

**SNC-LAVALIN (GB) HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**COMPANY NUMBER 10715197**

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# **SNC-LAVALIN (GB) HOLDINGS LIMITED**

Company Number 10715197

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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## **SNC-LAVALIN (GB) HOLDINGS LIMITED**

Company Number 10715197

# **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

### **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; and
- 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").

The Company expects to continue to act as an investment holding company for the foreseeable future.

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 2020 (note 18).

### **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 2020).

#### ***Brexit***

The Company continues to monitor developments in relation to the UK's exit from the European Union and any potential risks which may impact the Company. However, at this stage, the Company continues to conclude that the impact of the UK's departure from the EU presents a minimal risk to its operations, 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 purpose of this statement is to provide an overview of the current known impact of COVID-19 as at the date of these Financial Statements.

The COVID-19 Pandemic did not impact the Company during the financial year ended 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 decisive and early actions to align workload and resources has proved to be effective and allowed the Group to continue delivering for its customers in an efficient manner, the Pandemic has not materially affected the Company. Looking ahead, the Company will continue to actively monitor the situation and may take further actions as necessary to efficiently meet the needs of the Group.

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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Results and dividends**

***Operating profit***

The Company reported an operating loss of CAN \$164k in the year ended 31 December 2020 (2019: operating profit CAN \$973k) primarily due to foreign exchange losses.

***Profit for the year***

The profit after tax for the year of CAN \$67,191k (2019: profit after tax of CAN \$8,394k) is shown in the Income Statement on page 14 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 \$135,444k were received from WS Atkins Limited during the year ended 31 December 2020 (2019: CAN \$86,900k). Dividends of CAN \$142,138k were paid during the year (2019: \$nil).

***Cash***

Net funds as at 31 December 2020 were CAN \$8k (2019: CAN \$28k).

**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.

**Corporate sustainability**

The Company is committed to acting responsibly towards all its stakeholders, and the Group is committed to taking a leadership position within its sector with regards to corporate sustainability. The Group's corporate sustainability strategy and performance is published on its website at [www.snclavalin.com/en/sustainability](http://www.snclavalin.com/en/sustainability).

**Section 172 Statement**

As a result of the statutory reporting requirements imposed by The Companies (Miscellaneous Reporting) Regulations 2018, the directors of the Company are required to make an annual statement on how they have discharged their duty under Section 172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole and with regard to broader stakeholder interests. This section of the Strategic Report states how the directors have had regard to the matters set out in Section 172(1) (a) to (f) during the year as required by Section 414CZA, of the Companies Act 2006.

**SNC-LAVALIN (GB) HOLDINGS LIMITED**  
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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Section 172 Statement (continued)**

The Company's board and directors take their responsibilities seriously and seek to act in good faith in the way most likely to promote the success of the Company in accordance with Section 172 of the Companies Act by continuously seeking to further improve engagement with stakeholders in order to identify matters of importance and to understand how these can be capitalised upon in order to further generate long-term Company value.

The Company's core purpose is to act as a holding company and therefore the Company has no employees or customers and, equally, its regard to areas such as community and the environment, relationships with external parties and business conduct is limited as a result

Regular engagement with the Company's stakeholders ensures 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, customers or suppliers. The primary stakeholder of the Company is its group of subsidiaries and the Company engages regularly to ensure it is providing services in such a way to ensure these subsidiaries are able to provide long-term value for their shareholders. Further details of the Company's subsidiaries are provided in the Notes to the Financial Statements of these Financial Statements.

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 and approve the payment of a proposed dividend (further details of which are provided in the Notes to the Financial Statements of these Financial Statements). The value and appropriateness of this dividend was considered in detail, with specific reference and consideration as to the Company's stakeholders. 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  
24 September 2021

## **SNC-LAVALIN (GB) HOLDINGS LIMITED**

Company Number 10715197

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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 2020.

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 event**

On 9 February 2021, SNC-Lavalin Group Inc. (the Company's ultimate parent undertaking) announced that it had entered into a binding agreement to sell its Oil & Gas business, which was previously included in the Resources segment, (the "O&G sale") to Kentech Corporate Holdings Limited ("Kentech").

A substantial portion of the O&G sale was completed on 29 July 2021 with the remainder completing on 15 August 2021 following regulatory approvals.

As at 31 December 2020, the Oil & Gas business was classified as a disposal group held for sale and as a discontinued operation in the statutory accounts of the ultimate parent undertaking. Because of the sector that some of the Company's subsidiaries operate in, some of the Company's investments form part of the group of companies or businesses that have now been sold to Kentech. These have not been treated as a disposal group held for sale or a discontinued operation in the financial statements of the Company because the Directors do not consider that they form a major line of business.

#### **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 2020).

#### **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.

##### *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.

**SNC-LAVALIN (GB) HOLDINGS LIMITED**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Financial risk management (continued)**

**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 outstanding receivables and committed transactions with fellow group undertakings, 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.

**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 Company's principal accounting policies are described in note 1 to the Financial Statements. The Financial Statements of the Company have been prepared in accordance with Financial Reporting Standard 101 - Reduced Disclosure Framework (FRS 101).

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 Group'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 preparation of 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.

<b>Name</b>	<b>Appointed</b>	<b>Resigned</b>
M S Anderson	-	17 May 2021
S G Cole	-	-
J Jarman	17 May 2021	-

**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 has been disclosed in note 4 to the financial statements.

**SNC-LAVALIN (GB) HOLDINGS LIMITED**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**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 met the minimum threshold required to report and this statement applies to the Company and its employing subsidiaries, where applicable.

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 its annual employee engagement survey to gauge the views of our people around the world (including in the UK). Following the conclusion of the survey, results were anonymously collated, and trends identified.

During 2020 and following the implementation of strict government measures required to gain control of COVID-19, the Group limited access to its offices in order to ensure the safety of its employees. The majority of employees worked from home for a substantial part of 2020 and the Group continued to support this way of working, providing guidance and support to all those in need. However, some employees faced unprecedented challenges due to other restrictions and accordingly, flexible working options were offered to employees with caring responsibilities such as home schooling (at various times during the year), a confirmed case of the virus, or other wellbeing reasons. The Group supported line managers in ensuring that those who needed assistance to work flexibly, received it with options ranging from working compressed days to unpaid leave.

Further information about how the Group engages with its employees can be found in the SNC-Lavalin Group Inc. financial statements for the year ended 31 December 2020 (note 18).

**Diversity and inclusion**

The Group is committed to building a diverse organisation to maximise the skills available in the regions in which it operates. During 2020, the Group worked with an external supplier and employees to develop a new three-year equality, diversity and inclusion ("ED&I") strategy and action plan for implementation in February 2021.

The ED&I strategy aims at the Group becoming a truly inclusive employer and that means continuing to improve for the benefit of everyone. The Group's ED&I focus for the next two years will build on the work done to date, by pursuing improvements for all underrepresented groups and promoting a more inclusive culture for all employees. The ED&I strategy builds on the best practice and past successes of the Group to create a set of common goals that will aim to deliver improvements for all employees. This includes support for the Group's many and varied employee networks, mentoring and reverse-mentoring programmes which in turn provide the opportunity for all employees to support ED&I initiatives.

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 Group operates.

The Group encourages recruitment, training, career development and promotion on the basis of aptitude and ability, without regard to disability. The Group is also committed to retain and retrain, as necessary, employees who become disabled during the course of their employment.

In addition, the Group has continued to widen its employee-focussed networks which provide employees with a forum directly linked to senior management. Such networks continue to support the scope of employee policies, all with the aim of providing employees with the best possible working environment.



**SNC-LAVALIN (GB) HOLDINGS LIMITED**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Political donations**

The Company made no political donations and incurred no political expenditure during the year ended 31 December 2020 (2019: 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.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom 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 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.

The directors of the Company consider that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable, and that they provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Each of the directors, whose names are listed in the Director's report, confirms that, to the best of his or her knowledge:

- the Company's Financial Statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Directors' report contained in the Annual Report and Financial Statements includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

**SNC-LAVALIN (GB) HOLDINGS LIMITED**  
Company Number 10715197

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**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 2022 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 2021, 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 in office for a further year.

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



Elliot Nobelen  
Company Secretary  
24 September 2021

## 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 2020 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 18.

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





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<b>Key audit matters</b>	The key audit matter that we identified in the current year was:
	<ul style="list-style-type: none"> <li>• Carrying value of investments</li> </ul>

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Within this report, key audit matters are identified as follows:

-  Newly identified
-  Increased level of risk
-  Similar level of risk
-  Decreased level of risk

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<b>Materiality</b>	The materiality that we used in the current year was CAN \$54.8 million which was determined on the basis of 1.2% of total assets.
<b>Scoping</b>	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
<b>Significant changes in our approach</b>	There have been no significant changes in our approach in the current year.

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#### 4. Conclusions relating to going concern

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

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Challenging of the judgements and assumptions such as the revenue and costs forecasts applied by management in their going concern assessment and associated forecasts including comparing actuals to budget;
- Assessing the relevant sensitivities which may impact the company including Covid 19 and assessing the effect on the company's cashflows;
- Assessing the historical accuracy of forecasts prepared by management; and
- Evaluating the appropriateness of the disclosures in the financial statements around going concern.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### 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.

### 5.1. Carrying value of the investments <>

<b>Key audit matter description</b>	<p>The carrying value of the investments is valued at cost less provision for impairment at the balance sheet date (2020: CAN \$4.3 billion; 2019: CAN \$4.3 billion). We have considered this as a key audit matter as it is material to the company as it represents over 90% of the total assets. As there is no active market for which to purchase the investments, 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.</p> <p>Judgement is required by the directors as to whether any of the investments should be impaired based on the financial position and future prospects of the underlying investment. This takes into consideration a range of factors such as the trading performance, the expected revenue growth and discount rates being the key assumptions.</p> <p>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>Further details are included in critical accounting judgements and key sources of estimation uncertainty in note 2 and investments in note 8 of the financial statements.</p>
<b>How the scope of our audit responded to the key audit matter</b>	<p>We obtained an understanding of relevant controls related to the valuation of investments.</p> <p>We obtained the most recent financial projections of the underlying subsidiaries to determine whether they supported the carrying value of the investments balance.</p> <p>We challenged the directors' judgement regarding the appropriateness of the carrying value by understanding the key assumptions used in the determination of the carrying value of the investments held.</p> <p>We performed a sensitivity analysis in relation to these key assumptions used in the Company's projections, tested the integrity of the projections, and tested the accuracy and completeness of the underlying data and formulae used.</p> <p>We have also involved the internal valuation specialists to assess the reasonableness of the discount rate used in determining the net present value of cash flows.</p> <p>We also evaluated the historical accuracy of management's forecasts by comparing the actual results to forecasts.</p>

Key observations	Based on the work performed we concluded that the carrying value of investments is appropriate.
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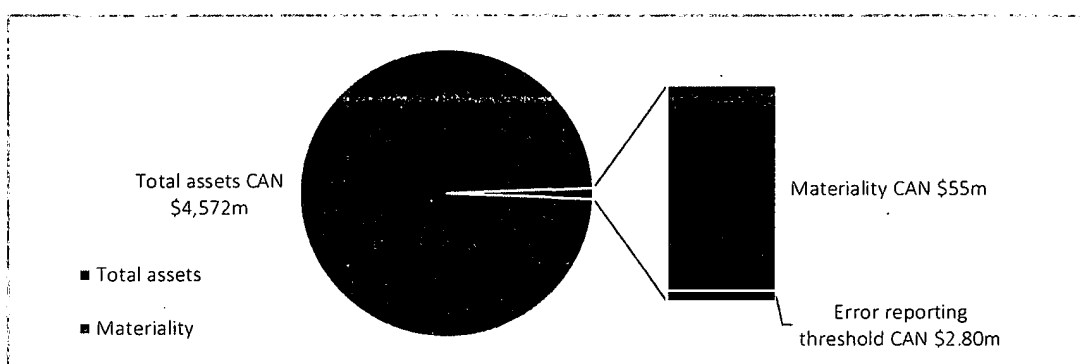
## 6. Our application of materiality

### 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 \$54.8 million (2019: CAN \$56.4 million)
Basis for determining materiality	1.2% of total assets (2019: 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.



### 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 2020 audit (2019: 70%). In determining performance materiality, we considered the following factors:

- Our risk assessment, including our assessment of the company's overall control environment and the impact of Covid-19; 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 the directors all audit differences in excess of CAN \$2.8 million (2019: 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-Lavalin (GB) Holdings Limited is JD Edwards. 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information within the annual report.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including valuation, tax and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area is the carrying value of the investments. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.



We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

#### 11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## Report on other legal and regulatory requirements

### 12. 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.

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

#### 13.1. 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.

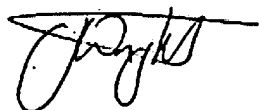
#### 13.2. Directors' remuneration

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 this matter.

### 14. 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

27 September 2021

**SNC-LAVALIN (GB) HOLDINGS LIMITED**  
Company Number 10715197

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

		Year ended 31 December 2020	Year ended 31 December 2019
	Note	CAN \$'000	CAN \$'000
Administrative expenses		-	(31)
Other operating (losses)/gains		(164)	1,004
<b>Operating (loss)/profit</b>	3	<b>(164)</b>	<b>973</b>
Income from shares in group undertakings	5	135,444	86,900
<b>Profit before interest and taxation</b>		<b>135,280</b>	<b>87,873</b>
Interest receivable and similar income	6	1,041	1,998
Interest payable and similar expenses	6	(72,148)	(81,513)
<b>Net interest expense</b>	6	<b>(71,107)</b>	<b>(79,515)</b>
<b>Profit before taxation</b>		<b>64,173</b>	<b>8,358</b>
Income tax credit	7	3,018	36
<b>Profit for the financial year</b>		<b>67,191</b>	<b>8,394</b>

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 20 to 42 are an integral part of these financial statements.

**SNC-LAVALIN (GB) HOLDINGS LIMITED**  
Company Number 10715197

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

		31 December 2020	31 December 2019
	Note	CAN \$'000	CAN \$'000
<b>Non-current assets</b>			
Investments	8	4,275,606	4,274,273
Deferred tax assets	9	23,058	19,764
		<b>4,298,664</b>	<b>4,294,037</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	296,084	426,538
Cash at bank and in hand		8	28
		<b>296,092</b>	<b>426,566</b>
<b>Creditors: amounts falling due within one year</b>	11	<b>(29,446)</b>	<b>(77,559)</b>
<b>Net current assets</b>		<b>266,646</b>	<b>349,007</b>
<b>Total assets less current liabilities</b>		<b>4,565,310</b>	<b>4,643,044</b>
Creditors: amounts falling due after more than one year	12	(1,224,464)	(1,227,251)
<b>Net assets</b>		<b>3,340,846</b>	<b>3,415,793</b>
<b>Capital and reserves</b>			
Called up share capital	13	13	13
Other reserves		40,108	40,108
Retained earnings		3,300,725	3,375,672
<b>Total equity</b>		<b>3,340,846</b>	<b>3,415,793</b>

The financial statements on pages 17 to 42 of SNC-Lavalin (GB) Holdings Limited (registered number 10715197) were approved and authorised for issue by the board of directors on 24 September 2021 and signed on its behalf by:



S G Cole  
Director

The notes on pages 20 to 42 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 2020**

		Called up ordinary share capital	Share premium	Other reserves	(Accumulated losses) /Retained earnings	Total equity
	Note	CAN \$'000	CAN \$'000	CAN \$'000	CAN \$'000	CAN \$'000
Balance as at 1 January 2019		13	3,436,638	-	(69,360)	3,367,291
Profit for the year		-	-	-	8,394	8,394
<b>Total comprehensive income for the year</b>		-	-	-	<b>8,394</b>	<b>8,394</b>
Capital contribution	13	-	-	40,108	-	40,108
Capital reduction	13	-	(3,436,638)	-	3,436,638	-
<b>Total transactions with owners, recognised directly in equity</b>		-	<b>(3,436,638)</b>	<b>40,108</b>	<b>3,436,638</b>	<b>40,108</b>
Balance as at 31 December 2019		13	-	40,108	3,375,672	3,415,793
<b>Balance as at 1 January 2020</b>		<b>13</b>	<b>-</b>	<b>40,108</b>	<b>3,375,672</b>	<b>3,415,793</b>
Profit for the year		-	-	-	67,191	67,191
<b>Total comprehensive income for the year</b>		-	-	-	<b>67,191</b>	<b>67,191</b>
Dividend paid	14	-	-	-	(142,138)	(142,138)
<b>Total transactions with owners, recognised directly in equity</b>		-	-	-	<b>(142,138)</b>	<b>(142,138)</b>
<b>Balance as at 31 December 2020</b>		<b>13</b>	<b>-</b>	<b>40,108</b>	<b>3,300,725</b>	<b>3,340,846</b>

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

Other reserves represent capital contributions made by other Group companies.

(Accumulated losses)/retained earnings represents cumulative profits and losses, net of dividends paid and other adjustments.

The notes on pages 20 to 42 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 2020**

**1 Accounting policies**

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. 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 years presented, including the application of new standards and interpretations, unless otherwise stated.

**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. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). 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 18.

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*
- 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); 134-146 (capital management disclosures).

**SNC-LAVALIN (GB) HOLDINGS LIMITED**  
Company Number 10715197

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1 Accounting policies (continued)**

**Basis of preparation (continued)**

- 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 and 18A of IAS 24, *Related party disclosures* (key management personnel)
- The requirements in IAS 24, *Related party disclosures*, to disclose related party transactions entered into between two or more members of a group
- Paragraphs 130f, 134d to 134f and 135c to 135e of IAS 36, *Impairment of assets*.

**New standards, amendments and IFRIC interpretations**

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2020 that have had a material impact on the Company's financial statements.

IFRS 16 was a new accounting standard in the prior year, effective for the year ended 31 December 2019 and it did not have 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 2022 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 2021, 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 Boul. René-Lévesque Ouest, Montréal, Québec, H2Z 1Z3, Canada.

These financial statements are separate financial statements.

**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.

**SNC-LAVALIN (GB) HOLDINGS LIMITED**  
Company Number 10715197

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1 Accounting policies (continued)**

**Foreign currency transactions and translation (continued)**

***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 recognised in the Income Statement. All other foreign exchange gains and losses are presented in the Income Statement within "Other operating gains/(losses)".

**Interest income/expense**

Interest is recognised on a time apportionment basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

**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.

**Income tax**

Current and deferred 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 Company is subject to tax and judgement is required in determining the Company's provision for income taxes. The Company provides for potential liabilities in respect of uncertain tax positions where additional tax may become payable in future periods and such provisions are based on management's assessment of exposures.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred 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 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 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 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 2020**

**1 Accounting policies (continued)**

**Income tax (continued)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle balances on a net basis.

**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.

**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 assets**

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

***Classification and measurement***

The Company has debt instruments that meet the following conditions and are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

**SNC-LAVALIN (GB) HOLDINGS LIMITED**  
Company Number 10715197

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1 Accounting policies (continued)**

**Financial assets (continued)**

***Classification and measurement (continued)***

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

The Company also has derivative financial assets which, by default, are subsequently measured at fair value through profit or loss (FVTPL) as detailed below.

***Impairment of financial assets***

The Company always recognises lifetime expected credit losses (ECLs) for debt instruments, trade debtors and contract assets. The ECLs for trade debtors and contract assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for any specific factors, where applicable.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account and does not reduce the carrying amount of the financial asset in the balance sheet.

**Financial liabilities**

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

The Company has derivative financial liabilities which are classified as at FVTPL.

The Company has debt instruments that are measured subsequently at amortised cost using the effective interest rate method since they are not held for trading and have not been designated at FVTPL.

**Derivative financial instruments**

The Company enters into a variety of derivative financial instruments (foreign exchange forward contracts) to manage its exposure to foreign exchange rate risk. The Company does not apply hedge accounting on foreign exchange forward contracts taken out to hedge the risk on contract cash flows.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

**SNC-LAVALIN (GB) HOLDINGS LIMITED**  
 Company Number 10715197

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1 Accounting policies (continued)**

**Derivative financial instruments (continued)**

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**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.

**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.

**SNC-LAVALIN (GB) HOLDINGS LIMITED**  
Company Number 10715197

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**3 Operating (loss)/profit**

	Year ended 31 December 2020 CAN \$'000	Year ended 31 December 2019 CAN \$'000
<b>Operating (loss)/profit is arrived at after charging/(crediting):</b>		
Foreign exchange losses/(gains)	164	(1,004)

**Services provided by the Company's auditor**

	Year ended 31 December 2020 CAN \$'000	Year ended 31 December 2019 CAN \$'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	37	34
<b>Total</b>	<b>37</b>	<b>34</b>

The fee for the audit of the current year's financial statements of \$36,904 (2019: \$33,605) is borne by another Group undertaking, Atkins Limited. There was no specific recharge in respect of this charge. No non-audit fees were incurred in the current or prior year.

**4 Directors' remuneration and employee benefit costs**

S G Cole is a director of a number of other companies in the Group. M S Anderson was a director of a number of other companies in the Group until his resignation.

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 (2019: 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 (2019: CAN \$nil). During the year ended 31 December 2020, none of the directors received contributions to a money purchase scheme (year to 31 December 2019: none).

The Company did not employ any staff during the year ended 31 December 2020 (2019: none). No salaries or wages have been paid directly by the Company to employees, including the directors, during the year ended 31 December 2020 (2019: CAN \$nil).

**SNC-LAVALIN (GB) HOLDINGS LIMITED**  
Company Number 10715197

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**5 Income from shares in group undertakings**

	Year ended 31 December 2020 CAN \$'000	Year ended 31 December 2019 CAN \$'000
Dividends received from WS Atkins Limited	135,444	86,900
<b>Income from shares in group undertakings</b>	<b>135,444</b>	<b>86,900</b>

**6 Net interest expense**

	Year ended 31 December 2020 CAN \$'000	Year ended 31 December 2019 CAN \$'000
Interest income on intercompany loans	1,041	1,998
Interest receivable and similar income	1,041	1,998
Interest payable on intercompany loans	(72,148)	(81,513)
Interest payable and similar expenses	(72,148)	(81,513)
<b>Net interest expense</b>	<b>(71,107)</b>	<b>(79,515)</b>

**7 Tax on profit**

**a) Analysis of credit in year**

	Year ended 31 December 2020 CAN \$'000	Year ended 31 December 2019 CAN \$'000
<b>Current tax:</b>		
- Overseas tax	(276)	-
<b>Total current tax</b>	<b>(276)</b>	<b>-</b>
<b>Deferred tax:</b>		
- Tax losses recognised	1,233	2,282
- Effect of change in tax rate	2,297	(240)
- Adjustment in respect of previous year	(236)	(2,006)
<b>Total deferred tax</b>	<b>3,294</b>	<b>36</b>
<b>Income tax credit</b>	<b>3,018</b>	<b>36</b>
<b>Profit before taxation per Income Statement</b>	<b>64,173</b>	<b>8,358</b>
<b>Effective income tax rate</b>	<b>(4.7)%</b>	<b>(0.4)%</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**7 Tax on profit (continued)**

**b) Reconciliation of tax credit**

The difference between the total tax 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 2020	Year ended 31 December 2019	Year ended 31 December 2020	Year ended 31 December 2019
	%	%	CAN \$'000	CAN \$'000
Tax on profit at the standard rate of UK corporation tax of 19%	19.0	19.0	(12,193)	(1,588)
Effects of:				
- Non taxable dividend income	(40.1)	(197.6)	25,734	16,511
- Other permanent differences	1.9	-	(1,238)	-
- Overseas tax	0.4	-	(276)	-
- Group relief surrendered for nil payment	17.3	151.2	(11,070)	(12,641)
- Adjustment in respect of previous years	0.4	24.0	(236)	(2,006)
- Effect of changes in tax rates	(3.6)	3.0	2,297	(240)
<b>Total credit for the year</b>	<b>(4.7)</b>	<b>(0.4)</b>	<b>3,018</b>	<b>36</b>

**c) Tax rate changes**

The rate of corporation tax in the UK as at 31 December 2020 was 19%. Further legislation to reduce the rate of UK corporation tax to 17% from 1 April 2020 had been enacted at the prior year balance sheet date of 31 December 2019. This reduction was reversed in Finance Act 2020 and the enacted rate at 31 December 2020 was 19%.

The Finance Bill 2021 as announced on 3 March 2021, included a provision to increase the standard rate of UK corporation tax from 19% to 25% with effect from 1 April 2023. The increase was not substantively enacted at the balance sheet date and therefore not included in these financial statements.

**8 Investments**

	Investments in subsidiaries CAN \$'000
<b>Cost</b>	
At 1 January 2020	4,274,273
Differences on exchange	1,333
<b>At 31 December 2020</b>	<b>4,275,606</b>
<b>Net book value as at 31 December 2020</b>	<b>4,275,606</b>
Net book value as at 31 December 2019	4,274,273

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**8 Investments (continued)**

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 (2019: £215,000,000) payable to SNC-Lavalin (Guernsey) Holdings Limited has been designated as a hedging instrument in a net investment 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 2020, the foreign exchange loss arising on the Eurobond loan of CAN \$1,333k (2019: CAN \$624k loss) offset the foreign exchange gain arising on the carrying value of the investment in Atkins of CAN \$1,333k (2019: CAN \$624k gain) in the Income Statement.

**Subsidiary undertakings**

The Company has investments in the following subsidiary undertakings as at 31 December 2020:

Name	Interests held / % of share class	Registered office / Principal place of business
ATK Energy EU Limited <sup>1</sup>	£0.00000004 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
ATK Energy EU Services Limited <sup>1</sup>	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins (Trinidad) Limited <sup>1</sup>	TTD ordinary shares with no par value 100%	23 Taylor Street, Woodbrook, Port of Spain, Trinidad and Tobago
Atkins ATK Investments Limited <sup>1</sup>	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins ATK Limited <sup>1</sup>	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Australasia Pty Ltd <sup>1</sup>	AUD1.00 B class ordinary shares 100%	Exchange Tower Level 15, 2 The Esplanade, Perth, WA, 6000, Australia
Atkins Australasia Pty Ltd <sup>1</sup>	AUD1.00 C class ordinary shares 100%	Exchange Tower Level 15, 2 The Esplanade, Perth, WA, 6000, Australia
Atkins Australasia Pty Ltd <sup>1</sup>	AUD1.00 class D shares 100%	Exchange Tower Level 15, 2 The Esplanade, Perth, WA, 6000, Australia
Atkins Australasia Pty Ltd <sup>1</sup>	AUD1.00 ordinary 100%	Exchange Tower Level 15, 2 The Esplanade, Perth, WA, 6000, Australia

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**8 Investments (continued)**

**Subsidiary undertakings (continued)**

<b>Name</b>	<b>Interests held / % of share class</b>		<b>Registered office / Principal place of business</b>
Atkins Bennett (Holdings) Limited <sup>1</sup>	£0.01 ordinary share	100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Bennett Limited <sup>1</sup>	£1.00 ordinary share	100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins China Limited <sup>1</sup>	HKD1.00 ordinary share	100%	13/F Wharf T&T Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong
Atkins Commercial Nuclear Holdings Corporation <sup>1</sup>	US\$1.00 common stock	100%	3411 Silverside Road, Tatnall Building #104, Wilmington DE 19810, United States
Atkins Consultancy Services Limited <sup>1</sup>	£1 ordinary share	100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Consultants (Shenzhen) Co., Ltd. <sup>1</sup>	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 <sup>1</sup>	£1.00 ordinary share	100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Consulting Canada Limited <sup>1</sup>	Common share without nominal or par value	100%	300 – 1801 Hollis Street, Halifax NS B3J 3N4, Canada
Atkins Consulting Engineers Limited <sup>1,7</sup>	SHS.10.00 ordinary shares	100%	Post Office Box Number 30156-00100, Muthangari Drive off Waiyaki Way, Nairobi, Kenya
Atkins Danmark A/S <sup>1</sup>	DKK1,000.00 shares	100%	Arne Jacobsens Alle 17, 2300 Kobenhavn S., Denmark
Atkins Design Engineering Consultants Pte. Ltd <sup>1</sup>	SGD1.00 ordinary share	100%	8 Cross Street, #24-01, Manulife Tower, Singapore, 048424, Singapore
Atkins Energy Canada Group Limited <sup>1</sup>	Common share without nominal or par value	100%	195 The West Mall, 3rd Floor, Toronto, ON, M9C 5K1, Canada
Atkins Energy Federal EPC, Inc. <sup>1</sup>	US\$0.01 common	100%	3411 Silverside Road, Tatnall Building #104, Wilmington DE 19810, United States
Atkins Energy Germany GmbH <sup>1</sup>	€1.00 share	100%	Willhoop 3, 22453, Hamburg, Germany
Atkins Energy Global Solutions, LLC <sup>1</sup>	US\$1.00 shares	100%	3411 Silverside Road, Tatnall Building #104, Wilmington DE 19810, United States
Atkins Energy Government Group, Inc. <sup>1</sup>	US\$1.00 common	100%	3411 Silverside Road, Tatnall Building #104, Wilmington DE 19810, United States
Atkins Energy, Inc. <sup>1</sup>	US\$0.10 common	100%	3411 Silverside Road, Tatnall Building #104, Wilmington DE 19810, United States
Atkins Energy Products & Technology, LLC <sup>1,2</sup>	US\$1.00 unit	100%	4030 West Boy Scout Boulevard, Suite 700, Tampa FL 33607, United States



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**8 Investments (continued)**

**Subsidiary undertakings (continued)**

<b>Name</b>	<b>Interests held / % of share class</b>	<b>Registered office / Principal place of business</b>
Atkins Houston Offshore Engineering LLC <sup>1</sup>	n/a - membership interest 100%	3411 Silverside Road, Tatnall Building #104, Wilmington DE 19810, United States
Atkins International Holdings Limited <sup>1</sup>	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Investments UK Limited <sup>1</sup>	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Limited <sup>1</sup>	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Luxembourg S.à r.l. <sup>1</sup>	€0.20 ordinary share 100%	99 Grand Rue, L-1661 Luxembourg, Grand Duchy of Luxembourg, Luxembourg
Atkins Michigan, Inc. <sup>1</sup>	US\$0.01 common stock 100%	4030 West Boy Scout Boulevard, Suite 700, Tampa FL 33607, United States
Atkins MSL Engineering Limited <sup>1</sup>	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Norge AS <sup>1</sup>	NOK50 shares 100%	Lilleakerveien 6D, 0283 Oslo, Norway
Atkins North America, Inc. <sup>1</sup>	US\$5.00 common stock 100%	4030 West Boy Scout Boulevard, Suite 700, Tampa FL 33607, United States
Atkins Nuclear Secured Holdings Corporation <sup>1</sup>	US\$0.01 common stock 100%	3411 Silverside Road, Tatnall Building #104, Wilmington DE 19810, United States
Atkins Nuclear Secured, LLC <sup>1</sup>	n/a - membership interest 100%	3411 Silverside Road, Tatnall Building #104, Wilmington DE 19810, United States
Atkins Nuclear Solutions US, Inc. <sup>1</sup>	US\$ common stock with no par value 100%	205 Powell Place, Brentwood TN 37027-7522, United States
Atkins Pension Trustee Limited <sup>1</sup>	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Rail Limited <sup>1</sup>	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Atkins Sverige AB <sup>1</sup>	SEK100.00 ordinary 100%	Lilla Nygatan, 7, 211 38, Malmo, Sweden
Atkins Tanzania Limited <sup>1</sup>	SHS.20.00 shares 100%	Plot No 1120, Chloe Road, Msasani Peninsula, Masaki, P.O. Box 2555, Dar Es Salaam, United Republic of Tanzania
Atkins ULC <sup>1,3</sup>	US\$1.00 ordinary 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
AUSHI LLC <sup>1,5,6</sup>	US\$1.00 common stock 100%	3411 Silverside Road, Tatnall Building #104, Wilmington DE 19810, United States
Broomco (985) Limited <sup>1</sup>	£0.01 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**8 Investments (continued)**

**Subsidiary undertakings (continued)**

<b>Name</b>	<b>Interests held / % of share class</b>	<b>Registered office / Principal place of business</b>
Capital Engineering, LLC <sup>1</sup>	Unit 100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
Confab Limited <sup>1</sup>	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Confluence Project Management Private Limited <sup>1</sup>	INR10.00 equity shares 100%	2 <sup>nd</sup> Floor, A Wing, Tradestar, J.B. Nagar, Andheri-Kurla Road, Andheri East, Mumbai, Maharashtra, 400059, India
Data Transfer Solutions, LLC <sup>1</sup>	Interest share 100%	4030 West Boy Scout Boulevard, Suite 700, Tampa FL 33607, United States
Edaroth Limited <sup>1</sup>	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Faithful and Gould Limited <sup>1</sup>	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 <sup>1</sup>	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. <sup>1</sup>	BRL1.00 ordinary 100%	Praia de Botafogo, No. 228, Sala 1620, Rio de Janeiro, 22250-145, Brazil
Faithful+Gould (Holdings) Limited <sup>1</sup>	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Faithful+Gould (Malaysia) SDN BHD <sup>1</sup>	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 <sup>1</sup>	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Faithful+Gould Mexico S.A. de C.V. <sup>1</sup>	MXN ordinary-A 100%	302 Blvd, Bernardo Quintana Niv. 2, Suite 227 Col. Centro Sur Queretaro, 76090, Mexico
Faithful+Gould Nigeria Limited <sup>1</sup>	NGN1.00 ordinary shares 100%	Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria
Faithful+Gould Project Management Pte. Ltd <sup>1</sup>	SGD1.00 ordinary share 100%	8 Cross Street, #24-01, Manulife Tower, Singapore, 048424, Singapore
Faithful+Gould Pte. Limited <sup>1</sup>	SGD1.00 share 100%	8 Cross Street, #24-01, Manulife Tower, Singapore, 048424, Singapore
Faithful+Gould, Inc. <sup>1, 4</sup>	US\$0.01 common stock 100%	5200 Wilson Road #150, Edina MN 55424, United States
Houston Offshore Engineering, LLC <sup>1</sup>	US\$1.00 share 100%	2425 W Loop South #200, Houston TX 77027, United States
Idaho Accelerated Completion Partnership LLC	n/a - membership interest 55%	3411 Silverside Road, Tatnall Building #104, Wilmington DE 19810, United States

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**8 Investments (continued)**

**Subsidiary undertakings (continued)**

<b>Name</b>	<b>Interests held / % of share class</b>	<b>Registered office / Principal place of business</b>
Isotek Systems, LLC <sup>1</sup>	Unit 100%	702 Scarboro Road, Suite 301, Oak Ridge, TN 37831, United States
Isotopen Umweltdienste GmbH <sup>1</sup>	€25,000 share 100%	Willhoop 3, 22453, Hamburg, Germany
Kentz US Resources Corporation <sup>1</sup>	USD\$1.00 Class A voting share 100%	3411 Silverside Road, Tatnall Building #104, Wilmington DE 19810, United States
Kentz USA Inc. <sup>1</sup>	Common stock 100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
Kins Holdings Limited <sup>1</sup>	£0.25 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
Parfab Limited <sup>1</sup>	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
SNC, Ltd. <sup>1</sup>	CAD\$1 class A shares 100%	600 Mamaroneck Avenue #400, Harrison NY 10528, United States
SNC, Ltd. <sup>1</sup>	CAD\$1 common share 100%	600 Mamaroneck Avenue #400, Harrison NY 10528, United States
SNC-Lavalin America, Inc. <sup>1</sup>	Common stock 100%	155 E. Boardwalk #490, Fort Collins, Colorado 80525, United States
SNC-Lavalin Capital USA Inc. <sup>1</sup>	Common stock 100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
SNC-Lavalin Compression Services LLC <sup>1</sup>	Interest share 100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
SNC-Lavalin Constructors Inc. <sup>1</sup>	US \$0.01 common share 100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
SNC-Lavalin Engineers & Constructors Inc. <sup>1</sup>	US \$1 common stock 100%	2425 W. Loop South, #200 Houston, Texas 77027, United States
SNC-Lavalin Project Services Inc. <sup>1</sup>	Shares 100%	1001 State Street, #1400 Erie, Pennsylvania 16501, United States
The Atkins North America Holdings Corporation <sup>1</sup>	US \$ common with no par value 100%	4030 West Boy Scout Boulevard, Suite 700, Tampa FL 33607, United States
The SNC-Lavalin Corporation <sup>1</sup>	US \$10,000 common stock 100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
The SNC-Lavalin Corporation <sup>1</sup>	US \$100 common stock 100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
Valerus Field Solutions Columbia SAS <sup>1</sup>	Unit 100%	Calle 113 No. 7-21, Torre A, Of.910 Bogota, Colombia

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**8 Investments (continued)**

**Subsidiary undertakings (continued)**

<b>Name</b>	<b>Interests held / % of share class</b>	<b>Registered office / Principal place of business</b>
Valerus Field Solutions Holdings LLC <sup>1</sup>	n/a - membership interest 100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
Valerus Field Solutions LP <sup>1</sup>	Interest share 100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
Valerus Services Compania en Comandita VEB 1.00 common share por Acciones <sup>1</sup>	100%	Torre La Previsora, Piso 18, Oficina Sur Este, Av. Abraham Lincoln, c/c Las Acacias, Sabana Grande, Caracas, Venezuela 1050
VFS Holdco LLC <sup>1</sup>	Interest share 100%	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States
Vueworks, LLC <sup>1</sup>	Interest share 100%	4030 West Boy Scout Boulevard, Suite 700, Tampa FL 33607, United States
WS Atkins & Partners Overseas Engineering Consultants <sup>1</sup>	SAR 100.00 indivisible shares 100%	6 <sup>th</sup> Floor Hamad Tower, King Fahad Road, PO Box 301702, Riyadh, Kingdom of Saudi Arabia
WS Atkins & Partners Overseas <sup>1</sup>	£1.00 ordinary share 100%	5.20 World Trade Center, 6 Bayside Road, GX11 1AA, Gibraltar
WS Atkins (India) Private Limited <sup>1</sup>	INR 100.00 equity shares 100%	10 <sup>th</sup> Floor, Safina Towers, No. 3, Ali Asker Road, Bangalore, Karnataka-KA, 560052, India
WS Atkins (Malaysia) SDN. BHD <sup>1</sup>	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 <sup>1</sup>	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
WS Atkins (Trustees) Limited <sup>1</sup>	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
WS Atkins (UK Holdings) Limited <sup>1</sup>	£1.00 ordinary share 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
WS Atkins International & Co. LLC <sup>1</sup>	OMR1.00 shares 65%	2 <sup>nd</sup> Floor, Hatat House Complex B, Wadi Adai, Muscat, PO BOX 2985, Oman
WS Atkins International B.V. <sup>1</sup>	€453.78 shares 100%	Schipol Boulevard 169, 1118 BG, Schipol, Netherlands
WS Atkins International Limited <sup>1</sup>	£1.00 ordinary shares 100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
WS Atkins Ireland (Holdings) Limited <sup>1</sup>	€1.25 ordinary shares 100%	Atkins House, Units 150 Airside Business Park, Swords, co Dublin, Ireland
WS Atkins Ireland (Holdings) Limited <sup>1</sup>	€1.25 redeemable preference shares 100%	Atkins House, Units 150 Airside Business Park, Swords, co Dublin, Ireland

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**8 Investments (continued)**

**Subsidiary undertakings (continued)**

<b>Name</b>	<b>Interests held / % of share class</b>		<b>Registered office / Principal place of business</b>
WS Atkins Ireland Limited <sup>1</sup>	€1.27 ordinary shares	100%	Atkins House, Units 150 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 <sup>1</sup>	£1.00 ordinary share	100%	5.20 World Trade Center, 6 Bayside Road, GX11 1AA, Gibraltar
WS Atkins Quest Trustee Limited <sup>1</sup>	£1.00 ordinary share	100%	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England & Wales
WS Atkins, Inc. <sup>1</sup>	US\$1.00 common stock	100%	3411 Silverside Road #104 Rodney Building, Wilmington DE 19810, United States

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

<sup>2</sup> Formerly SNC-Lavalin Products & Technology LLC (until 10 February 2020).

<sup>3</sup> Atkins ULC was dissolved with effect from 19 January 2021.

<sup>4</sup> Faithful+Gould, Inc. was merged into Atkins North America, Inc. with effect from 6 January 2021.

<sup>5</sup> Formerly Atkins US Holdings, Inc. (until 31 December 2020).

<sup>6</sup> AUSHI LLC was dissolved with effect from 5 January 2021.

<sup>7</sup> Atkins Consulting Engineers Ltd was sold on 16 July 2021.

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.

**Significant holdings**

The following companies were the significant holdings as at 31 December 2020:

<b>Name</b>	<b>Interests held / % of share class</b>		<b>Registered office / Principal place of business</b>
Faithful + Gould Project Management LLC <sup>1</sup>	AED1,000 ordinary share	49%	Office W302, 3rd Floor, West Tower, Abu Dhabi Mall, Abu Dhabi, United Arab Emirates
Faithful&Gould Qatar LLC <sup>1</sup>	QAR1,000 share	49%	PO Box 23443, Qatar
Faithful+Gould Saudi Arabia Limited <sup>1</sup>	SAR1,000 ordinary share	46%	6th Floor Hamad Tower, King Fahad Road, PO Box 301702, Riyadh, Kingdom of Saudi Arabia
UK Nuclear Restoration Limited <sup>1,2</sup>	£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 <sup>1</sup>	SAR10.00 indivisible non-tradeable equal cash interests	50%	P.O. Box 3791, Al-Khobar 3192, Kingdom of Saudi Arabia

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

<sup>2</sup> UK Nuclear Restoration Limited was dissolved with effect from 19 January 2021.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**8 Investments (continued)**

**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 2020:

<b>Name</b>	<b>Registered office / Principal place of business</b>	<b>Proportion of ownership / interest</b>	<b>Financial year end</b>
Canadian National Energy Alliance Ltd <sup>1</sup>	79 Wellington Street West, 30 <sup>th</sup> Floor, TD South Tower, Toronto, Canada M5K 1N2	26.0%	31 March
CB&I Atkins Southwest Environmental LLC <sup>1</sup>	The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, United States	45.0%	31 December
Central Plateau Cleanup Company LLC <sup>1</sup>	1209 Orange Street, Wilmington, Delaware, United States 19801	22.0%	30 September
Comprehensive Decommissioning International, LLC <sup>1</sup>	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States	40.0%	31 December
Connect Plus Services (unincorporated) <sup>1</sup>	N/A	32.5%	30 September
DG21 LLC <sup>1,2</sup>	14900 Landmark Boulevard, Suite 400, Dallas TX 75254, United States	24.5%	31 December
EA2 Solutions LLC <sup>1</sup>	2908 Poston Avenue, Nashville, Tennessee, United States 37203-1312	49.0%	31 December
EDP JV (unincorporated) <sup>1</sup>	N/A	40.0%	31 March
Engage S.N.C. <sup>1</sup>	70 Boulevard de Courcelles, 75017 Paris, France	25.0%	31 December
GET-NSA, LLC <sup>1</sup>	100 Union Valley Road, Suite 101a, Oak Ridge TN 37830, United States	49.0%	31 December
Global Threat Reductions Solutions, LLC <sup>1</sup>	222 Valley Creek Blvd., Suite 210, Exton, PA 19341, United States	49.0%	31 December
Hanford Tank Closure Company LLC <sup>1</sup>	3411 Silverside Road, Tatnall Building #104 Wilmington DE 19810, United States	46.5%	30 September
Idaho Treatment Group, LLC (in close out) <sup>1</sup>	2016 Mt. Athos Road, Lynchburg, VA 24504, United States	15.0%	31 December
LATA-Atkins Technical Services LLC <sup>1</sup>	6100 Uptown Boulevard NE, Suite 400, Albuquerque NM 87110, United States	49.0%	31 December
LATA/Parallax, Portsmouth LLC <sup>1</sup>	2424 Louisiana Blvd NE, STE 400, Albuquerque, NM 87110, United States	49.0%	31 December
Marstel-Day/Atkins MP JV Limited Liability Company	701 Kenmore Avenue, Ste. 220, Fredericksburg VA 22401, United States	49.0%	31 December
Mid-America Conversion Services, LLC <sup>1</sup>	3735 Palomar Centre Drive #109, Lexington, KY 40513, United States	42.0%	31 December
Nuclear Atkins Assystem Alliance SNC <sup>1</sup>	70 Boulevard de Courcelles, 75017 Paris, France	50.0%	31 December

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**8 Investments (continued)**

**Joint ventures (continued)**

<b>Name</b>	<b>Registered office / Principal place of business</b>	<b>Proportion of ownership / interest</b>	<b>Financial year end</b>
NWI&T Atkins SB JV, LLC <sup>1</sup>	1209 Orange Street, Wilmington, Delaware, United States 19801	49.0%	31 December
TPMC-EnergySolutions Environmental Services 2008, LLC <sup>1</sup>	2500 Citywest Blvd, Suite 300, Houston TX 77042, United States	49.0%	31 December
TPMC-EnergySolutions Environmental Services 2010, LLC <sup>1</sup>	2500 Citywest Blvd, Suite 300, Houston TX 77042, United States	49.0%	31 December
TPMC-EnergySolutions Environmental Services, LLC <sup>1</sup>	2500 Citywest Blvd, Suite 300, Houston TX 77042, United States	49.0%	31 December
Uranium Disposition Services, LLC <sup>1</sup>	1020 Monarch St., STE 100, Lexington, KY 40513-1890, United States	26.0%	31 December
VBA Joint Venture Limited <sup>1</sup>	Hertford Road, Hoddesdon, Hertfordshire, EN11 9BX, England & Wales	15.0%	31 December
Washington River Protection Solutions, LLC <sup>1</sup>	2425 Stevens Center Place, Richland, WA 99352, United States	40.0%	31 December
West Valley Environmental Services, LLC <sup>1</sup>	4 Centre Dr., Orchard Park, New York NY 14127, United States	10.0%	31 December

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

<sup>2</sup> DG21 LLC was dissolved with effect from 31 March 2021.

**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:

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**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:

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>CAN \$'000</b>	<b>CAN \$'000</b>
Deferred tax assets:		
- deferred tax assets to be recovered after more than 12 months	<b>23,058</b>	19,764
<b>Total deferred tax assets</b>	<b>23,058</b>	19,764
<b>Deferred income tax assets (net)</b>	<b>23,058</b>	19,764

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 rate of corporation tax in the UK as at 31 December 2020 was 19%. Further legislation to reduce the rate of UK corporation tax to 17% from 1 April 2020 had been enacted at the prior year balance sheet date of 31 December 2019. This reduction was reversed in Finance Act 2020 and the enacted rate at 31 December 2020 was 19%.

Finance Bill 2021 as announced on 3 March 2021, included a provision to increase the standard rate of UK corporation tax from 19% to 25% with effect from 1 April 2023. The increase was not substantively 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 2020 would be to increase the deferred tax asset by approximately \$7,281k. This will be recognised in full in the accounts for the year ended 31 December 2021.

**a) Deferred tax assets**

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

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>CAN \$'000</b>	<b>CAN \$'000</b>
Corporate interest regulations restriction	<b>23,058</b>	19,764
<b>Total deferred tax assets</b>	<b>23,058</b>	19,764

**b) Analysis of movements during the year**

	<b>Year ended</b>	<b>Year ended</b>
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>CAN \$'000</b>	<b>CAN \$'000</b>
Deferred tax asset at 1 January	<b>19,764</b>	19,728
Deferred tax charged to the Income Statement (note 7)	<b>3,294</b>	36
<b>Deferred tax asset at 31 December</b>	<b>23,058</b>	19,764



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**10 Debtors**

	31 December 2020	31 December 2019
	CAN \$'000	CAN \$'000
<b>Amounts falling due within one year:</b>		
Loans due from fellow group undertakings	295,745	424,494
Amounts owed by fellow group undertakings	317	2,044
Other debtors	22	-
	<b>296,084</b>	<b>426,538</b>

Loans due from fellow group undertakings include loans of USD \$199,864k equivalent to CAN \$256,185k (2019: USD \$274,864k equivalent to CAN \$356,430k) which are for cash management purposes, are interest-free, unsecured, have a maturity date of 19 July 2021 and are repayable on demand; and loans of CAN \$39,560k (2019: \$Nil) which currently bear interest at 2.205%, are unsecured and have a maturity date of 25 September 2021.

On 19 June 2020 WS Atkins Limited declared an interim dividend for the year ended 31 December 2020 of GB £55,000,000 equivalent to CAN \$92,914,800. The dividend was regarded as a distribution in specie of WS Atkins Limited's assets and the dividend was made by way of the transfer of a portion of a receivable owed to WS Atkins Limited by the ultimate parent undertaking, SNC-Lavalin Group Inc to the Company.

On 10 December 2020 WS Atkins Limited declared an interim dividend for the year ended 31 December 2020 of GB £25,000,000 equivalent to CAN \$42,528,825. The dividend was regarded as a distribution in specie of WS Atkins Limited's assets and the dividend was made by way of the transfer of a portion of a receivable owed to WS Atkins Limited by the ultimate parent undertaking, SNC-Lavalin Group Inc to the Company.

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 2020 amounts owed by group undertakings include CAN \$Nil (2019: CAN \$53,327k) receivable under the credit facility agreement.

**11 Creditors: amounts falling due within one year**

	31 December 2020	31 December 2019
	CAN \$'000	CAN \$'000
Loans due to fellow group undertakings	-	40,998
Amounts owed to fellow group undertakings	29,421	36,535
Other creditors	25	26
	<b>29,446</b>	<b>77,559</b>

There were no loans due to fellow group undertakings at 31 December 2020 (2019: CAN \$40,998k which was interest-free and repayable on demand).

**SNC-LAVALIN (GB) HOLDINGS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**12 Creditors: amounts falling due after more than one year**

	31 December 2020 CAN \$'000	31 December 2019 CAN \$'000
<b>Amounts falling due between one and five years</b>		
Amounts owed to fellow group undertakings		
Interest-bearing CAD Eurobond Instruments	500,000	500,000
Interest-bearing GBP Eurobond Instruments	372,144	366,575
Interest-bearing USD Eurobond Instruments	352,320	360,676
	<b>1,224,464</b>	<b>1,227,251</b>
Total creditors falling due after more than one year	<b>1,224,464</b>	<b>1,227,251</b>

As at 31 December 2020 amounts owed to SNC-Lavalin (Guernsey) Holdings Ltd and Equinox Indemnity Company (Guernsey) Limited, fellow group undertakings, were Eurobond Instruments listed on The International Stock Exchange of CAN \$500,000,000 (2019: CAN \$500,000,000), GBP £215,000,000 (2019: GBP £215,000,000) and USD \$274,763,780 (2019: USD \$274,763,780). The Eurobonds accrue 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 mature on 10 July 2024.

**13 Called-up share capital and reserves**

**Ordinary shares of £1.00 each**

	2020 Number	2020 CAN \$'000
<b>Allotted, called-up and fully paid</b>		
At 1 January and 31 December 2020	2	-

**Ordinary shares of \$0.10 each**

	2020 Number	2020 CAN \$'000
<b>Allotted, called-up and fully paid</b>		
At 1 January and 31 December 2020	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.

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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**14 Dividends**

	Year ended 31 December 2020 CAN \$ per share	Year ended 31 December 2019 CAN \$ per share	Year ended 31 December 2020 CAN \$'000	Year ended 31 December 2019 CAN \$'000
Interim dividend paid for the year ended 31 December 2020 (year ended 31 December 2019)	638.55	-	84,609	-
Interim dividend paid for the year ended 31 December 2020 (year ended 31 December 2019)	434.17	-	57,529	-
<b>Dividends recognised in the year</b>	<b>1,072.72</b>	<b>-</b>	<b>142,138</b>	<b>-</b>

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.

On 10 December 2020 the Company declared an interim dividend for the year ended 31 December 2020 of the CAD equivalent of GBP £25,000,000 and CAN \$15,000,000 settled by the transfer to SNC-Lavalin (GB) Limited of two receivables of CAN \$57,529k owed to the Company by SNC-Lavalin Group Inc.

There is no proposed final dividend for the year ended 31 December 2020 (31 December 2019: CAN \$nil).

**15 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 FRS 101 not to disclose transactions with other wholly-owned group undertakings.

**16 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.

## SNC-LAVALIN (GB) HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### 17 Events occurring after the reporting period

On 9 February 2021, SNC-Lavalin Group Inc. (the Company's ultimate parent undertaking) announced that it had entered into a binding agreement to sell its Oil & Gas business, which was previously included in the Resources segment, (the "O&G sale") to Kentech Corporate Holdings Limited ("Kentech").

A substantial portion of the O&G sale was completed on 29 July 2021 with the remainder completing on 15 August 2021 following regulatory approvals.

As at 31 December 2020, the Oil & Gas business was classified as a disposal group held for sale and as a discontinued operation in the statutory accounts of the ultimate parent undertaking. Because of the sector that some of the Company's subsidiaries operate in, some of the Company's investments form part of the group of companies or businesses that have now been sold to Kentech. These have not been treated as a disposal group held for sale or a discontinued operation in the financial statements of the Company because the Directors do not consider that they form a major line of business. There is no forecast impact to the Company, as any outstanding associated balances will be recovered through the sales mechanism driven by the SNC-Lavalin Group Inc.

#### 18 Controlling parties

SNC-Lavalin Group Inc. was the Company's ultimate parent undertaking and controlling party as at 31 December 2020. 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](http://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.