

ARTELIA Projects UK Limited

Registered number: 03913368

Annual report

For the year ended 31 December 2020

ARTELIA PROJECTS UK LIMITED

COMPANY INFORMATION

Directors	M G Buntine M C N Chevereau G K Sahotay A Pigot T Naughton I C Bailey M B Day
Registered number	03913368
Registered office	High Holborn House 52-54 High Holborn London WC1V 6RL
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor 2nd Floor 6 Sutton Plaza Sutton Court Road Sutton Surrey SM1 4FS

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

Introduction

The Directors provide their Strategic Report for the year ended 31 December 2020.

Business review

In the business landscape, 2020 proved to be a challenging year both in the United Kingdom and globally. The global pandemic led to a series of unprecedented lockdowns which forced many businesses, including Artelia UK, to create and adapt to new ways of learning, working and living our lives. During this unprecedented year, Artelia UK implemented its contingency plan quickly and effectively. The plan ensured that the Company could continue to deliver the highest service standards whilst operating within safe working environments and safeguarding the health and wellbeing of employees and all stakeholders. The Company continues to remain agile and adapt to changing market conditions.

2020 welcomed Gurdeep Sahotay (Chartered Accountant) and Matthew Buntine (Executive MBA Graduate and Chartered Civil Engineer) to Artelia UK's Board of Directors, adding to the skills of the existing management team. Together, the UK Board remains committed to achieving its strategic growth plans and leaving a lasting legacy for generations to come.

Despite a difficult year, Artelia UK has been delighted to sign its first international agreement with Adriatic Marinas, offering project and cost management services to deliver luxury residential and leisure quarters in the UNESCO protected Bay of Kotor in Porto Montenegro. Artelia's Project and Commercial Management team, who are located on site in Porto Montenegro, envisage further opportunities within and around the area.

Artelia Group's growth strategy has remained on target during the year and has been pleased to acquire three new companies across France, Norway and the United Kingdom during 2020. Especially exciting has been the acquisition of our sister company, Austin Newport Group (ANG) in Birmingham. ANG, which specialises in the recovery of damaged historic buildings, has resulted with increased capabilities in the areas of project, programme cost and asset management and provides a stronger geographic reach within the UK. This overall strategic growth confirms the Group's position within the top 15 construction-engineering firms in Europe today.

As part of the changed working environment, Artelia Group has used this unique opportunity to reflect on its current work practices and redefine its values and corporate mission. The company values have been relaunched throughout the business, these being Excellence, Simplicity, Independence, Sharing and Passion. We strongly believe our values underpin our testament to our history, drive our future and validate our corporate purpose.

The work of charities has been ever more significant during the pandemic. The Artelia Foundation set up an emergency fund during 2020 to support organisations finding themselves in financial need during their most critical time. Through the foundation, Artelia UK has been able to support five local charities, whose efforts and compassionate care have become ever more significant at the height of national lockdown. These efforts tie closely to our CSR policy and underpin our endeavours to contribute towards the 17 sustainable development goals of the United Nations' Global Compact.

Artelia always appreciates great feedback and through awards, we have been proud to be recognised for our collaborative approach to delivering projects. During the year, Artelia UK has been proud winners of the SECBE 2020 Constructing Excellence Integration & Collaborative Working Award for our Shell multi-site programme. The award recognises the enormous effort and hard work put in by the Artelia team to deliver a complex programme in conjunction with client and construction teams, which the judges have described as 'Game Changing'. The team has successfully delivered over 600 projects during a 12-month period.

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

Equally pleasing is to see projects that Artelia has worked on being recognised for their excellence, such as the Forestry England's woodland-inspired visitor centre at Wendover Woods in the Chilterns, which has been shortlisted for the RIBA South Awards during 2020.

Although the pandemic has left Artelia UK unable to celebrate its 10th anniversary of working in the UK in the way it deserves, the Board remains truly thankful to all past and present employees, clients, suppliers and peers, without whom we could not have achieved our successes to date.

Financial highlights

The Company's key performance indicators are:

	Revenue £'000	Operating profit £'000
2020	£11,455	£169
2019	£12,825	£824
2018	£12,921	£886

Grenfell Tower

Artelia UK continues to co-operate fully with the relevant authorities investigating the fire at Grenfell Tower within its capacity as Core Participant at the Grenfell Tower Inquiry.

Appointed by Kensington and Chelsea Tenant Management Organisation, Artelia acted in the capacity of Employer's Agent, CDM Co-ordinator and Quantity Surveyor for the Tower's refurbishment. Artelia was not responsible for the project's design or specifying and/or approving materials.

Principal risks and uncertainties

Whilst the Covid-19 vaccination rollout in the UK has been successful, the ongoing impact of Covid-19 remains unclear. The UK Board continues to maintain a high level of focus on the business landscape of the UK construction market. Notable risks to the business include attracting and retaining key staff due to the market re-opening post pandemic. Additions to our business continuity plans ensure they can deal with new risks relating to the pandemic.

Delays with procuring materials and increased costs have placed increased pressures on project delivery and continue to place further strain on clients' future investment plans. Since the pandemic, tender requests from existing and new clients for large standalone and framework projects have been highly competitive. The UK Board notes that an agile business is key to future successes and remains committed to ensuring this is achieved.

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

Staff retention

Artelia has continued to support its employees with professional development during lockdown and has seen even more staff achieve professional qualifications this year, including new members of the Associations for Project Management (APM). During the year, Artelia has also forged a new training partnership with the Chartered Institute of Building (CIOB), the world-leading professional body for construction management, to develop a professional and technical training programme to lead towards a chartered status.

Artelia also continues to remain committed to being a Reservist Employer through registration to the Armed Forces Covenant.

Health and Safety

Health, safety, security and environment has remained a critical focus of the business and our ecosystem of stakeholders throughout 2020. Collectively, we have used the year to reflect on and enhance our existing approach to HSSE management. Additionally, we have supported our group in maintaining the Company's gold standard with Eco Vardis. Despite lockdown, we have continued to run our annual safety day training and have supported the British Safety Council with the Mates in Mind initiative.

During 2020, Artelia UK embarked on the process of attaining ISO22301 certification (Business Continuity Management), to complement our existing ISO9001 (Quality) and ISO14001 (Environmental) and expects certification from 2021.

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

M B Day
Director

Date: 24 September 2021

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

The directors present their report and the audited financial statements for the year ended 31 December 2020.

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 and to the date of this report were:

M G Buntine (appointed 1 January 2020)
M C N Chevereau
G K Sahotay (appointed 1 January 2020)
A Pigot
T Naughton
I C Bailey
M B 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.

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

Results and dividends

The profit for the year, after taxation, amounted to £73,320 (2019 - £586,403).

No dividend has been paid or declared in respect of the year ended 31 December 2020.

The withdrawal of the United Kingdom from the European Union

New trading arrangements between the United Kingdom and the European Union took effect on 31 December 2020. In general, Tariffs and quotas on trade have not been introduced, although administrative complications and regulatory restrictions have reduced the freedom of cross-border trade. The company is carefully monitoring the practical application of the new trading arrangements by regulatory authorities, to better understand what the eventual impact on its business will be. The process of determining these effects is ongoing, and has also been delayed by the suspension of certain sectors of economic activity in response to the COVID-19 pandemic.

Economic impact of the COVID-19 pandemic

The COVID-19 pandemic continues to affect the UK and global economies adversely. At the time of signing this report there are indications from the government that social restrictions which have suppressed economic activity during 2020 and 2021 are likely to be lifted in the foreseeable future. If this does happen the directors expect to see the UK and global economies return to growth in due course, but it is not possible to predict how quickly and to what degree this may happen. The priorities of the directors remain to comply with all regulatory requirements to the fullest extent possible, and to maintain the safety and well-being of the company's personnel.

Going concern

The directors, having considered the financial position, forecast sales, estimated cash inflows and known and estimated cash outflows 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 auditors are 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 auditors are aware of that information.

Post balance sheet events

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

Auditors

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

ARTELIA PROJECTS UK LIMITED

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

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

M B Day
Director

Date: 24 September 2021

INDEPENDENT AUDITORS' 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 2020 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 2020 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 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.

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.

INDEPENDENT AUDITORS' 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 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 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.

INDEPENDENT AUDITORS' 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 4, 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 either 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.

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. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARTELIA PROJECTS UK LIMITED

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Gerhard Bonthuys (Senior Statutory Auditor)

For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

2nd Floor

6 Sutton Plaza
Sutton
Surrey
SM1 4FS

27 September 2021

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

	Note	2020 £	2019 £
Turnover	4	11,454,514	12,825,304
Cost of sales		(6,717,600)	(8,008,170)
Gross profit		<u>4,736,914</u>	<u>4,817,134</u>
Administrative expenses		(4,875,958)	(3,993,062)
Other operating income	5	<u>307,584</u>	<u>-</u>
Operating profit	6	168,540	824,072
Interest receivable and similar income	10	7,962	10,919
Interest payable and expenses	11	<u>(1,040)</u>	<u>(3,779)</u>
Profit before tax		175,462	831,212
Tax on profit	12	<u>(102,142)</u>	<u>(244,809)</u>
Profit for the financial year		<u><u>73,320</u></u>	<u><u>586,403</u></u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>73,320</u></u>	<u><u>586,403</u></u>

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

The notes on pages 15 to 32 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	1,058,803	1,230,653
Tangible assets	14	24,552	41,491
Investments	15	413,025	413,025
		<u>1,496,380</u>	<u>1,685,169</u>
Current assets			
Debtors: amounts falling due after more than one year	16	1,706	5,866
Debtors: amounts falling due within one year	16	4,028,497	4,377,156
Cash at bank and in hand	17	3,983,834	1,943,936
		<u>8,014,037</u>	<u>6,326,958</u>
Creditors: amounts falling due within one year	18	(5,937,315)	(4,580,765)
Net current assets		<u>2,076,722</u>	<u>1,746,193</u>
Total assets less current liabilities		<u>3,573,102</u>	<u>3,431,362</u>
Provisions for liabilities			
Other provisions	20	(207,035)	(138,615)
		<u>(207,035)</u>	<u>(138,615)</u>
Net assets		<u><u>3,366,067</u></u>	<u><u>3,292,747</u></u>
Capital and reserves			
Called up share capital	21	30,000	30,000
Other reserves	22	2,552,806	2,552,806
Profit and loss account	22	783,261	709,941
Total equity		<u><u>3,366,067</u></u>	<u><u>3,292,747</u></u>

ARTELIA PROJECTS UK LIMITED
REGISTERED NUMBER: 03913368

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf by: 24 September 2021.

M B Day
Director

The notes on pages 15 to 32 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	30,000	2,552,806	123,538	2,706,344
Comprehensive income for the year				
Profit for the year	-	-	586,403	586,403
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	586,403	586,403
Total transactions with owners	-	-	-	-
At 1 January 2020	30,000	2,552,806	709,941	3,292,747
Comprehensive income for the year				
Profit for the year	-	-	73,320	73,320
Total comprehensive income for the year	-	-	73,320	73,320
Total transactions with owners	-	-	-	-
At 31 December 2020	<u>30,000</u>	<u>2,552,806</u>	<u>783,261</u>	<u>3,366,067</u>

The notes on pages 15 to 32 form part of these financial statements.

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

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.

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 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.

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 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 11.42, 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 2020 and these financial statements may be obtained from 2 Avenue Lacassagne, 69003 Lyon, France.

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

2. Accounting policies (continued)

2.3 Going concern

The directors, having considered the financial position, forecast sales, estimated cash inflows and known and estimated cash outflows 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 2020**

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 profit or loss.

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

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. When 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 (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.

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

2. Accounting policies (continued)

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 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.

2.14 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.15 Foreign currency translation

Functional and presentation currency

The company's functional and presentation 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.16 Finance costs

Finance costs are charged to profit or loss 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.

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

2. Accounting policies (continued)

2.17 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss 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.

2.18 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 profit or loss 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.

2.19 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.20 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 profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

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

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities with the next financial year are discussed below.

Determining useful economic lives of tangible and intangible fixed assets

The Company depreciates 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

Revenue recognition

The company uses the percentage of completion method to recognise project revenue for fixed-price contracts. This method requires the project 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.

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

4. Turnover

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

	2020 £	2019 £
Consultancy	<u>11,454,514</u>	<u>12,825,304</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	11,356,467	12,810,000
Rest of Europe	<u>98,047</u>	<u>15,304</u>
	<u>11,454,514</u>	<u>12,825,304</u>

5. Other operating income

	2020 £	2019 £
R&D expenditure credit	157,674	-
Furlough income	<u>149,910</u>	<u>-</u>
	<u>307,584</u>	<u>-</u>

During the year, the company received £149,910 (2019: £nil) from the government under the Coronavirus Job Retention Scheme (CJRS).

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	29,948	32,800
Amortisation of intangible assets, including goodwill	171,850	178,193
Exchange differences	3,552	(38,739)
Defined contribution pension cost	392,657	344,850
Government grants	<u>(149,910)</u>	<u>-</u>

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

7. Auditors' remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	22,500	22,000
Other services relating to taxation	5,500	4,895
All other services	<u>4,100</u>	<u>4,000</u>

8. Employees

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

	2020	2019
	£	£
Wages and salaries	6,046,345	6,014,418
Social security costs	660,368	653,281
Cost of defined contribution scheme	<u>392,657</u>	<u>344,850</u>
	<u>7,099,370</u>	<u>7,012,549</u>

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

2020	2019
No.	No.
<u>103</u>	<u>104</u>

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

9. Directors' remuneration

	2020	2019
	£	£
Directors' emoluments	609,563	429,627
Directors pension costs - money purchase schemes	65,385	40,401
	<u>674,948</u>	<u>470,028</u>

During the year retirement benefits were accruing to 3 directors (2019 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £122,884 (2019 - £157,399).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15,284 (2019 - £14,937).

Artelia consider the directors to be the key management personnel.

10. Interest receivable

	2020	2019
	£	£
Interest receivable from group companies	3,552	5,257
Other interest receivable	4,410	5,662
	<u>7,962</u>	<u>10,919</u>

11. Interest payable and similar expenses

	2020	2019
	£	£
Other interest payable	1,040	3,779
	<u>1,040</u>	<u>3,779</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**
12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	106,407	76,889
Adjustments in respect of previous periods	-	-
Total current tax	<u>106,407</u>	<u>76,889</u>
Deferred tax		
Origination and reversal of timing differences	(2,699)	167,920
Changes to tax rates	(1,566)	-
Total deferred tax	<u>(4,265)</u>	<u>167,920</u>
Taxation on profit on ordinary activities	<u>102,142</u>	<u>244,809</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>175,462</u>	<u>831,212</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	33,355	157,930
Effects of:		
Expenses not deductible for tax purposes	1,908	110,619
Capital allowances for year in excess of depreciation	32,652	33,614
Adjust deferred tax to average rate	-	(18,465)
Deferred tax not recognised	-	10,970
Remeasurement of deferred tax for changes in tax rate	(1,566)	-
R&D expenditure credits	(19,773)	11,400
Adjustment to tax in respect of previous periods	55,566	(61,259)
Total tax charge for the year	<u>102,142</u>	<u>244,809</u>

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

12. Taxation (continued)**Factors that may affect future tax charges**

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

13. Intangible assets

	Patents	Goodwill	Total
	£	£	£
Cost			
At 1 January 2020	295,281	3,071,294	3,366,575
At 31 December 2020	295,281	3,071,294	3,366,575
Amortisation			
At 1 January 2020	295,281	1,840,641	2,135,922
Charge for the year	-	171,850	171,850
At 31 December 2020	295,281	2,012,491	2,307,772
Net book value			
At 31 December 2020	-	1,058,803	1,058,803
At 31 December 2019	-	1,230,653	1,230,653

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14. Tangible fixed assets

	Plant & machinery £	Fixtures & fittings £	Total £
Cost or valuation			
At 1 January 2020	133,036	57,674	190,710
Additions	10,770	2,300	13,070
Disposals	(8,042)	-	(8,042)
At 31 December 2020	<u>135,764</u>	<u>59,974</u>	<u>195,738</u>
Depreciation			
At 1 January 2020	103,703	45,516	149,219
Charge for the year	22,620	7,328	29,948
Disposals	(7,981)	-	(7,981)
At 31 December 2020	<u>118,342</u>	<u>52,844</u>	<u>171,186</u>
Net book value			
At 31 December 2020	<u>17,422</u>	<u>7,130</u>	<u>24,552</u>
At 31 December 2019	<u>29,333</u>	<u>12,158</u>	<u>41,491</u>

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2020	<u>413,025</u>
At 31 December 2020	<u>413,025</u>

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

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Appleyards Limited	High Holborn House, 52-54 High Holborn, Holborn, London, WC1V 6RL	Dormant	Ordinary	100

16. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	<u>1,706</u>	<u>5,866</u>
	2020 £	2019 £
Due within one year		
Trade debtors	1,072,761	1,170,076
Amounts owed by group undertakings	1,125,331	901,539
Other debtors	1,080,338	1,078,857
Prepayments and accrued income	732,487	1,213,369
Deferred taxation	17,580	13,315
	<u>4,028,497</u>	<u>4,377,156</u>

Amounts owed by group undertakings are unsecured and payable on demand.

17. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>3,983,834</u>	<u>1,943,936</u>
	<u>3,983,834</u>	<u>1,943,936</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

18. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,463,670	659,274
Amounts owed to group undertakings	911,900	549,912
Corporation tax	-	76,889
Other taxation and social security	905,642	177,765
Other creditors	1,203,414	1,924,499
Accruals and deferred income	1,452,689	1,192,426
	<u>5,937,315</u>	<u>4,580,765</u>

Amounts owed to group undertakings are unsecured and repayable on demand.

19. Deferred taxation

	2020 £	2019 £
At beginning of year	13,315	181,235
Credited/ charged to profit or loss	4,265	(167,920)
At end of year	<u>17,580</u>	<u>13,315</u>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	4,802	2,672
Short term timing differences	12,778	10,643
	<u>17,580</u>	<u>13,315</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

20. Provisions

	Provision for loss making contracts £	Other Provision £	Total £
At 1 January 2020	5,815	132,800	138,615
Charged to profit or loss	-	68,755	68,755
Utilised in year	(335)	-	(335)
At 31 December 2020	5,480	201,555	207,035

The Other Provision relates to a claim against the company. Although uncertain, the amount recognised represents the best estimate of the likely amounts payable.

21. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
30,000 Ordinary shares of £1 each	30,000	30,000

The shares have attached to them full voting, dividend and capital distribution rights.

22. 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.

23. 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 £392,657 (2019: £344,850). Contributions totalling £67,252 (2019: £62,605) were payable to the fund at the reporting date and are included in creditors.

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

24. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	478,121	277,158
Later than 1 year and not later than 5 years	1,490,638	28,488
Later than 5 years	-	631
	<u>1,968,759</u>	<u>306,277</u>

25. 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.

At the year end, included within short term other debtors is an amount of £2,933 (2019: £6,133) due from G K Sahotay, a director of the company. No interest was charged on this balance.

At the year end, included within short term other debtors is an amount of £nil (2019: £1,659) due from I C Bailey, a director of the company. No interest was charged on this balance.

At the year end, included within short term other debtors is an amount of £2,933 (2019: £6,133) due from T Naughton, a director of the company. No interest was charged on this balance.

26. Post balance sheet events

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

27. 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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.