

Registered number: 10901160

Google Engineering UK Holdings Limited
Directors' Report and Financial Statements
Year Ended 31 December 2019



Google Engineering UK Holdings Limited

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Google Engineering UK Holdings Limited

DIRECTORS' REPORT

The directors present their directors' report of Google Engineering UK Holdings Limited (the "Company") for the year ended 31 December 2019.

Directors

The directors who held office during the year and up to the date of this report were:

Thomas Hutchinson
Svilen Ivanov Karaivanov

Company secretary

The company secretary for the year and up to the date of this report is Taylor Wessing Secretaries Ltd.

Results and dividends

The Company's profit for the financial year is US\$3,228k (period ended 31 December 2018: loss of US\$43k). An interim dividend of US\$3,000k was paid during the financial year and the directors do not propose the payment of a final dividend for the year (period ended 31 December 2018: US\$Nil).

Business Review

The principal activities of the Company are that of a holding company and the directors do not anticipate any change in the nature of the business for the foreseeable future.

The key financial and other performance indicators during 2019 were as follows:

Administrative expenses incurred during the year amounted to US\$25k (period ended 31 December 2018: US\$43k). This was primarily due to compliance costs incurred by the Company. In addition, dividend income was received during the year from the Company's subsidiary, amounting to US\$3,253k (period ended 31 December 2018: US\$Nil).

The statement of profit and loss and other comprehensive income and statement of financial position are set out on pages 8 and 9 respectively.

Research & development

The Company has not engaged in any research and development activities during the year.

Future developments

There are no future changes anticipated in the business of the Company at this time.

Foreign Branches

The Company at no time during the year had any branches outside the United Kingdom.

Going concern

The directors of the Company have received written assurances from an intermediate parent undertaking, Google LLC, that it will continue to provide adequate financial support to the Company for a period of at least twelve months, from the date of approval of these financial statements to enable the Company to discharge its obligations to all creditors as they fall due. On this basis, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Google Engineering UK Holdings Limited

DIRECTORS' REPORT (continued)

Events since year end date

The global outbreak of the novel coronavirus (COVID-19) subsequent to the year end is leading to a global market disruption. Such an operating environment has the potential to have an adverse impact on the Company's operations and financial position. The future impact of the current economic situation is uncertain and difficult to predict.

No dividends were proposed or declared after the reporting date but before the financial statements were authorised for issue.

Qualifying third party indemnity provisions

A qualifying third party indemnity provision as defined in section 236 of the Companies Act 2006 is in force for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, a directors' and officers' liability insurance policy was maintained by the Alphabet Inc. group throughout the financial year and to the date of approval of the financial statements.

Non preparation of group financial statements

In accordance with Section 401 of the Companies Act 2006, the Company is exempt from the requirement to prepare group financial statements. The financial statements present information about the Company as an individual undertaking and not about its group. The Company and its subsidiary are included in the group financial statements of Alphabet Inc., a company incorporated in the United States of America.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

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

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 financial period.

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

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

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

Google Engineering UK Holdings Limited

DIRECTORS' REPORT (continued)

Disclosure of information to auditors

The directors confirm that, so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst and Young as auditor of the Company.

Small companies exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by sections 414B and 415A of the Companies Act 2006.

By order of the board

Thomas Hutchinson

Thomas Hutchinson **Director**

Date: 21 December 2020



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOOGLE ENGINEERING UK HOLDINGS LIMITED

Opinion

We have audited the financial statements of Google Engineering UK Holdings Limited ('the Company') for the year ended 31 December 2019, which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 16, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards issued including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2019 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 below. We are independent of the Company in accordance with 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 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOOGLE ENGINEERING UK HOLDINGS
LIMITED (Continued)**

Other information

The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOOGLE ENGINEERING UK HOLDINGS
LIMITED (Continued)**

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 they 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 management either intends to liquidate the Company or to cease operations, or has 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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

Our 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.

A large, handwritten signature in black ink, appearing to read 'Tara Lillywhite'.

Tara Lillywhite (Senior statutory auditor)
for and on behalf of Ernst & Young, Statutory Auditor

Dublin

22 December 2020

Google Engineering UK Holdings Limited

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2019

	Notes	2019 US\$'000	Period from 4 August 2017 to 31 December 2018 US\$'000
Dividend income	5	3,253	-
Administrative expenses		(25)	(43)
Operating profit		3,228	(43)
Profit/(loss) on ordinary activities before taxation	6	3,228	(43)
Tax on profit/(loss) on ordinary activities	7	-	-
Profit/(loss) for the financial year/period		3,228	(43)
Other comprehensive income for the year/period		-	-
Total comprehensive profit/(loss) for the year/period		3,228	(43)

Operating profit arose solely from continuing operations.

The notes on pages 11 to 20 form an integral part of these financial statements.

Google Engineering UK Holdings Limited

STATEMENT OF FINANCIAL POSITION As at 31 December 2019

	Notes	31 December 2019 US\$'000	31 December 2018 US\$'000
Fixed assets			
Financial asset	9	1,100,165	1,100,165
Current assets			
Cash and cash equivalents	10	288	35
Creditors: Amounts falling due within one year	11	(68)	(43)
Net current assets/(liabilities)		220	(8)
Total assets less current liabilities		<u>1,100,385</u>	<u>1,100,157</u>
Net assets		<u>1,100,385</u>	<u>1,100,157</u>
Capital and reserves			
Called up share capital presented as equity	12	1,100,200	1,100,200
Profit and loss account		<u>185</u>	<u>(43)</u>
Total shareholder's funds		<u>1,100,385</u>	<u>1,100,157</u>

The financial statements on pages 8 to 10 and supporting notes to the financial statements on pages 11 to 20 were approved by the board of directors and were signed on its behalf by:

By order of the board

Thomas Hutchinson

Thomas Hutchinson
Director

Date: 21 December 2020

Google Engineering UK Holdings Limited

STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2019

	Share capital	Profit and loss account	Total
	US\$'000	US\$'000	US\$'000
Balance at the date of incorporation (04 August 2017)	-	-	-
Loss for the financial period	-	(43)	(43)
Share capital issued during the period	1,100,200	-	1,100,200
Balance at 31 December 2018	1,100,200	(43)	1,100,157
Balance at 1 January 2019	1,100,200	(43)	1,100,157
Profit for the financial year	-	3,228	3,228
Dividends to shareholder	-	(3,000)	(3,000)
Balance at 31 December 2019	1,100,200	185	1,100,385

The notes on pages 11 to 20 form an integral part of these financial statements.

Google Engineering UK Holdings Limited

Notes to the Financial Statements For the year ended 31 December 2019

1. General Information

Google Engineering UK Holdings Limited (the "Company") is a private company limited by shares and is domiciled and incorporated in UK. The Company's registration number is 10901160 and registered office and principal place of business is 5 New Street Square, London, EC4A 3TW. The financial statements of the Company for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Directors dated 21 December 2020.

The Company's ultimate holding company is Alphabet Inc., a company incorporated in the United States of America, while its immediate holding company is Google APAC Technology Pte. Ltd, a company registered in Singapore. Related companies in these financial statements refer to the group of companies under the Alphabet Inc. group.

The principal activities of the Company are that of a holding company and the directors do not anticipate any change in the nature of the business for the foreseeable future.

2. Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"), UK generally accepted accounting practice, and in accordance with the Companies Act 2006.

3. Accounting policies

(a) Basis of preparation of financial statements

The financial statements are prepared on a going concern basis under the historical cost convention.

The directors of the Company have received written assurances from an intermediate parent undertaking, Google LLC, that it will continue to provide adequate financial support to the Company for a period of a least twelve months, from the date of approval of these financial statements to enable the Company to discharge its obligations to all creditors as they fall due. On this basis, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

The financial statements were prepared in US Dollars (US\$) and all amounts have been rounded to the nearest thousand, unless otherwise indicated.

(b) Financial reporting standard 101 - reduced disclosure exemptions

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS. The Company is a qualifying entity for the purposes of FRS 101.

In accordance with the exemptions available under the reduced disclosure Framework of FRS 101, the Company has availed of the following exemptions in accordance with paragraph 8 of FRS 101 in respect of:

- The requirements of paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1 (a reconciliation of the number of shares outstanding at the beginning and at the end of the period)

Notes to the Financial Statements For the year ended 31 December 2019

3. Accounting policies (continued)

(b) Financial reporting standard 101 - reduced disclosure exemptions (continued)

- The requirements of paragraphs 10(d), 16, 38(A, 38B-D, 40A-D), 111 and 134 to 136 of IAS 1 "Presentation of Financial Statements"
- The requirements of IAS 7 "Statement of Cash Flows"
- The requirements of paragraphs 30 to 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (requirement to disclose information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- The requirements of IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more group members and the requirements of paragraph 17 to disclose key management compensation"
- The requirements of IFRS 7 "Financial Instruments Disclosures"
- The requirements of paragraphs 91 to 99 of IFRS 13 "Fair Value Measurement"

The remaining exemptions available under the FRS 101 Framework have not been availed of as they were not applicable to the Company at this time.

The preparation of financial statements in conformity with FRS 101 requires management to exercise judgment in the process of applying the Company's accounting policies and requires the use of accounting estimates and assumptions.

New and amended standards and interpretations effective during 2019

Adoption of IFRS 16 Leases

In January 2016, the IASB issued IFRS 16 Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and supersedes the leasing requirements under IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

From a lessee perspective, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as was required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognise a lease liability and right-of-use asset for all leases with a term of more than 12 months (unless the underlying asset is of low value); and depreciate lease assets separately from recording interest on lease liabilities in the income statement. The Company has adopted IFRS 16 on 1 January 2019. In accordance with the transition provisions of IFRS 16, the Company has chosen to adopt the modified retrospective approach and has not restated comparative information.

The adoption of IFRS 16 has resulted in no impact for the Company and no financial statement line item has been affected at the adoption date 1 January 2019.

(c) Foreign currency

(i) Functional and presentation currency

The financial statements of the Company's operations are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in US Dollars (US\$), which is the Company's functional and presentation currency. All values are presented in US Dollars ("US\$") to the nearest thousand except where otherwise indicated.

Notes to the Financial Statements For the year ended 31 December 2019

3. Accounting policies (continued)

(c) Foreign currency (continued)

(ii) Transactions and balances

Transactions in currencies other than the Company's functional currency ("foreign currency") are recorded at average month end rates of exchange which approximates the actual rates on the date of the transaction. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on translation of monetary items are included in profit or loss for the financial year.

(d) Income tax

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

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authority. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except where the deferred tax asset or liability arises from the initial recognition of an asset or liability which affects neither the accounting profit nor taxable profit or loss.

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

The carrying amount of deferred tax assets are reviewed at each reporting date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and laws enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in profit or loss, other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and deferred income taxes relate to the same taxable entity and the same taxation authority.

(e) Financial fixed assets

Investments in subsidiaries are measured at cost less accumulated impairment losses.

Notes to the Financial Statements For the year ended 31 December 2019

3. Accounting policies (continued)

(f) Impairment of non-financial and financial assets measured at cost

The carrying amounts of the non financial assets and financial assets measured at cost (financial fixed assets) are reviewed at each reporting date to determine whether there is any indication of impairment in value. If any such indication exists, the assets recoverable amount is estimated.

An impairment in value is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment in value is recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

The fair value less costs to sell is the amount obtainable from the sale of an asset or cash generating unit in an arm's length transaction between knowledgeable, willing parties, less costs of disposal.

Value in use is the present value of estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life, discounted at a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

An assessment is made at each reporting date as to whether there is any indication that an impairment in value recognised in prior periods for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

An impairment in value recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment in value was recognised. An impairment in value is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of any depreciation/amortisation, if no impairment in value had been recognised.

Reversals of impairment in value are recognised in profit or loss. After such a reversal, the depreciation/amortisation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(g) Financial liabilities

Financial liabilities are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Notes to the Financial Statements For the year ended 31 December 2019

3. Accounting policies (continued)

(g) Financial liabilities (continued)

The Company contains the following categories of financial liabilities:

- Financial liabilities held at amortised cost

The classification depends on the purpose for which the financial liabilities were acquired. Management determines the classification of its financial liabilities at initial recognition.

(i) Financial liabilities held at amortised cost

Financial liabilities at amortised cost are included in 'Creditors: amounts falling due within one year' in the statement of financial position.

Creditors are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade creditors represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade creditors approximate fair value due to their short-term nature. The amounts are unsecured and are generally paid within 30- 90 days of recognition.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short term, highly liquid investments with maturities of three months or less, that are subject to an insignificant risk of changes in value.

(i) Dividend income

Dividend income is recognised when the Company's right to receive payment has been established.

4. Critical accounting estimates and judgements

Critical accounting estimates and judgements

In the process of applying the Company's accounting policies, management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements, or no sources of estimation uncertainty involved that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below:

Impairment of financial asset

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets are impaired. Impairment is assessed by comparing the carrying value of an asset with its recoverable amount, which is calculated as the value in use, which is the present value of the future cash flows expected to be derived from the financial fixed asset. Determining whether the Company's financial fixed asset has been impaired requires estimations of the present value of the future cash flows expected to be derived from the financial asset. See note 9 for the carrying amount of the financial asset. The accounting policy for financial fixed assets is outlined above.

Google Engineering UK Holdings Limited

Notes to the Financial Statements For the year ended 31 December 2019

5. Dividend income

	2019 US\$'000	Period from 4 August 2017 to 31 December 2018 US\$'000
Dividend income	3,253	-
	<u>3,253</u>	<u>-</u>

During 2019, the Company's subsidiary undertaking (Google Taiwan Engineering Limited) declared and subsequently paid a dividend of \$3,252,693 to the Company.

6. Profit/(loss) on ordinary activities before taxation

Profit/(loss) before income tax includes the following specific expenses:

	2019 US\$'000	Period from 4 August 2017 to 31 December 2018 US\$'000
Auditor's remuneration	14	18

Fees paid to auditors in relation to non-audit services amounted to nil. The company has no employees (2018: Nil). The directors' remuneration was borne by another group undertaking.

7. Income Tax

(a) Income tax expense relating to profit or loss

	2019 US\$'000	Period from 4 August 2017 to 31 December 2018 US\$'000
Current tax:		
Current tax charge	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total income tax expense	<u>-</u>	<u>-</u>

Google Engineering UK Holdings Limited

Notes to the Financial Statements For the year ended 31 December 2019

7. Income Tax (continued)

(b) Numerical reconciliation of income tax expense to tax payable

	2019 US\$'000	Period from 4 August 2017 to 31 December 2018 US\$'000
Profit/(loss) on ordinary activities before tax	<u>3,228</u>	<u>(43)</u>
Tax on profit/(loss) on ordinary activities at the standard rate of income tax of 19% (2018: 19%)	613	(8)
Effects of:		
Amounts not recognised	7	-
Foreign exchange movements	(2)	-
Income not taxable	(618)	-
Adjustment in respect of current income tax of previous years	-	8
Total tax charge for the year	<u>-</u>	<u>-</u>

8. Dividend

	2019 US\$'000	Period from 4 August 2017 to 31 December 2018 US\$'000
Interim dividends paid in respect of the financial year	3,000	-
	<u>3,000</u>	<u>-</u>

During 2019, the Company declared and subsequently paid a dividend of \$3,000,000 to its parent company. The dividend per fully paid up share is \$0.00273 (2018: Nil).

9. Financial asset

	2019 US\$'000	2018 US\$'000
Investment in subsidiary undertakings	1,100,165	1,100,165
Total	<u>1,100,165</u>	<u>1,100,165</u>

Google Engineering UK Holdings Limited

Notes to the Financial Statements For the year ended 31 December 2019

9. Financial asset (continued)

Investment in subsidiary		US\$'000
Cost		
At 1 January 2019		1,100,165
At 31 December 2019		1,100,165
Impairment		
At 1 January 2019		-
Impairment for the year		-
At 31 December 2019		-
Net book value		
At 31 December 2018		1,100,165
At 31 December 2019		1,100,165

The Company directly owns ordinary share capital in the following company:

Name	Country of incorporation	Registered office	Holding	Principal activity
Google Taiwan Engineering Limited	Taiwan	15F, 168, Tun Hua N. Rd., Taipei City, 10548	100%	Research and Development

10. Cash and cash equivalents

	2019 US\$'000	2018 US\$'000
Cash at bank	288	35
	288	35

Cash and cash equivalents are held with banks and financial institution counterparties which are rated investment grade by external credit rating agencies and are considered to have low credit risk. The maximum maturity of cash and cash equivalents is 3 months.

Google Engineering UK Holdings Limited

Notes to the Financial Statements For the year ended 31 December 2019

11. Creditors: amounts falling due within one year:

	2019 US\$'000	2018 US\$'000
Accruals	51	43
Amounts owed to other group undertakings	17	-
	<u>68</u>	<u>43</u>

Amounts owed to other group undertakings are unsecured, non-interest bearing and repayable on demand.

12. Equity and reserves

Share capital presented as equity

	2019 US\$'000	2018 US\$'000
Authorised		
1,100,200,001 Ordinary shares of US\$1 each	<u>1,100,200</u>	<u>1,100,200</u>
Allocated, called up and fully paid		
1,100,200,001 Ordinary shares of US\$1 each	<u>1,100,200</u>	<u>1,100,200</u>

There were no movements in the Company's share capital during the year (2018: \$1,100,200,001).

13. Parent and ultimately controlling party

Alphabet, Inc. is the smallest and largest group into which these financial statements are consolidated. The consolidated financial statements are available to the public and may be obtained from 1600 Amphitheatre Parkway, Mountain View, CA 94043, United States of America or can be obtained from the investor relations website at <https://abc.xyz/investor/>.

All transactions recorded in the period with related entities are shown in notes 5, 8, 9 and 11. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries of Alphabet Inc.

14. Contingent liabilities

The Company is of the position that there are no contingent liabilities which require disclosure as at year end (2018: None).

**Notes to the Financial Statements
For the year ended 31 December 2019**

15. Post balance sheet events

The global outbreak of the novel coronavirus (COVID-19) subsequent to the year end is leading to a global market disruption. Such an operating environment has the potential to have an adverse impact on the Company's operations and financial position. The future impact of the current economic situation is uncertain and difficult to predict. No adjustments are required for the Financial Statements as at 31 December 2019 in relation to COVID-19.

No dividends were proposed or declared after the reporting date but before the financial statements were authorised for issue. There were no other material post balance sheet events that require adjustment to or disclosure in the financial statements.

16. Approval of financial statements

The board of directors approved these financial statements for issue on 21 December 2020.