susceptibility of fraud. As part of this, we understood the performance targets of management. We also considered the risk of management override.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing manual journals and other journals identified by specific risk criteria, review of board minutes and any legal correspondence, enquiries with external legal counsel, senior management and where applicable, those charged with governance and obtaining written representations from the Directors of the Company.

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.

DocuSigned by:

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Oxana Dorrington (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 21 May 2024

AECOM Design Build (Holdings) Limited

Profit and Loss Account For the year ended 29 September 2023

| | Notes | 2023 £ 000 | 2022 £ 000 |
|---|-------|-----------------------|-----------------------|
| Administrative expenses | | <u>(1)</u> | <u>(1)</u> |
| <i>Operating loss</i> | | (1) | (1) |
| Interest payable and similar charges | 6 | <u>(3,186)</u> | <u>(1,638)</u> |
| <i>Loss on ordinary activities before taxation</i> | | (3,187) | (1,639) |
| Tax income/ (expenses) on profit/ (loss) on ordinary activities | 7 | <u>-</u> | <u>-</u> |
| <i>Loss for the financial year</i> | | <u>(3,187)</u> | <u>(1,639)</u> |

All amounts relate to continuing operations.

The Company has no other recognised Comprehensive Income and therefore no separate Statement of Comprehensive Income has been presented. Total Comprehensive Income for the financial year was a loss of £3,187,000 (2022: loss of £1,639,000).

AECOM Design Build (Holdings) Limited

Statement of Changes in Equity For the year ended 29 September 2023

| | Share capital £ 000 | Share premium £ 000 | Retained earnings £ 000 | Total equity £ 000 |
|---|------------------------|---------------------------|-------------------------------|-----------------------|
| At 2 October 2021 | 18,505 | 2,843 | (67,701) | (46,353) |
| Total comprehensive income for the year | - | - | (1,639) | (1,639) |
| At 30 September 2022 | <u>18,505</u> | <u>2,843</u> | <u>(69,340)</u> | <u>(47,992)</u> |
| | Share capital £ 000 | Share premium £ 000 | Retained earnings £ 000 | Total equity £ 000 |
| At 1 October 2022 | 18,505 | 2,843 | (69,340) | (47,992) |
| Total comprehensive income for the year | - | - | (3,187) | (3,187) |
| At 29 September 2023 | <u>18,505</u> | <u>2,843</u> | <u>(72,527)</u> | <u>(51,179)</u> |

The notes on pages 12 to 21 form an integral part of these financial statements.

AECOM Design Build (Holdings) Limited


Balance Sheet

At 29 September 2023

| | Notes | 29 September 2023 £ 000 | 30 September 2022 £ 000 |
|--|-------|-------------------------------|-------------------------------|
| Fixed assets | | | |
| Investments | 8 | <u>1</u> | <u>1</u> |
| | | - | - |
| Creditors: amounts falling due within one year | 9 | <u>(51,180)</u> | <u>(11)</u> |
| Net current liabilities | | <u>(51,180)</u> | <u>(11)</u> |
| Total assets less current liabilities | | <u>(51,179)</u> | <u>(10)</u> |
| Creditors: amounts falling due after more than one year | 10 | <u>-</u> | <u>(47,982)</u> |
| Net liabilities | | <u>(51,179)</u> | <u>(47,992)</u> |
| Capital and reserves | | | |
| Share capital | 11 | 18,505 | 18,505 |
| Share premium account | | 2,843 | 2,843 |
| Accumulated losses | | <u>(72,527)</u> | <u>(69,340)</u> |
| Total equity | | <u>(51,179)</u> | <u>(47,992)</u> |

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the Board on 21 May 2024 and signed on its behalf by:


.....

JL Lang

Director

The notes on pages 12 to 21 form an integral part of these financial statements.

AECOM Design Build (Holdings) Limited

Notes to the Financial Statements

At 29 September 2023

1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of AECOM Design Build (Holdings) Limited (the Company) for the year ended 29 September 2023 were authorised for issue by the Board on 21 May 2024 and the Balance Sheet was signed on the Board's behalf by JL Lang. The Company is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice), and in accordance with accounting standards applicable to companies subject to the small companies' regime.

The Company's financial statements are presented in Sterling (£), which is also the Company's functional currency, and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Company has taken advantage of the exemption under s401 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of AECOM, a Company incorporated in the USA. Therefore, the financial statements present information about the Company as an individual undertaking and not about its group.

The results of the Company are included in the consolidated financial statements of AECOM which are available from 13355 Noel Road, Suite 400, Dallas, Texas, 75240, United States of America. This is the smallest and largest group of which the Company is a member and for which consolidated financial statements are prepared.

The principal accounting policies adopted by the Company are set out in note 3.

2 Judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The following estimates have had the most significant impact on amounts recognised in the financial statements:

2.1 Estimates

(a) Investments

The Company has non-current assets in the form of investments in subsidiaries. The Company determines on an annual basis whether there are any conditions, either internal or external to the Company, that may indicate that the carrying value of any those assets is impaired and whether a full impairment exercise is required to be carried out.

Where indications of impairment exist, the carrying value of certain investments is supported by models used to calculate the value in use of the underlying businesses. These models have a range of inputs including revenue growth and discount rates which are subject to significant uncertainty.

AECOM Design Build (Holdings) Limited

Notes to the Financial Statements At 29 September 2023 (continued)

3 Significant accounting policies

3.1 Basis of preparation

These financial statements were prepared in accordance with FRS 101 and under historical cost accounting rules for all years presented, unless otherwise stated.

The accounts have been prepared on a going concern basis (see note 3.4 for further details).

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 29 September 2023.

3.2 Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- i. The requirements of IFRS 7 Financial Instruments: Disclosures;
- ii. The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- iii. The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- iv. The requirements of paragraphs 10(d), 16, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- v. The requirements of IAS 7 Statement of Cash Flows;
- vi. The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- vii. The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- viii. The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is a wholly owned by such a member; and
- ix. The requirements of paragraphs 130(f)(ii) and 130(f)(iii) of IAS 36 Impairment of Assets.

AECOM Design Build (Holdings) Limited

Notes to the Financial Statements At 29 September 2023 (continued)

3 Significant accounting policies (continued)

3.3 New standards, amendments and IFRIC interpretations

There are no accounting standards, amendments or IFRIC interpretations that are effective for the year ended 29 September 2023 which have had a material impact on the Company.

3.4 Going concern

The Company has net current liabilities of £51,180,000 and net liabilities of £51,179,000. When performing the going concern assessment from the date of approval of the Company's financial statements through to May 21, 2025 (the 'Going Concern period'), the Board has assessed whether the Company will be able to meet its liabilities as and when they fall due.

The Board assessed the continuing impact of the economic factors (including climate related matters) affecting the UK economy through review of the Company's budgets and forecasts. The review has considered the Company's operational cash flow performance, as well as the cash flow requirements of the Company throughout the Going Concern period.

The Board has obtained a written confirmation of financial support from its ultimate parent undertaking, that it will assist the Company in meeting their liabilities as and when they fall due, for the period through to May 21, 2025, 12 months from the date of approval of the Company's financial statements.

After making enquiries and considering the above points, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the going concern period. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

3.5 Other income and expenses

(a) Interest payable

Interest income and expense is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

3.6 Investments

Investments in subsidiaries are carried at historical cost less accumulated impairment losses, where applicable.

The carrying values of investments are reviewed for impairment in periods when events or changes in circumstances indicate the carrying value may not be recoverable.

AECOM Design Build (Holdings) Limited

Notes to the Financial Statements At 29 September 2023 (continued)

3 Significant accounting policies (continued)

3.7 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the existence and extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the profit and loss account.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of the recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment losses been recognised for the asset or cash-generating unit in the prior years. A reversal of impairment loss is recognised immediately in the profit and loss account.

3.8 Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply when the related asset or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited to equity if it relates to items that are charged or credited direct to equity. Otherwise income tax is recognised in the profit and loss account.

AECOM Design Build (Holdings) Limited

Notes to the Financial Statements At 29 September 2023 (continued)

3 Significant accounting policies (continued)

3.9 Financial instruments

(a) Financial liabilities

Recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost. The Company recognises financial liabilities in the balance sheet when, and only when, it becomes party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

The Company's financial liabilities include amounts owed to group undertakings. All financial liabilities are recognised initially at fair value, plus directly attributable transaction costs, then subsequently measured at amortised cost using the effective interest method.

Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(b) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4 Auditors' remuneration

Auditors' remuneration for the audit of the financial statements of the Company of £6,000 (2022: £6,000) has been borne by a fellow group undertaking in the year.

There were no fees paid (2022: £nil) in relation to non-audit services for tax compliance.

5 Staff costs and Directors' remuneration

The Company has no employees (2022: no employees).

Directors' remuneration is borne by other companies within the AECOM group and not specifically recharged. The Directors do not consider it is practicable to allocate remuneration received between qualifying services provided to the Company and other services provided to the AECOM group of companies.

AECOM Design Build (Holdings) Limited

Notes to the Financial Statements At 29 September 2023 (continued)

6 Interest payable and similar expenses

| | 2023 £ 000 | 2022 £ 000 |
|--|---------------|---------------|
| Interest payable to group undertakings | <u>3,186</u> | <u>1,638</u> |

7 Taxation

(a) Tax charged or credited in the profit and loss account

The tax charge/ (credit) is made up as follows:

| | 2023 £ 000 | 2022 £ 000 |
|--|---------------|---------------|
| <i>Current income tax:</i> | | |
| UK corporation tax | <u>-</u> | <u>-</u> |
| Total current income tax | <u>-</u> | <u>-</u> |
| <i>Deferred tax:</i> | | |
| Origination and reversal of temporary differences | - | - |
| Amounts underprovided/ (overprovided) in previous years | - | - |
| Impact of change in tax laws and rates | <u>-</u> | <u>-</u> |
| Total deferred tax | <u>-</u> | <u>-</u> |
| <i>Tax expense/ (income) in the profit and loss account</i> | <u>-</u> | <u>-</u> |

AECOM Design Build (Holdings) Limited

Notes to the Financial Statements At 29 September 2023 (continued)

7 Taxation (continued)

(b) Reconciliation of the total tax charge/ (credit)

The tax on the loss for the year differs from the standard rate of corporation tax in the UK (2023: 19% for the period from 1 October 2022 to 31 March 2023 and 25% for the period from 1 April 2023 to 29 September 2023, and 2022: 19%). The differences are explained below:

| | 2023 £ 000 | 2022 £ 000 |
|--|---------------|---------------|
| Loss from continuing activities before tax | (3,187) | (1,639) |
| Loss multiplied by standard rate of corporation tax in the UK (2023: blended rate of 22%, and 2022: 19%) | (701) | (311) |
| <i>Effects of:</i> | | |
| Effect of group relief received for nil payment | 701 | 311 |
| Total tax expense/ (income) reported in the profit and loss account | - | - |

Deferred tax assets not recognised amounts to £477,000 (2022: £477,000). These assets do not have an expiry date, and relate to carried forward losses and interest expense.

(c) Factors affecting future tax charges

The UK corporation tax rate increased to 25%, from 19%, on 1 April 2023. This change is reflected in these financial statements.

AECOM Design Build (Holdings) Limited

Notes to the Financial Statements At 29 September 2023 (continued)

8 Investments

All investments are in unlisted entities.

(a) Subsidiaries

| | £ 000 |
|----------------------------------|--------|
| Cost: | |
| At 30 September 2022 | 54,307 |
| At 29 September 2023 | 54,307 |
| Provision for impairment: | |
| At 30 September 2022 | 54,306 |
| At 29 September 2023 | 54,306 |
| Net book value: | |
| At 29 September 2023 | 1 |
| At 30 September 2022 | 1 |

Details of the subsidiaries held as at 29 September 2023 are as follows:

| Name of subsidiary | Principal activity | Registered address | Proportion of ownership interest and voting rights held | |
|----------------------------|--|---|---|------|
| | | | 2023 | 2022 |
| AECOM Design Build Limited | Agency services for legacy water and wastewater services | Aldgate Tower, 2 Lemman Street, London, E1 8FA United Kingdom | 100% | 100% |

The carrying value of certain investments have been written down, based on either the net asset value or the value in use of the underlying businesses where the Directors believe appropriate, based on their knowledge of the global group's future plans. The Directors believe that the carrying values of investments at 29 September 2023 are supported by their underlying net assets, or value in use.

AECOM Design Build (Holdings) Limited

Notes to the Financial Statements At 29 September 2023 (continued)

9 Creditors: amounts falling due within one year

| | 29 September 2023 £ 000 | 30 September 2022 £ 000 |
|------------------------------------|-------------------------------|-------------------------------|
| Amounts owed to group undertakings | 51,180 | 11 |
| | <u>51,180</u> | <u>11</u> |

Certain amounts owed to group undertakings are unsecured, have no fixed date of repayment, are repayable on demand and bear interest at rates based on a benchmark plus a margin. Other amounts owed to group undertakings are unsecured, have a fixed repayment date and bear interest at rates based on a benchmark plus a margin. During the year a loan has been reclassified from Creditors: amounts falling due after more than one year because it is due to mature in August 2024.

Amounts owed to group undertakings above represent balances owed to fellow AECOM entities that are wholly owned subsidiaries of the ultimate parent undertaking.

10 Creditors: amounts falling due after more than one year

| | 29 September 2023 £ 000 | 30 September 2022 £ 000 |
|------------------------------------|-------------------------------|-------------------------------|
| Amounts owed to group undertakings | - | 47,982 |
| | <u>-</u> | <u>47,982</u> |

Amounts owed to group undertakings are unsecured, have a fixed repayment date and bear interest at rates based on a benchmark plus a margin. The loan was reclassified to Creditors: amounts falling due within one year in the year as it is due to mature in August 2024.

Amounts owed to group undertakings above represent balances owed to fellow AECOM entities that are wholly owned subsidiaries of the ultimate parent undertaking.

11 Share capital

| | 2023 | | 2022 | |
|---|-------------------|---------------|-------------------|---------------|
| | No. | £ 000 | No. | £ 000 |
| <i>Allotted, called up and fully paid</i> | | | | |
| Ordinary shares of £1 each | <u>18,505,002</u> | <u>18,505</u> | <u>18,505,002</u> | <u>18,505</u> |

AECOM Design Build (Holdings) Limited

Notes to the Financial Statements **At 29 September 2023 (continued)**

11 Share capital (continued)

The Ordinary shares rank equally in terms of rights to vote, dividend entitlement, and rights on winding up.

There are no restrictions on the distribution of dividends or the repayment of capital. Any dividends declared are at the discretion of the Directors.

12 Related party transactions

During the year the Company entered into transactions in the ordinary course of business, with related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

13 Ultimate parent undertaking and controlling party

The Company's immediate parent is AECOM Holdings Limited, incorporated in England and Wales.

The Company's ultimate parent undertaking is AECOM which is incorporated in the United States of America. The Company's results are included within the consolidated financial statements of AECOM which are publicly available from 13355 Noel Road, Suite 400, Dallas, Texas, 75240, United States of America.