**CH2M Hill IDC (UK) Limited**

Abbreviated accounts
Registered number SC158615
31 December 2010

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KPMG LLP
191 West George Street
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# Independent auditor's report to CH2M Hill IDC (UK) Limited

***Pursuant to Section 449 of the Companies Act 2006***

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of CH2M Hill IDC (UK) Limited for the year ended 31 December 2010 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in such a 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, for our work, for this report, or for the opinions we have formed.

**Respective responsibility of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations under that section and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2009/4 *The special auditor's report on abbreviated accounts in the United Kingdom* issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444 (3) of the Companies Act 2006 and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

BMarks

**B Marks (Senior Statutory Auditor)**
**for and on behalf of KPMG LLP, Statutory Auditor**
*Chartered Accountants*

20 September 2011

## Balance sheet
*at 31 December 2010*

| | Note | 2010 | | 2009 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets** | | | | | |
| Tangible assets | 2 | | - | | 23,614 |
| **Current assets** | | | | | |
| Debtors | | 2,552,756 | | 3,511,895 | |
| Cash at bank and in hand | | 113,435 | | 219,060 | |
| | | 2,666,191 | | 3,730,955 | |
| **Creditors:** amounts falling due within one year | | (327,861) | | (637,403) | |
| **Net current assets** | | | 2,338,330 | | 3,093552 |
| **Total assets less current assets** | | | 2,338,330 | | 3,117,166 |
| **Creditors:** amounts falling due after more than one year | | | (5,190,517) | | (5,527,237) |
| **Net liabilities** | | | (2,852,187) | | (2,410,071) |
| **Capital and reserves** | | | | | |
| Called up share capital | 3 | | 270,000 | | 270,000 |
| Profit and loss account | | | (3,122,187) | | (2,680,071) |
| **Equity shareholder's deficit** | | | (2,852,187) | | (2,410,071) |

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

These financial statements were approved by the board of directors on 16 September 2011 and were signed on its behalf by:

**P McRoberts**
*Director*

Company registered number: SC158615

# Notes

*(forming part of the financial statements)*

## 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is dependent on ongoing financial support from the ultimate parent company. The financial statements have been prepared on a going concern basis as the ultimate parent company has given an undertaking to provide financial and other support to the company to enable it to continue to trade for the foreseeable future.

***Fixed assets and depreciation***

All assets with a useful life extending beyond one year with a unit cost of greater than £3,000 are capitalised and depreciated over their useful lives. All expenditures less than £3,000 are expensed as incurred.

All property expenditures, including tenant improvements, are capitalised if the individual expenditure is greater than £5,000.

Depreciation is provided by the company to write off the cost less the estimated residual value by equal instalments over their estimated useful economic lives, as follows:

| | | |
|---|---|---|
| Office Equipment | - | 3 years straight line |
| Software | - | 3 years straight line |

***Foreign currencies***

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

***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

***Cash flow statement***

The company has taken advantage of the exemption from preparing a cash flow statement available to wholly owned subsidiaries under FRS 1.

***Turnover***

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

***Pension costs***

The company contributes to a defined contribution group personal pension scheme in respect of eligible employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting year.

***Leases***

Rentals payable under operating leases are charged to the profit and loss account over the life of the lease.

## Notes *(continued)*

**Accounting policies** *(continued)*

***Share based payments***

The share option programme allows employees to acquire shares of the Company. The fair value of options granted after 7 November 2004 and those not yet vested as at 1 January 2009 is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

For cash settled share based payment transactions, with the exception of those awards settled before 1 January 2009 the fair value of the amount payable to the employee is recognised as an expense with a corresponding increase in liabilities. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to payment. The fair value is initially measured at grant date and spread over the period during which the employees become unconditionally entitled to payment. The fair value is measured based on an option pricing model taking in to account the terms and conditions upon which the instruments were granted. The liability is revalued at each balance sheet date and settlement date with any changes to fair value being recognised in the profit and loss account.

### 2 Tangible fixed assets

| | Total £ |
|---|---|
| ***Cost*** | |
| At beginning and end of year | 124,591 |
| ***Depreciation*** | |
| At beginning of year | 100,977 |
| Charge for year | 23,614 |
| **At end of year** | 124,591 |
| ***Net book value*** | |
| **At 31 December 2010** | - |
| At 31 December 2009 | 23,614 |

### 3 Called up share capital – all equity

| | 2010 £ | 2009 £ |
|---|---|---|
| ***Authorised*** | | |
| Ordinary shares of £1 each | **1,000,000** | 1,000,000 |
| ***Allotted, called up and fully paid*** | | |
| Ordinary shares of £1 each | **270,000** | 270,000 |

## Notes *(continued)*

### 4 Related party disclosures

The company has taken advantage of the exemption contained in FRS 8 not to disclose details of transactions or balances with entities which form part of the group of which the company is a member.

### 5 Ultimate parent undertaking

The company is a wholly owned subsidiary of CH2M Hill Engineers Inc. The ultimate parent undertaking is CH2M HILL Companies, Limited, incorporated in the USA, which prepares consolidated financial statements into which the results of both this company and its parent are incorporated.