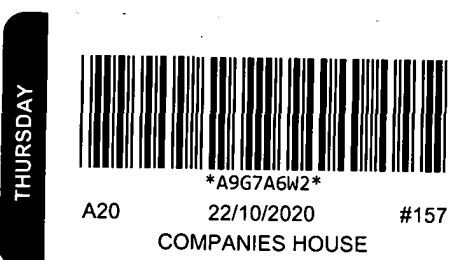


SNC-LAVALIN (GB) HOLDINGS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

COMPANY NUMBER 10715197



SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Business review and future developments

Nature of the business

SNC-Lavalin (GB) Holdings Limited (the Company) is a holding company which heads a group of companies (the Atkins Group). The Atkins Group is a people business selling specialist output from our talented teams. The services we provide demand high-end critical thinking and expert judgement. We apply people with technical skills to deliver projects. For example, we:

- create and engineer constructible designs
- provide advice to progress projects
- manage projects or programmes to specified quality/time/cost constraints

Objectives of the business and future developments

The Atkins Group's primary objective is to create value for its stakeholders including developing communities, providing outcomes for its clients, providing an attractive place to work for its people and delivering appropriate financial returns.

During the year, the Company was a member of the group of companies headed by SNC-Lavalin Group Inc. (the Group).

Further details of the objectives and future developments for the Group are disclosed in the SNC-Lavalin Group Inc. financial statements for the year ended 31 December 2019 (note 17).

Principal risks and uncertainties

We continue to manage a number of potential risks and uncertainties which could have a material impact on our strategic and operational objectives. Many of these risks are common to other companies and we assess them regularly to establish the principal risks and uncertainties for the Group. SNC-Lavalin Group Inc. has measures in place to identify, monitor and, to a certain extent, mitigate such risks and uncertainties across the Group (further details are disclosed in the SNC-Lavalin Group Inc. financial statements for the year ended 31 December 2019).

Brexit

The impact of the United Kingdom's departure from the European Union (EU) on 31 January 2020 did not impact the Company, given it acts primarily as an investment holding company. The impact on investments and subsidiaries of the Company has been considered but do not impact the Company given the minimal risk to the operations of subsidiaries.

COVID -19

The COVID-19 Pandemic did not impact the Company during the financial year ended 31 December 2019 and is not expected to have an impact during the financial year ending 31 December 2020, given the Company acts primarily as an investment holding company. The impact of the Pandemic on investments and subsidiaries of the Company has been considered and given the Group's early and decisive action and diverse portfolio of projects and clients, any impact is not expected to materially affect the Company.

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Results and dividends

During the year, the Company transitioned from FRS 102 to FRS 101 - Reduced Disclosure Framework and has taken advantage of the additional disclosure exemptions allowed under this standard. There were no material recognition or measurement differences arising on the adoption of FRS 101.

Operating profit/(loss)

The Company reported an operating profit of CAN \$973k in the year ended 31 December 2019 (2018: CAN \$789k loss) primarily due to foreign exchange gains.

Profit/(loss) for the year

The profit after tax for the year of CAN \$8,394k (2018: loss after tax of CAN \$20,830k) is shown in the Income Statement on page 13 and is primarily due to income from shares in group undertakings, partially offset by interest payable and similar expenses related to intercompany loans.

Dividends

Dividends of CAN \$86,900k were received from WS Atkins Limited during the year ended 31 December 2019 (2018: CAN \$84,131k). The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2019 (2018: CAN \$nil).

Capital reduction

On 27 November 2019, the Company's share premium was reduced by CAN \$3,436,637,581 and transferred to distributable reserves in order to allow the Company to make distributions in the future.

Cash

Net funds as at 31 December 2019 CAN \$28k (2018: CAN \$29k overdrawn).

Key performance indicators

The Group uses a range of performance measures to monitor and manage the business. Those that are particularly important in monitoring our progress in generating shareholder value are considered key performance indicators (KPIs). There are, however, no KPIs reported for this Company as there was no trade during the financial year and the Company has no employees.

Section 172 Statement

The Company works to ensure that every matter presented for consideration by the Company's board has regard for the matters set out in Section 172 of the Companies Act 2006. The Company's board of directors are continuously seeking to further improve engagement with stakeholders in order to identify matters of importance and to understand how these matters can be capitalised upon in order to further generate long-term Company value and promote success for the benefit of the Company's members as a whole.

The Company engages regularly with its stakeholders to ensure relevant stakeholder issues are understood and considered appropriately. The Company's core purpose is to act as a holding company and therefore the Company has no employees or customers. The primary stakeholder of the Company is its subsidiaries and the Company engages regularly to ensure it is providing services in such a way to ensure the Company's subsidiaries are able to provide long-term value for their shareholders.

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019****Section 172 Statement (Continued)**

Stakeholders of the Company are considered in all decisions made by the Company at board level. In particular, during the year, the Company met on numerous occasions and discussed matters of material importance to the Company's strategy. During the year, the Company's board met to consider a proposed capital contribution (from the Company's sole shareholder), a capital reduction (a conversion of share premium to distributable reserves) and subsequent payment of a dividend. In addition to this (and as set out in further detail in note 15 to these financial statements), the directors considered the impact on the Company and its stakeholders of entering into an agreement to guarantee several credit facility agreements to which the Company's ultimate parent company is a party (amongst others). Further details regarding the Company's strategy can be found in the Strategic Report and the Directors' Report of these financial statements.

Approved by the board of directors and signed on its behalf by:



Elliot Nobelen

Company Secretary

13 October 2020

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report together with the financial statements and the independent auditor's report of SNC-Lavalin (GB) Holdings Limited (the Company), for the year ended 31 December 2019.

As permitted by legislation, the following information and disclosures that are required under company law are included in the Strategic report and are incorporated into this report by reference:

- review of the performance and future development of the Company;
- principal risks and uncertainties; and
- the amount (if any) that the directors recommend by way of a dividend.

The Company is domiciled in England and Wales and is a private limited company.

Post-balance sheet events

On 19 June 2020 the Company received an interim dividend of GBP £55m (equivalent to CAN \$92,915k) from WS Atkins Ltd relating to the year ending 31 December 2020 settled by the transfer to the Company of GBP £55m (equivalent to CAN \$92,915k) of a loan due to WS Atkins Ltd by SNC-Lavalin Group Inc.

On 15 July 2020 the Company declared an interim dividend for the year ended 31 December 2020 of CAN \$84,609k settled by the transfer to SNC-Lavalin (GB) Limited of CAN \$84,609k of a loan due to the Company by SNC-Lavalin Group Inc.

The impact of COVID-19 has been disclosed in the Strategic Report included as a part of these financial statements.

Treasury policies and objectives

Throughout the year, the SNC-Lavalin Group Inc.'s (the Group) treasury function managed and monitored the funding requirements and financial risks in support of the Group's corporate objectives (further details are disclosed in the SNC-Lavalin Group Inc. consolidated financial statements for the year ended 31 December 2019).

Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Market risk

Financial instruments affected by market risk include intercompany loan balances and bank and cash balances.

i) Foreign exchange risk

Foreign exchange risk arises from financial assets and liabilities denominated in currencies other than the local functional currency. The Company's primary exposure to foreign exchange risk on unhedged financial instruments arises mainly in respect of movements between the Canadian dollar and US dollar and the Canadian dollar and pounds sterling.

ii) Interest rate risk

The Company's exposure to interest rate risk arises from interest-bearing intercompany loan balances and cash and cash equivalents. The majority of these items are at floating rates of interest, changes in the interest rate result in changes to interest-related cash flows.

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Financial risk management (continued)

iii) Price risk

Price risk is the risk that a decline in the value of assets adversely impacts the profitability of the Company. This risk is not material for the Company.

Credit risk

Credit risk is the risk that the Company will suffer financial loss as a result of counterparties defaulting on their contractual obligations. Credit risk arises from cash and deposits with banks, as well as credit exposures to customers, including outstanding receivables and committed transactions, with the maximum exposure to the risk equivalent to 100% of the carrying value disclosed in the Company's Balance Sheet at 31 December. The Company does not hold any collateral as security. The Company's credit risk on bank and cash balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies and the Company's exposure on receivables is limited as there are no external customers and all receivables are intercompany.

Liquidity risk

The Company funds its activities through cash generated from its operations and intercompany balances. Group Treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs and to meet the Company's commitments as they fall due.

Critical accounting policies

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas requiring a higher degree of judgement or complexity and no areas where assumptions and estimates are significant to the financial statements. Impairment of investments in subsidiaries was considered but is not an area where assumptions and estimates are significant to the financial statements because there is significant headroom on impairment tests such that changes in assumptions that are considered reasonably possible would not lead to a material impairment.

Directors

The directors who served during the year and up to the date of signing these financial statements, unless otherwise stated, are included in the table below.

Name	Appointed	Resigned
M S Anderson	-	-
S G Cole	-	-

Indemnification of and insurance cover for directors and officers

Directors and officers of the Company benefit from directors' and officers' liability insurance cover in respect of legal actions brought against them. In addition, directors of the Company are indemnified in accordance with article 52 of the Company's articles of association to the maximum extent permitted by law, such indemnities being qualifying third party indemnities. Neither the insurance nor the indemnities provide cover where the relevant director or officer has acted fraudulently or dishonestly.

Directors' remuneration

Directors' remuneration is disclosed in note 4 to the financial statements.

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

People Engagement

This statement forms the 'Employee Engagement' statement for the Company required pursuant to The Companies (Miscellaneous Reporting) Regulations 2018. During the year, the Company had no employees, however it is the parent company to a group of undertakings which, collectively, meets the threshold required to report.

Our people give us our competitive edge. We trust them to go above and beyond for the Group and our clients. Their individual talent and our collective expertise help us to exceed client expectations and meet our strategic objectives. We review our human resources metrics regularly and, as part of this process, we consider a range of measures such as headcount, succession planning, retention rates and employee engagement. We also review progress against both our Group and sector people strategies, ensuring we are able to forecast the future skills and resourcing needs to support our growth plans.

During the year, the Group conducted a Viewpoint employee engagement survey to gauge the views of our people around the world (including in the UK). All employees were provided with the option, and encouraged, to undertake the survey. Following the conclusion of the survey, results were anonymously collated, and trends identified. The Group's directors and senior management formed working groups to discuss areas identified for improvement and held meetings with a diverse range of employees from all business units and sectors to further understand survey results and how the Group can further improve the working environment of employees. Following the formation of these working groups, various recommendations were made and implemented by directors and senior management.

Diversity and inclusion

The Company is committed to building a diverse organisation to maximise the skills available in the regions in which it operates. Policies have been adopted to ensure this commitment is implemented from the point of attraction and recruitment and continues throughout an individual's employment. Our people are supported to develop to their full potential regardless of sex, race, age, religion or belief, disability, sexual orientation, gender identity, marriage and civil partner status, pregnancy, parental obligations or background, subject to the laws of the jurisdictions in which the Company operates.

The Group encourages recruitment, training, career development and promotion on the basis of aptitude and ability, without regard to disability. The Company is also committed to retain and retrain, as necessary, employees who become disabled during the course of their employment. In addition, the Company has encouraged the creation of a number of employee-focussed networks which provide employees with a forum directly linked to senior management. Such networks have been instrumental in shaping and developing employee policies, all with the aim of providing employees with the best possible working environment.

Political donations

The Company made no political donations and incurred no political expenditure during the year ended 31 December 2019 (2018: CAN \$nil).

Share capital

Full details of the Company's issued share capital, including changes during the year, can be found in note 13 of these financial statements.

Directors' statement of responsibility

The directors are responsible for preparing the Directors' and Strategic reports and the financial statements in accordance with applicable law and regulations.

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Directors' statement of responsibility (continued)

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the Company's financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 - Reduced Disclosure Framework, 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 of the profit or loss of the Company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Directors' and Strategic Reports and financial statements comply with the Companies Act 2006. The directors 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.

Disclosure of audit information

The directors confirm that, as at the date this report was approved, so far as each director is aware there is no relevant audit information of which the Company's independent auditor is unaware and that he or she has taken all the reasonable steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to ensure that the Company's independent 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.

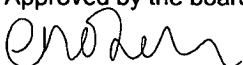
Going concern

The Company is a holding company with significant net assets most of which are investments in subsidiaries. Most recent forecasts, including the impact of COVID-19 as discussed in the Strategic Report, are considered in assessing the recoverability of these investments and the value of these investments is considered reasonable. In addition, the Company will be able to operate within the level of its current facilities. As part of this review, the forecast impact of COVID-19 on the year ending 31 December 2021 was modelled for both this company and its subsidiaries and downside scenarios included a repeat of the expected outcome of the COVID-19 impacted year ending 31 December 2020, which did not have a significant adverse impact on the liquidity of the Company or the wider Group which it heads. It is on this basis that the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and for at least a period of 12 months from the date of signing the financial statements, and therefore continue to adopt the going concern basis in preparing the financial statements.

Independent auditor

The Company's auditor, Deloitte LLP, has indicated its willingness to continue for a further year and appropriate arrangements have been put in place for them to be reappointed as auditor in the absence of an annual general meeting.

Approved by the board of directors and signed on its behalf by:



Elliot Nobelen

Company Secretary

13 October 2020

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SNC-LAVALIN (GB) HOLDINGS LIMITED

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of SNC-Lavalin (GB) Holdings Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. 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 Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, 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.

3. Summary of our audit approach

Key audit matters	<p>The key audit matter that we identified in the current year was:</p> <ul style="list-style-type: none"> • Carrying value of the investments <p>Within this report, key audit matters are identified as follows:</p> <ul style="list-style-type: none"> ① Newly identified Ⓐ Increased level of risk ⊕ Similar level of risk Ⓜ Decreased level of risk
Materiality	The materiality that we used in the current year was CAN \$56.4 million which was determined on the basis of 1.2% of total assets.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	There have been no significant changes in our approach in the current year.

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SNC-LAVALIN (GB) HOLDINGS LIMITED

4. Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:


- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying value of the investments 	
Key audit matter description	<p>The carrying value of the investments is valued at cost less provision for impairment at balance sheet date (2019: CAN \$ 4.3 billion, 2018: CAN \$ 4.3 billion). We have considered this as a key audit matter as it is material to the company as it represents 90% of the total assets. As there is no active market for to purchase an entity of this size and nature, for example; the fair value less costs to sell cannot be assessed, management prepares a value in use ("VIU") calculation in order to assess the recoverable amount of their investments. The VIU has been determined by forecasting the future cash flows of the business discounted to their Net Present Value ("NPV"). Assumptions included within the VIU calculation include the discount rate, revenue growth rate, terminal growth rate and expected movement in working capital.</p> <p>The VIU has been compared to the carrying value of the investment to assess whether there will be a need for impairment if the carrying value exceeds the VIU.</p> <p>Management has also assessed the impact of Brexit on future results to be immaterial.</p> <p>Further details are included in critical accounting judgements and key sources of estimation uncertainty in note 2 and investments in note 8 of financial statements.</p>

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SNC-LAVALIN (GB) HOLDINGS LIMITED

Carrying value of the investments (continued) Ⓢ	
How the scope of our audit responded to the key audit matter	<p>We obtained an understanding of the relevant controls around valuation of investments. We challenged management's VIU assumptions through reviewing the 2019 performance of the investments against plan.</p> <p>We assessed management's assessment of the impact of Brexit on future results.</p> <p>We have involved internal valuation specialists to assess the reasonableness of the discount rate used in determining the NPV of the cash flows.</p>
Key observations	Based on our work performed we concluded that the carrying value of the investments is appropriate.

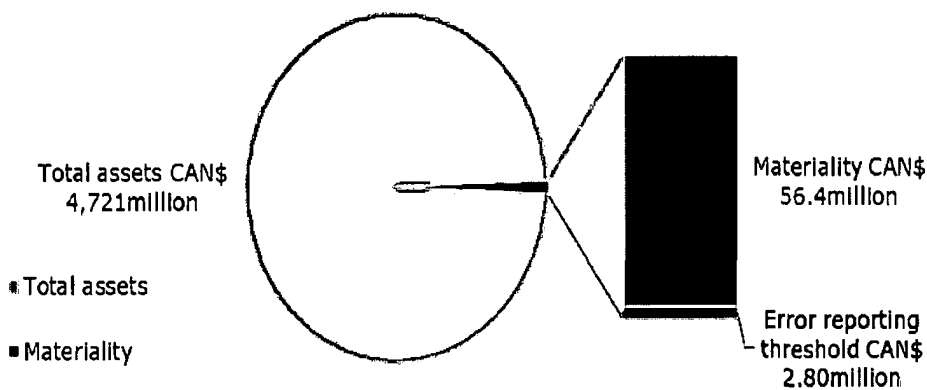
6. Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	CAN \$ 56.4 million (2018: CAN \$ 55.9 million)
Basis for determining materiality	1.2% of total assets (2018: 1.2% of total assets)
Rationale for the benchmark applied	We determined materiality based on total assets as this is the key metric used by management, investors, analysts and lenders, with shareholder value being driven by total assets value movements.



SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SNC-LAVALIN (GB) HOLDINGS LIMITED

6. Our application of materiality (continued)

6.2 Performance Materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2019 audit (2018: 70%). In determining performance materiality, we considered factors including:

- Our risk assessment, including our assessment of the company's overall control environment; and
- Our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.

6.3 Error reporting threshold

We agreed with the directors that we would report to them all audit differences in excess of CAN \$2.8 million (2018: CAN \$2.8 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1 Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

7.2 Our consideration of the control environment

The company uses IT systems in certain control processes for the main business functions. The main system used for the core finance function for SNC (GB) Holdings Limited is JDE. We involved our IT specialists to obtain an understanding of the relevant controls over the relevant IT systems. As the core purpose of this entity is to act as a holding company for investments, we have deemed it feasible to adopt a fully substantive approach in our audit testing due to the low volume of transactions that have occurred during the year.

8. Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SNC-LAVALIN (GB) HOLDINGS LIMITED

9. Directors' statement of responsibility

As explained more fully in the directors' statement of responsibility, 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.

10. Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

11. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

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 any material misstatements in the strategic report or the directors' report.

12. Matters on which we are required to report by exception

12.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SNC-LAVALIN (GB) HOLDINGS LIMITED

12. Matters on which we are required to report by exception (continued)

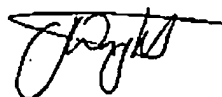
12.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of these matters.

13. 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.



James Wright FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

15 October 2020

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

		Year ended 31 December 2019	Year ended 31 December 2018
	Note	CAN \$'000	CAN \$'000
Administrative expenses		(31)	(59)
Acquisition costs		-	(19)
Other operating gains/(losses)		1,004	(711)
Operating profit/(loss)	3	973	(789)
<i>Income from shares in group undertakings</i>	5	86,900	84,131
Profit before interest and taxation		87,873	83,342
Interest receivable and similar income	6	1,998	1,033
Interest payable and similar expenses	6	(81,513)	(114,993)
Net interest expense	6	(79,515)	(113,960)
Profit/(loss) before taxation		8,358	(30,618)
Income tax credit	7	36	9,788
Profit/(loss) for the financial year		8,394	(20,830)

There were no recognised gains and losses for the current or prior financial year other than the profit/(loss) shown above. Accordingly, no statement of comprehensive income has been presented.

All activity is derived from continuing operations.

The notes on pages 17 to 41 are an integral part of these financial statements.

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

BALANCE SHEET**AS AT 31 DECEMBER 2019**

		31 December 2019	31 December 2018
	Note	CAN \$'000	CAN \$'000
Non-current assets			
Investments	8	4,274,273	4,273,649
Deferred tax assets	9	19,764	19,728
		4,294,037	4,293,377
Current assets			
Debtors: amounts falling due within one year	10	426,538	397,070
Cash at bank and in hand		28	-
		426,566	397,070
Creditors: amounts falling due within one year	11	(77,559)	(78,632)
Net current assets		349,007	318,438
Total assets less current liabilities		4,643,044	4,611,815
Creditors: amounts falling due after more than one year	12	(1,227,251)	(1,244,524)
Net assets		3,415,793	3,367,291
Capital and reserves			
Called up share capital	13	13	13
Share premium account	13	-	3,436,638
Other reserves	13	40,108	-
Retained earnings/(Accumulated losses)		3,375,672	(69,360)
Total equity		3,415,793	3,367,291

The financial statements on pages 14 to 41 of SNC-Lavalin (GB) Holdings Limited (registered number 10715197) were approved and authorised for issue by the board of directors on 13 October 2020 and signed on its behalf by:



S G Cole
Director

The notes on pages 17 to 41 are an integral part of these financial statements.

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Called up ordinary share capital	Share premium	Other reserves	Retained earnings / (Accumulated losses)	Total equity
		CAN \$'000	CAN \$'000	CAN \$'000	CAN \$'000	CAN \$'000
Balance as at 1 January 2018		7	1,583,289	-	(48,530)	1,534,766
Loss for the year		-	-	-	(20,830)	(20,830)
Total comprehensive expense for the period		-	-	-	(20,830)	(20,830)
Issue of share capital		6	1,853,349	-	-	1,853,355
Total transactions with owners, recognised directly in equity		6	1,853,349	-	-	1,853,355
Balance as at 31 December 2018		13	3,436,638	-	(69,360)	3,367,291
Balance as at 1 January 2019		13	3,436,638	-	(69,360)	3,367,291
Profit for the year		-	-	-	8,394	8,394
Total comprehensive income for the year		-	-	-	8,394	8,394
Capital contribution	13	-	-	40,108	-	40,108
Capital reduction	13	-	(3,436,638)	-	3,436,638	-
Total transactions with owners, recognised directly in equity		-	(3,436,638)	40,108	3,436,638	40,108
Balance as at 31 December 2019		13	-	40,108	3,375,672	3,415,793

The notes on pages 17 to 41 are an integral part of these financial statements.

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, including the application of new standards and interpretations, unless otherwise stated.

The Company is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and domiciled in England and Wales. Its registered office is Woodcote Grove, Ashley Road, Epsom, KT18 5BW, England.

The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 1.

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 - Application of Financial Reporting Requirements issued by the Financial Reporting Council and during the year ended 31 December 2019, the Company has undergone a transition from reporting under FRS 102 to FRS 101 'Reduced Disclosure Framework'. This is considered a change in accounting policy under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Error' and has been applied in order to be consistent with other UK subsidiaries within the group of companies headed by SNC-Lavalin Group Inc and therefore provide reliable and more relevant information.

This transition is not considered to have had any material effect on the financial statements and there have been no changes in prior periods' results and limited changes in required disclosures. First-time adopters of FRS 101 are not permitted to apply transitional relief from restatement of comparative information available under IFRS 9 however there has been no change in the measurement of financial assets and financial liabilities, and the application of the expected credit loss model has not resulted in any impairment of the financial assets and therefore no restatement is required.

The financial statements have been prepared under the historical cost convention, except for certain financial instruments measured at fair value, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas requiring a higher degree of judgement or complexity and no areas where assumptions and estimates are significant to the financial statements. Impairment of investments in subsidiaries was considered but is not an area where assumptions and estimates are significant to the financial statements because there is significant headroom on impairment tests such that changes in assumptions that are considered reasonably possible would not lead to a material impairment.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under the standard. Where required, equivalent disclosures are given in the group financial statements of SNC-Lavalin Group Inc., which are available to the public and can be obtained as set out in note 17.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, *Share-based payments* (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined)
- IFRS 7, *Financial instruments: Disclosures*

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

- Paragraphs 91 to 99 of IFRS 13, *Fair value measurement* (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, *Presentation of financial statements* – comparative information requirements in respect of: paragraph 79(a)(iv) of IAS 1; paragraph 73(e) of IAS 16, *Property, plant and equipment*; and paragraph 118(e) of IAS 38, *Intangible assets* (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, *Presentation of financial statements*:
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (cash flow statement information); and
 - 134-146 (capital management disclosures).
- IAS 7, *Statement of cash flows*
- Paragraphs 30 and 31 of IAS 8, *Accounting policies, changes in accounting estimates and errors* (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, *Related party disclosures* (key management compensation).
- The requirements in IAS 24, *Related party disclosures*, to disclose related party transactions entered into between two or more members of a group

New standards, amendments and IFRIC interpretations

IFRS 16 is a new accounting standard that is effective for the year ended 31 December 2019. This standard has not had a material impact on the Company's financial statements. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019 that have had a material impact on the Company's financial statements.

Going concern

The Company is a holding company with significant net assets most of which are investments in subsidiaries. Most recent forecasts, including the impact of COVID-19 as discussed in the Strategic Report, are considered in assessing the recoverability of these investments and the value of these investments is considered reasonable. In addition, the Company will be able to operate within the level of its current facilities. As part of this review, the forecast impact of COVID-19 on the year ending 31 December 2021 was modelled for both this company and its subsidiaries and downside scenarios included a repeat of the expected outcome of the COVID-19 impacted year ending 31 December 2020, which did not have a significant adverse impact on the liquidity of the Company or the wider Group which it heads. It is on this basis that the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and for at least a period of 12 months from the date of signing the financial statements, and therefore continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The Company is an indirect wholly-owned subsidiary of SNC-Lavalin Group Inc., and is included in its consolidated financial statements, which are publicly available. Therefore the Company is exempt, by virtue of section 401 of the Companies Act 2006, from the requirements to prepare consolidated financial statements. The address of the ultimate parent's registered office is 455 René-Lévesque Blvd West, Montréal, Québec, H2Z 1Z3, Canada.

These financial statements are separate financial statements.

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

Foreign currency transactions and translation

Functional and presentation currency

The Company's functional and presentation currency is the Canadian dollar because that is the currency of the primary economic environment in which the Company operates.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are generally recognised in the Income Statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the Income Statement within "Other operating gains/(losses)".

Interest income/(expense)

Interest income/(expense) is recognised on a time apportionment basis using the effective interest rate method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Dividend distribution

Dividend distributions to the Company's shareholder are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholder.

Income tax

Current and deferred income tax are recognised in the Income Statement for the period except where the taxation arises as a result of a transaction or event that is recognised in other comprehensive income or directly in equity. Income tax arising on transactions or events recognised in other comprehensive income or directly in equity is charged or credited to other comprehensive income or directly to equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

Investments

Investments in subsidiaries, joint ventures and associates are stated at cost less impairment losses. Any impairment is charged to the Income Statement. Impairment testing for investments in subsidiaries is described below. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Impairment of investments in subsidiaries

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. The carrying value of the investment is compared to the recoverable amount, which is the higher of value-in-use and fair value less costs to sell. An impairment loss is recognised immediately as an expense for the amount by which the asset's carrying amount exceeds its recoverable amount and is not subsequently reversed. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. In the Balance Sheet, bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

Financial instruments (continued)

Financial assets and liabilities (continued)

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment. Other debt instruments not meeting these conditions are measured at fair value through profit or loss. Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

Financial instruments (continued)

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Impairment of financial assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Financial assets carried at amortised cost: the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Financial assets carried at cost less impairment: the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date. Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Hedge accounting

The Company designates certain liabilities as hedging instruments in fair value hedges.

At the inception of the hedge relationship, the Company documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge the Company determines and documents causes for hedge ineffectiveness.

Fair value hedges

Changes in the fair value of liabilities that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item are attributable to the hedged risk are recognised in the line related to the hedged item in the Income Statement.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedge instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

There are no areas involving a higher degree of judgement or complexity that are significant to these financial statements.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Impairment of investments in subsidiaries was considered but is not an area where assumptions and estimates are significant to the financial statements because there is significant headroom on impairment tests such that changes in assumptions that are considered reasonably possible would not lead to a material impairment.

3 Operating profit/(loss)

	Year ended 31 December 2019 CAN \$'000	Year ended 31 December 2018 CAN \$'000
Operating profit/(loss) is arrived at after (crediting)/charging:		
Acquisition costs	-	19
Foreign exchange (gains)/losses	(1,004)	711

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019****3 Operating profit/(loss) (continued)****Services provided by the Company's auditor**

	Year ended 31 December 2019 CAN \$'000	Year ended 31 December 2018 CAN \$'000
Financial statements audit	34	24
Total	34	24

4 Directors' remuneration and employee benefit costs

M S Anderson and S G Cole are directors of a number of other companies in the Group.

The services provided by these directors to this Company and to a number of other companies in the Group are of a non-executive nature and therefore it is not possible to make an accurate apportionment of their emoluments in respect of each of the companies or their portion of normal staff cost.

None of the directors received any emoluments in respect of their qualifying services to the Company during the year (2018: none). The emoluments of all the directors and key management compensation are borne by other companies in the Group. No recharges were made to the Company during the year in respect of this (2018: CAN \$nil).

The Company did not employ any staff during the year ended 31 December 2019 (2018: none). No salaries or wages have been paid directly by the Company to employees, including the directors, during the year ended 31 December 2019 (2018: CAN \$nil).

5 Income from shares in group undertakings

	Year ended 31 December 2019 CAN \$'000	Year ended 31 December 2018 CAN \$'000
Dividends received from WS Atkins Limited	86,900	84,131
Income from shares in group undertakings	86,900	84,131

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019****6 Net interest expense**

	Year ended 31 December 2019 CAN \$'000	Year ended 31 December 2018 CAN \$'000
Interest income on intercompany balances	1,998	1,033
Interest receivable and similar income	1,998	1,033
Interest payable on intercompany balances	(81,513)	(114,993)
Interest payable and similar expenses	(81,513)	(114,993)
Net interest expense	(79,515)	(113,960)

7 Tax on profit/(loss)**a) Analysis of credit in year**

	Year ended 31 December 2019 CAN \$'000	Year ended 31 December 2018 CAN \$'000
Current tax:		
Total current tax	-	-
Deferred tax:		
- Tax losses recognised	2,282	11,419
- Effect of change in tax rate	(240)	(1,202)
- Adjustment in respect of previous year	(2,006)	(429)
Total deferred tax	36	9,788
Income tax credit	36	9,788
 Profit/(loss) before taxation per Income Statement	 8,358	 (30,618)
Effective income tax rate	(0.4)%	(32.0)%

Presently we do not expect any deferred tax asset to reverse during the year ending 31 December 2020.

SNC-LAVALIN (GB) HOLDINGS LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019****7 Tax on profit/(loss) (continued)****b) Reconciliation of tax (charge)/credit**

The difference between the total tax (charge)/credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	Year ended 31 December 2018
	%	%	CAN \$'000	CAN \$'000
Tax on profit/(loss) at the standard rate of UK corporation tax of 19%	19.0	(19.0)	(1,588)	5,817
Effects of:				
- Non taxable dividend income	(197.6)	(52.0)	16,511	15,985
- Group relief surrendered	149.8	34.0	(12,641)	(10,383)
- Adjustment in respect of previous years	23.6	1.0	(2,006)	(429)
- Effect of changes in tax rates	3.0	4.0	(240)	(1,202)
Total credit for the year	(2.2)	(32.0)	36	9,788

c) Tax rate changes

The Finance Act 2016 included a provision to reduce the rate of corporation tax from 19% to 17% to take effect from 1 April 2020. However following the budget on 11 March 2020 the chancellor confirmed the rate would remain at 19%. This increase was not substantially enacted at the balance sheet date and therefore is not included in these financial statements.

8 Investments

	Investments in subsidiaries CAN \$'000
Cost	
At 1 January 2018	3,535,639
Additions	1,448,043
Disposals	(724,022)
Differences on exchange	13,989
At 31 December 2018	4,273,649
Differences on exchange	624
At 31 December 2019	4,274,273
Net book value as at 31 December 2019	4,274,273
Net book value as at 31 December 2018	4,273,649

SNC-LAVALIN (GB) HOLDINGS LIMITED

Company Number 10715197

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

8 Investments (continued)

On 2 November 2018, the Company acquired 100% of the ordinary share capital of SNCL-US Holdco 3 Inc. from SNC-Lavalin (GB) Limited for a consideration of CAN \$724,021,761 settled by the issue of 1 ordinary share in the Company (see note 13). On the same date, the Company disposed of its investment in SNCL-US Holdco 3 Inc. to WS Atkins Limited for a consideration of CAN \$724,021,761 settled by the issue of shares by WS Atkins Limited.

The directors consider that the carrying amounts of the Company's investments are not less than the value of the underlying assets.

Subsidiary undertakings have not been consolidated by SNC-Lavalin (GB) Holdings Limited as permitted by s.400 of the Companies Act 2006 as they are consolidated in the financial statements of SNC-Lavalin Group Inc.

WS Atkins Limited

The Company acquired 100% of the voting ordinary shares of WS Atkins Limited ("Atkins") on 3 July 2017. Atkins' functional currency is pounds sterling (GBP) and the Company's functional and presentation currency is the Canadian dollar (CAD). Therefore the Company is exposed to foreign currency translation risk on its net investment in its foreign operation, namely the CAD/GBP currency risk and the foreign currency risk arising from future dividend payments by Atkins.

The Company's interest bearing GBP listed Eurobond loan liability of £215,000,000 (2018: £215,000,000) payable to SNC-Lavalin (Guernsey) Holdings Limited has been designated as a hedging instrument in a fair value hedge against the Company's direct investment in Atkins. The objective of the hedge is to offset the variability in the GBP value of Atkins attributable to the risk designated as being hedged. The risk being hedged is the foreign exchange risk in the carrying value of the foreign currency denominated investment in Atkins.

During the year ended 31 December 2019, the foreign exchange loss arising on the Eurobond loan of CAN \$624k (2018: CAN \$13,989k loss) offset the foreign exchange gain arising on the carrying value of the investment in Atkins of CAN \$624k (2018: CAN \$13,989k gain) in the Income Statement.

Subsidiary undertakings

The Company has investments in the following subsidiary undertakings as at 31 December 2019:

Name	Interests held / % of share class	Registered office / Principal place of business
ATK Energy EU Limited ¹	£0.00000004 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
ATK Energy EU Services Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins (Trinidad) Limited ¹	TTD ordinary shares with no par value 100%	23 Taylor Street, Woodbrook, Port of Spain, Trinidad and Tobago
Atkins ATK Investments Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins ATK Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales

SNC-LAVALIN (GB) HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

8 Investments (continued)

Subsidiary undertakings (continued)

Name	Interests held / % of share class	Registered office / Principal place of business
Atkins Australasia Pty Ltd ¹	AUD1.00 B class ordinary shares 100%	Level 17, 191 St Georges Terrace, Perth WA 6000, Australia
Atkins Australasia Pty Ltd ¹	AUD1.00 C class ordinary shares 100%	Level 17, 191 St Georges Terrace, Perth WA 6000, Australia
Atkins Australasia Pty Ltd ¹	AUD1.00 class D shares 100%	Level 17, 191 St Georges Terrace, Perth WA 6000, Australia
Atkins Australasia Pty Ltd ¹	AUD1.00 ordinary 100%	Level 17, 191 St Georges Terrace, Perth WA 6000, Australia
Atkins Bennett (Holdings) Limited ¹	£0.01 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Bennett Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Boreas Consultants Limited ¹	£1.00 ordinary-A share 100%	Kirkgate House, St. Nicholas Centre, Aberdeen, AB10 1HW, Scotland
Atkins Boreas Consultants Limited ¹	£1.00 ordinary-B share 100%	Kirkgate House, St. Nicholas Centre, Aberdeen, AB10 1HW, Scotland
Atkins China Limited ¹	HKD1.00 ordinary share 100%	13/F Wharf T&T Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong
Atkins Commercial Nuclear Holdings Corporation ¹	US\$1.00 common stock 100%	3411 Silverside Road, Tatnall Building #104, Wilmington DE 19810, United States
Atkins Consultancy Services Limited ¹	£1 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Consultants (Shenzhen) Co., Ltd. ¹	US\$1.00 ordinary share 100%	Unit 09-16, 3501-02, 35/F, Shun Hing Square, Di Wang Commercial Center, 5002 Shen Nan Dong Road, Shenzhen, China
Atkins Consultants Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Consulting Canada Limited ¹	Common share without nominal or par value 100%	300 – 1801 Hollis Street, Halifax NS B3J 3N4, Canada
Atkins Consulting Engineers Limited ¹	SHS. 10.00 ordinary shares 100%	Post Office Box Number 30156-00100, Muthangari Drive off Waiyaki Way, Nairobi, Kenya
Atkins Danmark A/S ¹	DKK1,000.00 shares 100%	Arne Jacobsens Alle 17, 2300 Kobenhavn S., Denmark
Atkins Design Engineering Consultants Pte. Ltd ¹	SGD1.00 ordinary share 100%	8 Cross Street, #24-01, Manulife Tower, Singapore, 048424, Singapore
Atkins Energy Canada Group Limited ¹	Common share without nominal or par value 100%	Suite 750, 55 Metcalfe Street, Ottawa ON K1P 6L5, Canada

SNC-LAVALIN (GB) HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

8 Investments (continued)

Subsidiary undertakings (continued)

Name	Interests held / % of share class	Registered office / Principal place of business
Atkins Energy Federal EPC, Inc. ¹	US\$0.01 common 100%	2345 Stevens Drive, Suite 240, Richland, WA 99354, United States
Atkins Energy Germany GmbH ¹	€1.00 share 100%	Willhoop 3, 22453, Hamburg, Germany
Atkins Energy Global Solutions, LLC ¹	US\$1.00 shares 100%	100 Center Point Circle, Suite 100, Columbia, SC 29209, United States
Atkins Energy Government Group, Inc. ¹	US\$1.00 common 100%	100 Center Point Circle, Suite 100, Columbia, SC 29209, United States
Atkins Energy, Inc. ¹	US\$0.10 common 100%	4030 West Boy Scout Boulevard, Suite 700, Tampa FL 33607, United States
Atkins International Holdings Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Investments UK Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Luxembourg S.à r.l. ¹	€1.00 ordinary share 100%	99 Grand Rue, L-1661 Luxembourg, Grand Duchy of Luxembourg, Luxembourg
Atkins Michigan, Inc. ¹	US\$0.01 common stock 100%	4030 West Boy Scout Boulevard, Suite 700, Tampa FL 33607, United States
Atkins MSL Engineering Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Norge AS ¹	NOK50 shares 100%	Lilleakerveien 6D, 0283 Oslo, Norway
Atkins North America, Inc. ¹	US\$5.00 common stock 100%	4030 West Boy Scout Boulevard, Suite 700, Tampa FL 33607, United States
Atkins Nuclear Secured Holdings Corporation ¹	US\$0.01 common stock 100%	545 Oak Ridge Turnpike, Oak Ridge, TN 37830-7187, United States
Atkins Nuclear Secured, LLC ¹	n/a - membership interest 100%	545 Oak Ridge Turnpike, Oak Ridge, TN 37830-7187, United States
Atkins Nuclear Solutions US, Inc. ¹	US\$ common stock with no par value 100%	545 Oak Ridge Turnpike, Oak Ridge, TN 37830-7187, United States
Atkins Pension Trustee Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Rail Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Sverige AB ¹	SEK100.00 ordinary 100%	Lilla Nygatan, 7, 211 38, Malmo, Sweden
Atkins Tanzania Limited ¹	SHS.20.00 shares 100%	Plot No 1120, Chloe Road, Msasani Peninsula, Masaki, P.O. Box 2555, Dar Es Salaam, United Republic of Tanzania

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

8 Investments (continued)

Subsidiary undertakings (continued)

Name	Interests held / % of share class	Registered office / Principal place of business
Atkins ULC ¹	US\$1.00 ordinary 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins US Holdings, Inc. ¹	US\$1.00 common stock 100%	3411 Silverside Road, Tatnall Building #104, Wilmington DE 19810, United States
Broomco (985) Limited ¹	£0.01 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Capital Engineering, LLC ¹	Unit 100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
Confab Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Confluence Project Management Private Limited ¹	INR10.00 equity shares 100%	2 nd Floor, A Wing, Tradestar, J.B. Nagar, Andheri-Kurla Road, Andheri East, Mumbai, Maharashtra, 400059, India
Data Transfer Solutions, LLC ¹	Interest share 100%	4030 West Boy Scout Boulevard, Suite 700, Tampa FL 33607, United States
Faithful and Gould Limited ¹	HKD1.00 ordinary shares 100%	13/F Wharf T&T Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong
Faithful and Gould Project Management Limited ¹	HKD1.00 ordinary shares 100%	13/F Wharf T&T Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong
Faithful e Gould Consultores em Projetos de Design Ltda. ¹	BRL1.00 ordinary 100%	Praia de Botafogo, No. 228, Sala 1620, Rio de Janeiro, 22250-145, Brazil
Faithful+Gould (Holdings) Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Faithful+Gould (Malaysia) SDN BHD ¹	RM1.00 ordinary share 100%	Unit 1-17-1 Menara Bangkok Bank@Berjaya Central Park, No 105 Jalan Ampang, 50450 Kuala Lumpur, Malaysia
Faithful+Gould Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Faithful+Gould Mexico S.A. de C.V. ¹	MXN ordinary-A 100%	LLA Group, Homero No. 906, Colonia Polanca Reforma, C.P. 11550, Mexico D.F.
Faithful+Gould Nigeria Limited ¹	NGN1.00 ordinary shares 100%	Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria
Faithful+Gould Project Management Pte. Ltd ¹	SGD1.00 ordinary share 100%	8 Cross Street, #24-01, Manulife Tower, Singapore, 048424, Singapore
Faithful+Gould Pte. Limited ¹	SGD1.00 share 100%	8 Cross Street, #24-01, Manulife Tower, Singapore, 048424, Singapore

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

8 Investments (continued)

Subsidiary undertakings (continued)

Name	Interests held / % of share class		Registered office / Principal place of business
Faithful+Gould, Inc. ¹	US\$0.01 common stock	100%	4030 West Boy Scout Boulevard, Suite 700, Tampa FL 33607, United States
Houston Offshore Engineering, LLC ¹	US\$1.00 share	100%	17220 Katy Freeway, Suite 200, Houston 200, TX 77074, United States
Isotek Systems, LLC ¹	Unit	100%	702 Scarboro Road, Suite 301, Oak Ridge, TN 37831, United States
Isotopen Umweltdienste GmbH ¹	€25,000 share	100%	Willhoop 3, 22453, Hamburg, Germany
Kentz USA Inc. ¹	Common stock	100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
Kentz USA Resources Corporation	Common stock	100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
Kins Holdings Limited ¹	£0.25 ordinary share	100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Parfab Limited ¹	£1.00 ordinary share	100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
PBS&J Constructors, Inc. ¹	US\$0.01 common stock	100%	4030 West Boy Scout Boulevard, Suite 700, Tampa FL 33607, United States
PRBC, Inc. ¹	US\$0.10 common share	100%	4030 West Boy Scout Boulevard, Suite 700, Tampa FL 33607, United States
Protrans USA LLC ¹	Unit	100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
SNC, Ltd. ¹	CAD\$1 class A shares	100%	c/o Ct Corporation, 111 8 th Avenue, New York, New York 10011-5201 United States
SNC, Ltd. ¹	CAD\$1 common share	100%	c/o Ct Corporation, 111 8 th Avenue, New York, New York 10011-5201 United States
SNC-Lavalin America, Inc. ¹	Common stock	100%	155 E. Boardwalk #490, Fort Collins, Colorado 80525, United States
SNC-Lavalin Capital USA Inc. ¹	Common stock	100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
SNC-Lavalin Compression Services LLC ¹	Interest share	100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
SNC-Lavalin Constructors Inc. ¹	US \$0.01 common share	100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8 Investments (continued)

Subsidiary undertakings (continued)

Name	Interests held / % of share class	Registered office / Principal place of business
SNC-Lavalin Engineers & Constructors Inc. ¹	US \$1 common stock 100%	2425 W. Loop South, #200 Houston, Texas 77027, United States
SNC-Lavalin Products & Technology, LLC ¹	US \$1.00 unit 100%	100 Center Point Circle, Suite 100, Columbia, SC 29209, United States
SNC-Lavalin Project Services Inc. ¹	Common share 100%	1001 State Street, #1400 Erie, Pennsylvania 16501, United States
The Atkins North America Holdings Corporation ¹	US \$ common with no par value 100%	4030 West Boy Scout Boulevard, Suite 700, Tampa FL 33607, United States
The SNC-Lavalin Corporation ¹	US \$10,000 common stock 100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
The SNC-Lavalin Corporation ¹	US \$100 common stock 100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
Valerus Field Solutions Columbia SAS ¹	Unit 100%	Calle 113 No. 7-21, Torre A, Of.910 Bogota, Colombia
Valerus Field Solutions Holdings LLC ¹	n/a - membership interest 100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
Valerus Field Solutions LP ¹	n/a - membership interest 100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
Valerus Services Compania en Comandita por Acciones ¹	VEB 1.00 common share 100%	Torre La Previsora, Piso 18, Oficina Sur Este, Av. Abraham Lincoln, c/c Las Acacias, Sabana Grande, Caracas, Venezuela 1050
Ventron Technology Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
VFS Holdco LLC ¹	n/a - membership interest 100%	1209 Orange Street, Wilmington, DE 19801, United States
Vueworks, LLC ¹	Interest share 100%	4030 West Boy Scout Boulevard, Suite 700, Tampa FL 33607, United States
WS Atkins & Partners Overseas Engineering Consultants ¹	SAR 100.00 indivisible shares 100%	6 th Floor Hamad Tower, King Fahad Road, PO Box 301702, Riyadh, Kingdom of Saudi Arabia
WS Atkins & Partners Overseas ¹	£1.00 ordinary share 100%	5.20 World Trade Center, 6 Bayside Road, GX11 1AA, Gibraltar
WS Atkins (India) Private Limited ¹	INR 100.00 equity shares 100%	10 th Floor, Safina Towers, No. 3, Ali Asker Road, Bangalore, Karnataka-KA, 560052, India

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

8 Investments (continued)

Subsidiary undertakings (continued)

Name	Interests held / % of share class	Registered office / Principal place of business
WS Atkins (Malaysia) SDN. BHD ¹	RM 1.00 ordinary share 100%	Unit 1-17-1 Menara Bangkok Bank@Berjaya Central Park, No 105 Jalan Ampang, 50450 Kuala Lumpur, Malaysia
WS Atkins (No. 3 Trustees) Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
WS Atkins (Trustees) Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
WS Atkins (UK Holdings) Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
WS Atkins International & Co. LLC ¹	OMR1.00 shares 65%	2 nd Floor, Hatat House Complex B, Wadi Adai, Muscat, PO BOX 2985, Oman
WS Atkins International B.V. ¹	€453.78 shares 100%	Schipol Boulevard 169, 1118 BG, Schipol, Netherlands
WS Atkins International Limited ¹	£1.00 ordinary shares 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
WS Atkins Ireland (Holdings) Limited ¹	€1.25 ordinary shares 100%	Atkins House, Units 150-155 Airside Business Park, Swords, co Dublin, Ireland
WS Atkins Ireland (Holdings) Limited ¹	€1.25 redeemable preference shares 100%	Atkins House, Units 150-155 Airside Business Park, Swords, co Dublin, Ireland
WS Atkins Ireland Limited ¹	€1.27 ordinary shares 100%	Atkins House, Units 150-155 Airside Business Park, Swords, co Dublin, Ireland
WS Atkins Limited	£0.005 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England
WS Atkins Overseas Limited ¹	£1.00 ordinary share 100%	5.20 World Trade Center, 6 Bayside Road, GX11 1AA, Gibraltar
WS Atkins Quest Trustee Limited ¹	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
WS Atkins, Inc. ¹	US\$1.00 common stock 100%	3411 Silverside Road #104 Rodney Building, Wilmington DE 19810, United States

¹ Owned by a subsidiary undertaking other than SNC-Lavalin (GB) Holdings Limited.

The principal activity of all the subsidiaries is engineering services and project management activities.

The country of incorporation matches the country in which the registered office/principal place of business is located. All the subsidiary undertakings noted above operate in the country of registration, except for WS Atkins & Partners Overseas and WS Atkins Overseas Limited, which operate in the Middle East.

SNC-LAVALIN (GB) HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

8 Investments (continued)

Significant holdings

The following companies were the significant holdings as at 31 December 2019:

Name	Interests held / % of share class		Registered office / Principal place of business
Faithful + Gould Project Management LLC ¹	AED1,000 ordinary share	49%	Office W305, 3rd Floor, West Tower, Abu Dhabi Mall, Abu Dhabi, United Arab Emirates
Faithful&Gould Qatar LLC ¹	QAR1,000 share	49%	PO Box 23443, Qatar
Faithful+Gould Saudi Arabia Limited ¹	SAR1,000 ordinary share	46%	PO Box 56684, Riyadh 11584, Kingdom of Saudi Arabia
UK Nuclear Restoration Limited ¹	£1.00 ordinary share	30%	Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8AZ, England & Wales
WS Atkins International and Hussain Tawfiq Al-Modeer Engineering Consultants ¹	SAR10.00 indivisible non-tradeable equal cash interests	50%	P.O. Box 3791, Al-Khobar 3192, Kingdom of Saudi Arabia

¹: Owned by a subsidiary undertaking other than SNC-Lavalin (GB) Holdings Limited.

Joint ventures

The following entities are considered to be joint ventures based on the agreements in place between the Atkins Group and the other parties as at 31 December 2019:

Name	Registered office / Principal place of business	Proportion of ownership / interest	Financial year end
Canadian National Energy Alliance Ltd ¹	79 Wellington Street West, 30 th Floor, TD South Tower, Toronto, Canada M5K 1N2	26.0%	31 March
CB&I Atkins Southwest Environmental LLC ¹	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, United States	45.0%	31 December
Central Plateau Cleanup Company LLC ¹	1209 Orange Street, Wilmington, Delaware, United States 19801	22.0%	30 September
Comprehensive Decommissioning International, LLC ¹	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States	40.0%	31 December
Connect Plus Services (unincorporated) ¹	N/A	32.5%	30 September
DG21 LLC ¹	14900 Landmark Boulevard, Suite 400, Dallas TX 75254, United States	20.0%	31 December
EA2 Solutions LLC ¹	2908 Poston Avenue, Nashville, Tennessee, United States 37203-1312	49.0%	31 December

SNC-LAVALIN (GB) HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

8 Investments (continued)

Joint ventures (continued)

Name	Registered office / Principal place of business	Proportion of ownership / interest	Financial year end
EDP JV (unincorporated) ¹	N/A	40.0%	31 March
Engage S.N.C. ¹	70 Boulevard de Courcelles, 75017 Paris, France	25.0%	31 December
GET-NSA, LLC ¹	100 Union Valley Road, Suite 101a, Oak Ridge TN 37830, United States	49.0%	31 December
Global Threat Reductions Solutions, LLC ¹	222 Valley Creek Blvd., Suite 210, Exton, PA 19341, United States	49.0%	31 December
Hanford Tank Closure Company LLC ¹	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States	46.5%	30 September
Idaho Treatment Group, LLC (in close out) ¹	2016 Mt. Athos Road, Lynchburg, VA 24504, United States	15.0%	31 December
LATA-Atkins Technical Services LLC ¹	6501 Americas Parkway #200, Albuquerque, New Mexico, United States 87110	49.0%	31 December
LATA/Parallax, Portsmouth LLC ¹	2424 Louisiana Blvd NE, STE 400, Albuquerque, NM 87110, United States	49.0%	31 December
Mid-America Conversion Services, LLC ¹	3735 Palomar Centre Drive #109, Lexington, KY 40513, United States	42.0%	31 December
Nuclear Atkins Assystem Alliance SNC ¹	70 Boulevard de Courcelles, 75017 Paris, France	50.0%	31 December
Pennsylvania Remediation Company LLC ¹	1725 Duke Street, Suite 400, Alexandria, VA 22314, United States	35.0%	31 December
Savannah River Technology & Remediation, LLC ¹	106 Newberry Street S.W., Aiken, South Carolina 29801, United States	20.0%	31 December
TPMC-EnergySolutions Environmental Services 2008, LLC ¹	222 Valley Creek Blvd., Suite 210, Exton, PA 19341, United States	49.0%	31 December
TPMC-EnergySolutions Environmental Services 2010, LLC ¹	222 Valley Creek Blvd., Suite 210, Exton, PA 19341, United States	49.0%	31 December
TPMC-EnergySolutions Environmental Services, LLC ¹	222 Valley Creek Blvd., Suite 210, Exton, PA 19341, United States	49.0%	31 December
Uranium Disposition Services, LLC ¹	1020 Monarch St., STE 100, Lexington, KY 40513-1890, United States	26.0%	31 December
VBA Joint Venture Limited ¹	Hertford Road, Hoddesdon, Hertfordshire, EN11 9BX, England & Wales	15.0%	31 December
Washington River Protection Solutions, LLC ¹	2425 Stevens Center Place, Richland, WA 99352, United States	40.0%	31 December

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019****8 Investments (continued)****Joint ventures (continued)**

Name	Registered office / Principal place of business	Proportion of ownership / interest	Financial year end
West Valley Environmental Services, LLC ¹	4 Centre Dr., Orchard Park, New York NY 14127, United States	10.0%	31 December

¹ Owned by a subsidiary undertaking other than SNC-Lavalin (GB) Holdings Limited.

Joint operations

The Atkins Group also carries out contracts in joint arrangement with other contractors as our clients seek a single point of responsibility for major projects. The following are the principal joint operations in which the Group participated during the period:

Name	Principal place of business	Proportion of ownership / interest
East West Rail Phase 2 Alliance	United Kingdom	33.3%
Atkins - TYP SA	Kingdom of Saudi Arabia	50.0%

9 Deferred tax assets

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and there is a legally enforceable right to settle tax assets and liabilities on a net basis. The offset amounts are as follows:

	31 December 2019	31 December 2018
	CAN \$'000	CAN \$'000
Deferred tax assets:		
- deferred tax assets to be recovered after more than 12 months	19,764	19,728
Total deferred tax assets	19,764	19,728
Deferred income tax assets (net)	19,764	19,728

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Based on future profitability of the UK Group the Company has recognised its deferred tax assets.

The Finance Act 2016 included a provision to reduce the rate of corporation tax from 19% to 17% to take effect from 1 April 2020. However following the budget on 11 March 2020 the Chancellor confirmed the rate would remain at 19%. This increase was not substantially enacted at the balance sheet date and therefore not included in these financial statements.

The overall effect of these changes, if applied to the deferred tax balance at 31 December 2019 would be to increase the deferred tax asset by approximately \$2,325k. This will be recognised in full in the accounts for the year ending 31 December 2020.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019****9 Deferred tax assets****a) Deferred tax assets**

The deferred tax assets consists of the following deferred tax assets:

	31 December 2019 CAN \$'000	31 December 2018 CAN \$'000
Corporate interest regulations restriction	19,764	19,728
Total deferred tax assets	19,764	19,728

b) Analysis of movements during the year

	Year ended 31 December 2019 CAN \$'000	Year ended 31 December 2018 CAN \$'000
Deferred tax asset at 1 January	19,728	9,940
Deferred tax charged to the Income Statement (note 7)	36	9,788
Deferred tax asset at 31 December	19,764	19,728

10 Debtors

	31 December 2019 CAN \$'000	31 December 2018 CAN \$'000
Amounts falling due within one year:		
Loans due from fellow group undertakings	424,494	396,958
Amounts owed by fellow group undertakings	2,044	112
	426,538	397,070

Amounts owed by fellow group undertakings include USD \$274,864k intercompany loans equivalent to CAN \$356,440k (2018: USD \$274,864k equivalent to CAN \$374,337k) for cash management purposes, which are interest-free, unsecured, have no fixed date of repayment and are repayable on demand.

On 14 June 2018 WS Atkins Limited declared an interim dividend for the year ended 31 December 2018 subject to the completion of the sale of WS Atkins Insurance (Guernsey) Limited by Atkins ATK Investments Limited to SNC-Lavalin Group Inc. This sale completed on 9 August 2018 and the dividend was settled by the transfer of a promissory note issued by SNC-Lavalin Group Inc. with a value of GB £9,746,000 equivalent to CAN \$16,770,917.

On 18 June 2018, the Company entered into a credit facility agreement with its ultimate holding company, SNC-Lavalin Group Inc., to a maximum amount of up to CAN \$70,000,000. The facility bears interest at the rate of 3.11%, is unsecured and is repayable on demand. As at 31 December 2019 amounts owed by group undertakings include CAN \$53,327k (2018: CAN \$5,962k) receivable under the credit facility agreement.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019****11 Creditors: amounts falling due within one year**

	31 December 2019	31 December 2018
	CAN \$'000	CAN \$'000
Bank overdraft	-	29
Loans due to fellow group undertakings	40,998	40,998
Amounts owed to fellow group undertakings	36,535	37,555
Other creditors	26	50
	77,559	78,632

Loans due to fellow group undertakings of CAN \$40,998k (2018: CAN \$40,998k) are interest-free and repayable on demand.

12 Creditors: amounts falling due after more than one year

	31 December 2019	31 December 2018
	CAN \$'000	CAN \$'000
Amounts falling due between one and five years		
Amounts owed to fellow group undertakings		
Interest-bearing CAD Eurobond Instruments	500,000	-
Interest-bearing GBP Eurobond Instruments	366,575	-
Interest-bearing USD Eurobond Instruments	360,676	-
	1,227,251	-
Amounts falling due after more than five years		
Amounts owed to fellow group undertakings		
Interest-bearing CAD Eurobond Instruments	-	500,000
Interest-bearing GBP Eurobond Instruments	-	370,187
Interest-bearing USD Eurobond Instruments	-	374,337
	-	1,244,524
Total creditors falling due after more than one year	1,227,251	1,244,524

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

12 Creditors: amounts falling due after more than one year (continued)

As at 31 December 2019 amounts owed to SNC-Lavalin (Guernsey) Holdings Ltd, a fellow group undertaking, were Eurobond Instruments listed on The International Stock Exchange of CAN \$500,000,000, GBP £215,000,000 and USD \$274,763,780. The Eurobonds accrued interest on a bi-annual basis, payable on 15 January and 15 July each year, at the rate of 3-month CDOR + 5.25% per annum, 3-month LIBOR + 5.10% per annum and 6-month USD LIBOR + 4.80% per annum respectively. The Eurobond Instruments were unsecured and mature on 10 July 2024.

As at 31 December 2018 amounts owed to SNC-Lavalin (Guernsey) Holdings Ltd, a fellow group undertaking, were Eurobond Instruments listed on The International Stock Exchange of CAN \$500,000,000, GBP £215,000,000 and USD \$274,763,780. The Eurobonds accrued interest on a bi-annual basis, payable on 15 January and 15 July each year, at the rate of 6-month CDOR + 4.75% per annum, 6-month LIBOR + 4.60% per annum and 6-month USD LIBOR + 4.80% per annum respectively. The Eurobond Instruments were unsecured and matured on 10 July 2024.

13 Called-up share capital and reserves

Ordinary shares of £1.00 each

	2019	2019
Allotted, called-up and fully paid	Number	CAN \$'000
At 1 January 2019	1	-
Issued during the year	1	-
At 31 December 2019	2	-

Ordinary shares of \$0.10 each

	2019	2019
Allotted, called-up and fully paid	Number	CAN \$'000
At 1 January 2019	132,500	13
Issued during the year	-	-
At 31 December 2019	132,500	13

The Company has two classes of ordinary shares. The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. The ordinary shares do not confer any rights of redemption. There are no restrictions on the distribution of dividends and the repayment of capital.

The Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

On 15 January 2019, SNC-Lavalin (GB) Limited provided the Company with a capital contribution of CAN \$40,108k which has been included in Other Reserves.

On 27 November 2019, the Company's share premium was reduced by CAN \$3,436,637,581 and transferred to distributable reserves in order to allow the Company to make distributions in the future.

SNC-LAVALIN (GB) HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

14 Related party transactions

During the period the Company entered into transactions, in the ordinary course of business, with other related parties. Directors' remuneration is disclosed in note 4.

The Company has taken advantage of the exemption under section 33, 1A of FRS 102 not to disclose transactions with other wholly-owned group undertakings.

15 Contingent liabilities

The Company is a guarantor under:

- (a) the Second Amended and Restated Credit Agreement, dated as of 30 April 2018, between SNC-Lavalin Group Inc. ("Group"), as borrower, Bank of Montreal, as administrative agent, and the lenders party thereto; and
- (b) the Trust Indenture (open-ended), dated as of 24 November 2017, between Group, as issuer, and Computershare, as trustee (to date, three series of debentures remain issued thereunder).

The Company is also an indemnitor under the EDC Bonding Products Declaration and Indemnity, dated 23 March 2017, between Group and Export Development Canada.

The Company is included in a Group Registration for Value Added Tax purposes and is, therefore, jointly and severally liable for all other Group undertakings' unpaid debts in this connection.

16 Events occurring after the reporting period

On 19 June 2020 the Company received an interim dividend of GBP £55m (equivalent to CAN \$92,915k) from WS Atkins Ltd relating to the year ending 31 December 2020 settled by the transfer to the Company of GBP £55m (equivalent to CAN \$92,915k) of a loan due to WS Atkins Ltd by SNC-Lavalin Group Inc.

On 15 July 2020 the Company declared an interim dividend for the year ended 31 December 2020 of CAN \$84,609k settled by the transfer to SNC-Lavalin (GB) Limited of CAN \$84,609k of a loan due to the Company by SNC-Lavalin Group Inc.

The COVID-19 Pandemic did not impact the Company during the financial year ended 31 December 2019 and is a non-adjusting subsequent event. It is not expected to have an impact during the financial year ending 31 December 2020 given the Company acts primarily as an investment holding company. Further details are disclosed in the Strategic Report included as a part of these financial statements.

SNC-LAVALIN (GB) HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

17 Controlling parties

SNC-Lavalin Group Inc. was the Company's ultimate parent undertaking and controlling party as at 31 December 2019. SNC-Lavalin Group Inc. heads the largest and smallest group of undertakings for which Group financial statements are drawn up and of which the Company is a member.

The immediate parent undertaking is SNC-Lavalin (GB) Limited.

SNC-Lavalin Group Inc. is incorporated under the Canada Business Corporations Act in Canada and has its registered office at:

455 René-Lévesque Boulevard West

Montreal

Quebec H2Z 1Z3

Canada

Copies of the annual report and financial statements for SNC-Lavalin Group Inc. are available at www.snc-lavalin.com/en/investors.

SNC-Lavalin (GB) Limited is incorporated in England and Wales, and has its registered office at:

Woodcote Grove

Ashley Road

Epsom

Surrey KT18 5BW

England

Copies of the annual report and financial statements for SNC-Lavalin (GB) Limited are available from the company secretary at the above address.