

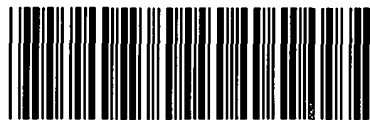
Arcadis Asset Management Limited

Annual Report and Financial Statements

Year ended 31 December 2016

Company Number: 07476870

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Strategic Report

Strategic Report for the year ended 31 December 2016

The directors present their Strategic Report for the year ended 31 December 2016.

Principal activities

The principal activity of Arcadis Asset Management Limited ("the Company") is management consultancy activities other than financial management.

Review of the business

The financial results of the Company, set out in the statement of comprehensive income on page 7, show a profit before tax of £7,639 (2015: profit of £170,082).

The Company had turnover of £88,574 (2015: £810,287). The decrease in turnover was due to the completion of the majority of active projects in the prior year and an overall reduction in the volume of work. There were two live projects during the year and no new projects were secured during the year.

There have been no significant events since the balance sheet date and the directors are not aware, at the date of this report, of any likely changes in the Company's activities in the foreseeable future.

Principal risks and uncertainties

During the year, the Board of Arcadis UK (Holdings) Limited managed risk across the UK group, including the potential impact on the Company. In particular the Board ensures that, by managing client relationships effectively, income and profit streams are maintained and accordingly the demand for management services is maintained.

Working capital and business funding requirements are managed from available UK cash resources, or by making use of inter-company facilities as part of the Arcadis N.V. group.

The principal risks and uncertainties for the group are disclosed in the 2016 Annual Report of Arcadis N.V. (the ultimate parent undertaking and controlling party (pages 114 to 125)), available at: www.arcadis.com.

On behalf of the board



Director

A R Clark

8 August 2017

Directors' Report

Directors' Report for the year ended 31 December 2016

The directors present their Report and the audited financial statements of the Company for the year ended 31 December 2016.

Dividends

The directors do not recommend payment of a dividend (2015: £Nil).

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

A G Brookes

A R Clark (appointed 01/01/2016)

D K Perry

Going concern

The directors are satisfied with the development and performance of the Company during the year, and with the position of the Company at the end of the year.

Future developments

The directors anticipate that the volume of trade will remain at a low level in the next financial year.

Post balance sheet events

There are no material events affecting the Company to be reported since the year end.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Directors' Report (continued)

Statement of directors' responsibilities (continued)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

- As far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

On behalf of the board



Director
A R Clark

8 August 2017

Independent auditors' report to the members of Arcadis Asset Management Limited

Report on the financial statements

Our opinion

In our opinion, Arcadis Asset Management Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements, comprise:

- the Statement of financial position as at 31 December 2016;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

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

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

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Arcadis Asset Management Limited (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of the Directors' Responsibilities set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves


We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Jonathan Hook (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
8 August 2017

Statement of comprehensive income for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover		88,574	810,287
Cost of sales		(72,214)	(574,379)
Gross profit		16,360	235,908
Administrative expenses		(8,721)	(65,826)
Operating profit	3	7,639	170,082
Profit before taxation		7,639	170,082
Tax on profit	5	(1,072)	(34,257)
Profit for the financial year		6,567	135,825
Total comprehensive income for the year		6,567	135,825

All amounts relate to continuing operations in the year.

A note on historical gains and losses has not been included as part of the financial statements as the results as disclosed in the statement of comprehensive income are prepared on an unmodified historical cost basis.

Statement of financial position as at 31 December 2016

	Note	2016 £	2015 £
Current assets			
Trade and other receivables	6	695,079	554,136
Cash and cash equivalents		-	196,542
		695,079	750,678
Creditors: amounts falling due within one year	7	(16,600)	(78,766)
Net current assets		678,479	671,912
Total assets less current liabilities		678,479	671,912
Net assets		678,479	671,912
Equity			
Called up share capital	8	50,000	50,000
Retained earnings		628,479	621,912
Total shareholders' funds		678,479	671,912

The notes on pages 10 to 16 are an integral part of these financial statements.

The financial statements on pages 7 to 16 were authorised for issue by the board of directors on 8 August 2017 and were signed on its behalf.



A R Clark
Director

Statement of changes in equity for the year ended 31 December 2016

	Called up share capital £	Retained earnings £	Total shareholders' funds £
Balance as at 1 January 2015	50,000	486,087	536,087
Profit for the financial year	-	135,825	135,825
Total comprehensive income for the year	-	135,825	135,825
Balance as at 31 December 2015	50,000	621,912	671,912
Balance at 1 January 2016	50,000	621,912	671,912
Profit for the financial year	-	6,567	6,567
Total comprehensive income for the year	-	6,567	6,567
Balance as at 31 December 2016	50,000	628,479	678,479

Notes to the financial statements

1 General Information

The principal activity of the Company is management consultancy activities other than financial management.

The Company is a private Company limited by shares and is incorporated and domiciled in England. The address of its registered office is:

Arcadis House
34 York Way
London
N1 9AB

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Arcadis Asset Management Limited have been prepared in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates.

It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 11.

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

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
 - (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':

Notes to the financial statements (continued)

2.1 Basis of preparation (continued)

10(d), (statement of cash flows)

10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),

16 (statement of compliance with all IFRS),

38A (requirement for minimum of two primary statements, including cash flow statements),

38B-D (additional comparative information),

40A-D (requirements for a third statement of financial position)

111 (cash flow statement information), and

134-136 (capital management disclosures)

– IAS 7, 'Statement of cash flows'

– Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)

– Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)

– The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

2.2 Going concern

The financial statements have been prepared on the going concern basis, with net current assets of £678,479 (2015: net current assets of £671,912).

The Directors are confident that the Company will continue to operate as a going concern for the foreseeable future.

2.3 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts.

In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.4 Share capital

Ordinary shares are classified as equity.

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

2.5 Financial risk management

The entity's exposure to price risk, credit risk, liquidity risk, and cash flow risk is managed by other group companies.

2.6 Current and deferred income tax

The tax expense for the year comprises current and deferred tax.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds.

Notes to the financial statements (continued)

2.6 Current and deferred income tax (continued)

In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

2.7 Dividend distribution

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

2.8 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for management consultancy services rendered, stated net of discounts and value added taxes.

Notes to the financial statements (continued)

2.8 Revenue recognition (continued)

The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of services

The Company sells management consultancy services.

For sales of services, revenue is recognised in the accounting period in which the services are rendered.

2.9 Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. The amount of the provision is recognised in administrative expenses.

3 Operating profit

Auditors' remuneration has been borne by Arcadis LLP in both 2016 and 2015.

4 Employees and directors

Employees

The Company did not have any employees during the year (2015: nil).

Directors

None of the directors received any emoluments for services to this company during the year (2015: £nil).

Notes to the financial statements (continued)

5 Tax on profit

Tax expense included in profit or loss

	2016	2015
	£	£
Current tax:		
- UK corporation tax on profits of the year	1,600	35,000
- Adjustments in respect of prior years	(528)	(743)
Total current tax	<u>1,072</u>	<u>34,257</u>

Tax expense for the year is lower (2015: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2016 of 20.00% (2015: 20.25%). The differences are explained below:

	2016	2015
	£	£
Profit before taxation	<u>7,639</u>	<u>170,082</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	1,528	34,442
Effects of:		
- Adjustments in respect of prior years	(528)	(743)
- Expenses not deductible for tax purposes	72	558
Tax charge	<u>1,072</u>	<u>34,257</u>

The UK Corporation tax rate decreased from 21% to 20% from 1 April 2015. Therefore the rate for the current year (20%) is lower than in the prior year (20.25%).

A change to reduce the UK corporation tax rate to 19% from 1 April 2017 had already been substantively enacted on 26 October 2015 and a further reduction in the rate to 17% from 1 April 2020 was substantively enacted on 6 September 2016.

Deferred tax has been calculated using the tax rates at which underlying temporary differences are expected to unwind.

Notes to the financial statements (continued)**6 Trade and other receivables**

	2016	2015
	£	£
Trade receivables	19,420	25,584
Amounts owed by group undertakings	675,659	526,676
Prepayments and accrued income	-	1,876
	695,079	554,136

All amounts shown under debtors fall due for payment within one year.

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

7 Creditors: amounts falling due within one year

	2016	2015
	£	£
Corporation tax	1,600	35,000
Accruals and deferred income	15,000	43,766
	16,600	78,766

8 Called up share capital**Ordinary shares of £1 each**

	Number	£
Allotted, called up and fully paid		
At 1 January 2015 and 2016	50,000	50,000
Issued during the year	-	-
At 31 December 2015 and 2016	50,000	50,000

There were no share issues made during the current financial year.

All shares rank "Pari Passu" in all respects.

Notes to the financial statements (continued)

9 Capital and other commitments

The Company had no contractual capital or other commitments at 31 December 2016 (2015: £Nil).

10 Ultimate parent company

The Company's immediate parent undertaking is Arcadis International Holdings Limited. It is part of the UK group headed by Arcadis UK (Holdings) Limited.

The ultimate parent undertaking and controlling party is Arcadis N.V., a company incorporated in the Netherlands.

The smallest and largest group in which the results of the Company are consolidated is that headed by Arcadis N.V.

The consolidated financial statements of Arcadis N.V. are available at: www.arcadis.com.

11 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. None of the estimates and judgements have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.