

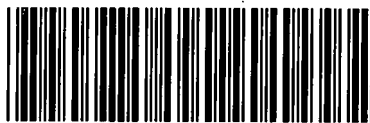
ARTELIA Projects UK Limited

Registered number: 03913368

Annual report

For the year ended 31 December 2017

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12/09/2018
COMPANIES HOUSE

ARTELIA PROJECTS UK LIMITED

COMPANY INFORMATION

Directors	D Combe A Pigot T Naughton I C Bailey M Day
Registered number	03913368
Registered office	High Holborn House 52-54 High Holborn London WC1V 6RL
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Times House Throwley Way Sutton Surrey SM1 4JQ

ARTELIA PROJECTS UK LIMITED

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ARTELIA PROJECTS UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction

The Directors provide their Group Strategic Report for the year ended 31 December 2017.

Business review

The two-year programme of improvements resulting from the amalgamation of the Appleyards Ltd business into Artelia (Projects) UK Ltd was completed in 2016. Consequently, the combined business's administrative costs reduced significantly, as expected.

Turnover in 2017 increased by 20% compared to 2016, due predominantly to growth in public sector operations. The Company's gross profit margin remained stable at 41%, resulting in an operating profit of £623,889 and a pre-tax profit of £632,553 for the year.

Financial highlights

The Company's key performance indicators are:

	2017	2016
Operating profit	5%	(18%)
Debtor days	48	72

Grenfell Tower

Everyone at Artelia was deeply shocked and saddened by the devastating fire that destroyed Grenfell Tower on 14th June 2017. Our thoughts remain with all those affected by the tragedy.

Artelia was appointed by Kensington and Chelsea Tenant Management Organisation as Employer's Agent, CDM Co-ordinator and Quantity Surveyor for the partial refurbishment of Grenfell Tower. None of these roles involved any responsibility for the design of the project, or the specification and/or approval of materials.

Since the tragedy the Company has co-operated with the relevant authorities investigating the fire and, as part of that, has been designated as a Core Participant at the Grenfell Tower Inquiry.

Principal risks and uncertainties

The Directors consider that the risk factors which could impact the business relate mainly to the United Kingdom's exit from the European Union insofar as the negotiating process creates economic uncertainties for the Company's stakeholders. Despite achieving significant organic growth during the year, the competitive nature of winning new business continues to present risks to the business, as does attracting and retaining the right talent to support the Company's growth strategy.

With regards to Grenfell Tower, it is neither possible to identify whether any risk may be posed to the business because of the tragedy, nor to quantify any such risk.

ARTELIA PROJECTS UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

Leadership

During the year there were two Board-level changes to the Company's leadership team with the appointment of Mark Day as Managing Director in April 2017; and later in the year, the retirement of Philip Boulcott in December 2017. The Board acknowledges his contribution to the success of the Company and thanks him for his service.

Staff retention

The Board recognises that the future success and growth of the Company relies on attracting and retaining the right talent and this remains a priority for the management team. A formal mentoring scheme was introduced during the year to ensure that new graduates and employees have access to guidance from more experienced personnel as they progress through their careers with the business. The overall wellbeing of employees is also important to the Board and various initiatives and activities have been implemented throughout the year to ensure that employee welfare and engagement remains at the forefront of all operations.

Health and safety

Artelia was commissioned on over 350 individual assignments in 2017. During undertaking these assignments, no recordable incidents involving its staff or partners took place. The Board will continue to focus on sustaining a zero-incident performance record and improving health and safety standards wherever possible.

This report was approved by the board and signed on its behalf.

M Day
Director



Date:

3/9/18

ARTELIA PROJECTS UK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the audited financial statements for the year ended 31 December 2017.

Principal activity

The principal activity of the company is that of construction consultancy nationwide in the UK, including project management, cost management and programme management.

Directors

The directors who served during the year were:

P Brumby (resigned 18 June 2017)
D Combe
A Pigot
T Naughton
I C Bailey
P J Boulcott (resigned 31 December 2017)
M Day

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the audited 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 to enable them to ensure that the audited financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £394,177 (2016 - loss £1,616,564).

No dividend has been paid or declared in respect of the year ended 31st December 2017.

ARTELIA PROJECTS UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Going concern

The directors, having considered the financial position of the company for a period of at least twelve months from the date of signing these financial statements, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the company to continue as a going concern.

Accordingly the directors have a reasonable expectation that the company will continue in operational existence and continues to adopt the going concern basis of accounting in preparing the financial statements.

Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

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

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

M Day
Director



Date:

3/4/18

ARTELIA PROJECTS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTELIA PROJECTS UK LIMITED

Opinion

We have audited the financial statements of ARTELIA Projects UK Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

ARTELIA PROJECTS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTELIA PROJECTS UK LIMITED

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

We have nothing to report in this regard.

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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
-

ARTELIA PROJECTS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTELIA PROJECTS UK LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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 intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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.



Mike Bailey (Senior statutory auditor)

for and on behalf of Mazars LLP

Mazars LLP
Chartered Accountants and Statutory Auditor
Times House
Throwley Way
Sutton
Surrey
SM1 4JQ

Date: 7 SEPTEMBER 2018

ARTELIA PROJECTS UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover	4	12,590,275	10,468,450
Cost of sales		(7,459,178)	(6,160,406)
Gross profit		<u>5,131,097</u>	<u>4,308,044</u>
Administrative expenses		(4,507,208)	(6,317,963)
Other operating income	5	-	99,772
Operating profit/(loss)	6	<u>623,889</u>	<u>(1,910,147)</u>
Income from fixed assets investments		31,218	17,050
Interest receivable and similar income	11	481	6,506
Interest payable and expenses	12	(23,035)	(37,084)
Profit/(loss) before taxation		<u>632,553</u>	<u>(1,923,675)</u>
Taxation	13	(238,376)	307,111
Profit/(loss) for the financial year		<u><u>394,177</u></u>	<u><u>(1,616,564)</u></u>
Capital contribution		-	2,552,806
Total comprehensive income for the year		<u><u>394,177</u></u>	<u><u>936,242</u></u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 11 to 28 form part of these financial statements.

ARTELIA PROJECTS UK LIMITED
REGISTERED NUMBER: 03913368

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	14	1,661,025	1,940,967
Tangible assets	15	71,647	67,053
Investments	16	413,025	413,028
		<u>2,145,697</u>	<u>2,421,048</u>
Current assets			
Debtors: amounts falling due within one year	17	3,390,816	4,076,298
Cash at bank and in hand	18	1,783,735	1,076,442
		<u>5,174,551</u>	<u>5,152,740</u>
Creditors: amounts falling due within one year	19	(4,181,848)	(4,725,776)
Net current assets		<u>992,703</u>	<u>426,964</u>
Total assets less current liabilities		<u>3,138,400</u>	<u>2,848,012</u>
Creditors: amounts falling due after more than one year	20	(1,174,019)	(1,317,102)
Provisions for liabilities			
Other provisions	23	(52,245)	(12,951)
		<u>(52,245)</u>	<u>(12,951)</u>
Net assets		<u><u>1,912,136</u></u>	<u><u>1,517,959</u></u>
Capital and reserves			
Called up share capital	24	30,000	30,000
Capital contribution reserve	25	2,552,806	2,552,806
Profit and loss account	25	(670,670)	(1,064,847)
Shareholders' fund		<u><u>1,912,136</u></u>	<u><u>1,517,959</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M Day
 Director 
 Date: 3/1/18

The notes on pages 11 to 28 form part of these financial statements.

ARTELIA PROJECTS UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	30,000	-	551,717	581,717
Comprehensive income for the year				
Loss for the year	-	-	(1,616,564)	(1,616,564)
Capital contribution	-	2,552,806	-	2,552,806
Total comprehensive income for the year	-	2,552,806	(1,616,564)	936,242
At 1 January 2017	30,000	2,552,806	(1,064,847)	1,517,959
Profit for the year	-	-	394,177	394,177
At 31 December 2017	<u>30,000</u>	<u>2,552,806</u>	<u>(670,670)</u>	<u>1,912,136</u>

The notes on pages 11 to 28 form part of these financial statements.

ARTELIA PROJECTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Artelia Projects UK Limited is a private company limited by shares and registered in England and Wales, registration number 03913368. The registered office is High Holborn House, 52-54 High Holborn, London, WC1V 6RL.

The principal activity of the company is that of construction consultancy nationwide in the UK, including project management, cost management and programme management.

The financial statements have been prepared in Pound Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Artelia SAS as at 31 December 2017 and these financial statements may be obtained from 2 Avenue Lacassagne, 69003 Lyon, France.

ARTELIA PROJECTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.3 Going concern

The directors, having considered the financial position of the company for a period of at least twelve months from the date of signing these financial statements, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the company to continue as a going concern.

Accordingly the directors have a reasonable expectation that the company will continue in operational existence and continues to adopt the going concern basis of accounting in preparing the financial statements.

2.4 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Software	-	% 33% straight line
Goodwill	-	% 5-7% straight line

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 20-25% straight line
Computer equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

ARTELIA PROJECTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.8 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

ARTELIA PROJECTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)**2.14 Foreign currency translation****Functional and presentation currency**

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.15 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.17 Pensions**Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

ARTELIA PROJECTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.18 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

ARTELIA PROJECTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. Judgements in applying accounting policies and key sources of estimation uncertainty**Critical judgements in applying the company's accounting policies**

The Directors do not deem there to have been any critical judgements in the process of applying the company's accounting policies.

Key sources of estimation**Determining useful economic lives of tangible and intangible fixed assets**

The Company depreciate tangible and intangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on variety of factors, including technological innovation, product life cycles and maintenance programmes

Recoverability of debtors

The company establishes a provision for debtors that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the debtors, past experience of recoverability, and the credit profile of individual or groups of customers.

Revenue recognition

The company uses the percentage of completion method to recognise project revenue for fixed-price contracts. This method requires the directors to estimate the level of services performed at each reporting date as a proportion of the total services to be performed to complete the contract. Variations to estimates could result in the over or under recognition of revenue.

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Consultancy	12,590,275	10,468,450
	<u>12,590,275</u>	<u>10,468,450</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	12,590,275	10,468,450
	<u>12,590,275</u>	<u>10,468,450</u>

ARTELIA PROJECTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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5. Other operating income

	2017 £	2016 £
Profit on disposal of fixed asset investments	-	99,772
	<u>-</u>	<u>99,772</u>

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	41,819	35,949
Amortisation of intangible assets, including goodwill	279,942	267,024
Impairment of intangible assets	-	288,162
Exchange differences	98,602	370,748
Defined contribution pension costs	272,603	268,616
	<u>272,603</u>	<u>268,616</u>

7. Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	20,000	29,000
Other services relating to taxation	4,550	4,200
All other services	13,700	5,200
	<u>13,700</u>	<u>5,200</u>

ARTELIA PROJECTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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8. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	4,868,859	4,816,982
Social security costs	505,514	541,199
Cost of defined contribution scheme	272,603	268,616
	<u>5,646,976</u>	<u>5,626,797</u>

The average monthly number of employees, including the directors, during the year was as follows:

2017 No.	2016 No.
<u>84</u>	<u>93</u>

9. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	469,861	650,087
Company contributions to defined contribution pension schemes	37,881	48,979
Compensation for loss of office	-	30,000
	<u>507,742</u>	<u>729,066</u>

During the year retirement benefits were accruing to 4 directors (2016 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £115,647 (2016 - £238,946).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,042 (2016 - £11,572).

Artelia consider the directors to be the key management personnel.

ARTELIA PROJECTS UK LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2017**

10. Income from investments

	2017 £	2016 £
Income from fixed asset investments	31,218	17,050
	<u>31,218</u>	<u>17,050</u>

11. Interest receivable

	2017 £	2016 £
Other interest receivable	481	6,506
	<u>481</u>	<u>6,506</u>

12. Interest payable and similar charges

	2017 £	2016 £
Interest on loans from group undertakings	23,035	37,084
	<u>23,035</u>	<u>37,084</u>

13. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	10	-
Adjustments in respect of previous periods	-	9,608
Total current tax	<u>10</u>	<u>9,608</u>
Deferred tax		
Origination and reversal of timing differences	238,366	(316,719)
Total deferred tax	<u>238,366</u>	<u>(316,719)</u>
Taxation on profit/(loss) on ordinary activities	<u>238,376</u>	<u>(307,111)</u>

ARTELIA PROJECTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit/(loss) on ordinary activities before tax	632,553	(1,977,303)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	121,766	(395,461)
Effects of:		
Expenses not deductible for tax purposes	13,223	8,589
Capital allowances for year in excess of depreciation	137,308	890
Income tax not taxable for tax purposes	(6,153)	-
Adjust deferred tax to average rate	(30,529)	-
Deferred tax not recognised	7,349	-
Adjustments to tax charge in respect of prior periods	(4,588)	-
Other timing differences leading to an increase (decrease) in taxation	-	3,506
Deferred tax	-	75,365
Total tax charge for the year	238,376	(307,111)

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% was substantively enacted in September 2016 and will take effect from 1 April 2020.

ARTELIA PROJECTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. Intangible assets

	Software £	Goodwill £	Total £
Cost			
At 1 January 2017	295,281	3,071,294	3,366,575
At 31 December 2017	295,281	3,071,294	3,366,575
Amortisation			
At 1 January 2017	110,183	1,315,425	1,425,608
Charge for the year	98,427	181,515	279,942
At 31 December 2017	208,610	1,496,940	1,705,550
Net book value			
At 31 December 2017	86,671	1,574,354	1,661,025
At 31 December 2016	185,098	1,755,869	1,940,967

ARTELIA PROJECTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. Tangible fixed assets

	Plant & machinery £	Fixtures & fittings £	Total £
Cost or valuation			
At 1 January 2017	120,407	37,736	158,143
Additions	31,608	14,805	46,413
Disposals	(34,550)	-	(34,550)
At 31 December 2017	117,465	52,541	170,006
Depreciation			
At 1 January 2017	71,966	19,124	91,090
Charge for the year	32,947	8,872	41,819
Disposals	(34,550)	-	(34,550)
At 31 December 2017	70,363	27,996	98,359
Net book value			
At 31 December 2017	47,102	24,545	71,647
At 31 December 2016	48,441	18,612	67,053

ARTELIA PROJECTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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16. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2017	4,170,210
At 31 December 2017	<u>4,170,210</u>
Impairment	
At 1 January 2017	<u>3,757,182</u>
At 31 December 2017	<u>3,757,182</u>
Net book value	
At 31 December 2017	<u>413,028</u>
At 31 December 2016	<u>413,028</u>

The following were subsidiary undertakings of the company:

Subsidiary undertakings

Name	Principal activity
Appleyards Limited	Dormant
Name	Registered office
Appleyards Limited	High Holborn House, 52-54 High Holbron, Holborn, London, WC1V 6RL

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £
Appleyards Limited	413,028
	<u>413,028</u>

ARTELIA PROJECTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

17. Debtors

	2017 £	2016 £
Trade debtors	1,659,199	2,055,432
Amounts owed by group undertakings	3,000	1,279
Other debtors	62,300	40,961
Prepayments and accrued income	1,304,938	1,307,558
Tax recoverable	-	71,323
Deferred taxation	361,379	599,745
	<u>3,390,816</u>	<u>4,076,298</u>

Amounts owed by group undertakings are interest free and payable on demand.

18. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	1,783,735	1,076,442
	<u>1,783,735</u>	<u>1,076,442</u>

19. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	361,247	143,389
Amounts owed to group undertakings	902,819	1,434,653
Corporation tax	10	-
Other taxation and social security	547,448	598,548
Other creditors	773,288	1,260,596
Accruals and deferred income	1,597,036	1,288,590
	<u>4,181,848</u>	<u>4,725,776</u>

Amounts owed to group undertakings are interest free and payable on demand.

ARTELIA PROJECTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Amounts owed to group undertakings	1,174,019	1,317,102
	<u>1,174,019</u>	<u>1,317,102</u>

Amounts owed to group undertakings are repayable on demand and interest of EURIBAR +1.5% is charged.

21. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	4,623,052	4,316,985
	<u>4,623,052</u>	<u>4,316,985</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(4,142,675)	(4,852,105)
	<u>(4,142,675)</u>	<u>(4,852,105)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, amounts owed by group undertakings, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors excluding pension fund loan, accruals and amounts owed to group undertakings.

22. Deferred taxation

	2017 £	2016 £
At beginning of year	599,745	283,026
Charged to profit or loss	(238,366)	316,719
At end of year	<u>361,379</u>	<u>599,745</u>

ARTELIA PROJECTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	3,029	99,830
Tax losses carried forward	101,942	149,848
Short term timing differences	256,408	350,067
	<u>361,379</u>	<u>599,745</u>

23. Provisions

	Provision for loss making contracts £
At 1 January 2017	12,951
Charged to profit or loss	39,294
At 31 December 2017	<u>52,245</u>

24. Share capital

	2017 £	2016 £
Allotted, called up and fully paid 30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>

25. Reserves**Other reserves**

The reserve comprises of a capital contribution received from the parent company.

Profit & loss account

The reserve comprises the cumulative profits and losses of the company, less dividends paid.

ARTELIA PROJECTS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

26. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £272,603 (2016: £268,616). Contributions totalling £39,133 (2016: £45,348) were payable to the fund at the reporting date and are included in creditors.

27. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	544,652	485,416
Later than 1 year and not later than 5 years	642,145	1,861,427
	<u>1,186,797</u>	<u>2,346,843</u>

28. Related party transactions

The company has taken advantage of the exemption under section 33 of FRS102 'The Financial Reporting Standard Applicable in the UK and ROI' from the requirement to disclose transactions with group companies as the subsidiaries that are party to the transactions are wholly owned by the company. There were no other related party transactions.

29. Post balance sheet events

There have been no significant events affecting the company since the year end.

30. Controlling party

The immediate and ultimate parent company is Artelia SAS, a company incorporated in France. Artelia SAS prepares consolidated financial statements and copies can be obtained from 2 Avenue Lacassagne, 69003 Lyon, France.