

Arcadis Gulf Limited

Report and Financial Statements

Year ended 31 December 2020

Company Number: 01934617

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Arcadis Gulf Limited

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Strategic Report

Strategic Report for the year ended 31 December 2020

The directors present their Strategic Report for Arcadis Gulf Limited ("the Company") for the year ended 31 December 2020.

Principal activities

The company operates overseas in Abu Dhabi through Arcadis Gulf Limited, Abu Dhabi Branch.

Arcadis Gulf Limited, Abu Dhabi Branch is a Branch of the Company ("the Branch"). The Branch operates under a professional license number 1005889 dated 22 March 2007, issued by the Department of Economic Development of the Government of Abu Dhabi. The branch has been liquidated in 2018.

The principal activities are the project management of building projects.

Review of the business

The financial results of the Company, set out in the statement of comprehensive income on page 8, show a profit before taxation of £129,000 (2019: profit before taxation of £6,000).

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

The Company considers management of projects, recruitment, utilisation and retention of key staff and financial risk to be the principal risks and uncertainty it faces. Risk management and internal control systems are in operation. These systems provide a means of identifying, evaluating and managing the significant risks facing the business.

The Company's operations expose it to a variety of financial risks as outlined below.

Liquidity risk

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

Credit risk

The Company's main exposure to credit risk relates to amounts due from customers. In line with policy appropriate credit checks are performed on potential customers to identify potential risks. The Company recognises the increased credit risk in the current economic climate, and seeks to mitigate this through strong client relationships and advance payments.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Foreign exchange risk

The Company has some exposure to foreign exchange risk through transactions in currencies other than GBP sterling. Established procedures exist to monitor foreign exchange risks in accordance with policies set by the ultimate holding company, Arcadis N.V.

The principal risks and uncertainties for the group are disclosed in the 2020 Annual Report of Arcadis N.V. (the ultimate parent undertaking and controlling party (pages 152 to 159), available at: www.arcadis.com).

On behalf of the board



Director

Irfan Gani

16 December 2021

Directors' Report

Directors' Report for the year ended 31 December 2020

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

Dividends

The directors do not recommend payment of a dividend (year ended 31 December 2019: £ 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:

Johannes Gerardus Ijntema (resigned on 10 June 2021)

Irfan Gani (appointed on 10 June 2021)

Kamiran Abdul Razzak Ibrahim

Future Developments

The branch of the Company has been liquidated and the liquidation of Company is expected to start in 2021.

Going concern

The directors anticipate that the Company will cease operations during 2021, with any assets being realised and liabilities being settled in the normal course of business, with the Company being liquidated. As such, these financial statements have been prepared on a basis other than that of a going concern. Adopting a basis other than going concern has not had any impact on the recognition and measurement of the Company's assets or liabilities at 30 December 2020. These financial statements do not include any provision for future costs of terminating the business.

Statement of directors' responsibilities in respect of the financial statements

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).

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, including 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.

Directors' Report (continued)

Statement of directors' responsibilities in respect of the financial statements (continued)

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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Independent auditors

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

On behalf of the board



Director
Irfan Gani
16 December 2021

Independent auditors' report to the members of Arcadis Gulf Limited

Report on the audit of the financial statements

Opinion

In our opinion, Arcadis Gulf Limited's 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 (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2020; the Statement of comprehensive income, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Statement of directors' responsibilities in respect of the financial statements, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Statement of directors' responsibilities in respect of the financial statements

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Statement of directors' responsibilities in respect of the financial statements for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Statement of directors' responsibilities in respect of the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, employment law, pension regulations, data privacy law and industry regulations, 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 financial statements such as the Companies Act 2006. We evaluated 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 potential management bias in accounting estimates and the inappropriate journal posting to manipulate financial results. Audit procedures performed by the engagement team included:

- enquiry of management, those charged with governance and the entity's in-house legal and compliance team around actual and potential litigation and claims;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness and testing accounting estimates (because of the risk of management bias)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Jason Clarke (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 December 2021

Arcadis Gulf Limited

Statement of comprehensive income for the year ended 31 December 2020

		2020	2019
	Note	£'000	£'000
Revenue		-	-
Cost of sales		-	-
Gross results		-	-
Administrative expenses		129	6
Profit before taxation	3	129	6
Tax on profit	5	-	-
Profit for the financial year		129	6
Other comprehensive (loss)/ income			
Items that may be reclassified subsequently to profit or loss:			
Other comprehensive (loss)/ income:			
Exchange differences on retranslation of overseas branches		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		129	6

The notes on pages 11 to 18 are an integral part of these financial statements.

The financial statements on pages 8 to 18 were authorised for issue by the board of directors on 16 December 2021 and were signed on its behalf.



Irfan Gani
Director

Arcadis Gulf Limited

Statement of financial position as at 31 December 2020

		2020	2019
	Note	£'000	£'000
Current assets			
Trade and other receivables	6	2,046	2,806
Cash and cash equivalents		-	-
		2,046	2,806
Creditors: amounts falling due within one year	7	(15)	(904)
Net current assets		2,031	1,902
Total assets less current liabilities		2,031	1,902
Net assets		2,031	1,902
Equity			
Called up share capital	8	102	102
Retained earnings		1,929	1,800
Total shareholders' funds		2,031	1,902

The notes on pages 11 to 18 are an integral part of these financial statements.

The financial statements on pages 8 to 18 were authorised for issue by the board of directors on 16 December 2021 and were signed on its behalf.



Irfan Gani
Director

Arcadis Gulf Limited

Statement of changes in equity for the year ended 31 December 2020

	Called up share capital £'000	Retained earnings £'000	Total shareholders' funds £'000
Balance as at 1 January 2019	102	1,794	1,896
Profit for the financial year	-	6	6
Other comprehensive income for the year: Exchange differences on retranslation of overseas branches	-	-	-
Total comprehensive income for the year	-	6	6
Balance as at 31 December 2019	102	1,800	1,902
Balance as at 1 January 2020	102	1,800	1,902
Profit for the financial year	-	129	129
Other comprehensive income for the year: Exchange differences on retranslation of overseas branches	-	-	-
Total comprehensive income for the year	-	129	129
Balance as at 31 December 2020	102	1,929	2,031

The notes on pages 11 to 18 are an integral part of these financial statements.

Notes to the financial statements

1 General Information

The principal activities of the Company are the project management of building projects.

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

80 Fenchurch Street
London, England
EC3M 4BY

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.

The functional currency of the entity is AED, being the currency of the primary economic environment in which the entity operates. Management considers the presentation currency to be the pound sterling as management monitors and controls the performance and financial position of the entity in pound sterling.

2.1 Basis of preparation

The individual financial statements of Arcadis Gulf Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006 as applicable to companies using 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 the relevant notes.

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)

Notes to the financial statements

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

- 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 carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, *Presentation of financial statements*:
 - i. 10(d) (statement of cash flows);
 - ii. 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);
 - iii. 16 (statement of compliance with all IFRS);
 - iv. 38A (requirement for minimum of two primary statements, including cash flow statements);
 - v. 38B-D (additional comparative information);
 - vi. 40A-D (requirements for a third statement of financial position);
 - vii. 111 (cash flow statement information); and
 - viii. 134-136 (capital management disclosures).
- IAS 7, *Statement of cash flows*.
- Paragraphs 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).
- Paragraphs 17 and 18A of IAS 24, Related party disclosures (key management compensation and key management services provided by a separate management entity).
- The requirements in IAS 24, Related party disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- Paragraphs 130(f)(ii), 130 (f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, Impairment of assets (disclosures when the recoverable amount is fair value less costs of disposal, assumptions involved in estimating recoverable amounts of cash generating units containing goodwill or intangible assets with indefinite useful lives and management's approach to determining these amounts).

2.2 Going concern

The directors anticipate that the Company will cease operations during 2021, with any assets being realised and liabilities being settled in the normal course of business, with the Company being liquidated. As such, these financial statements have been prepared on a basis other than that of a going concern. Adopting a basis other than going concern has not had any impact on the recognition and measurement of the Company's assets or liabilities at 30 December 2020. These financial statements do not include any provision for future costs of terminating the business.

Notes to the financial statements

2 Summary of significant accounting policies (continued)

2.3 Revenue

Revenue is stated net of sales tax and is recognised only when the outcome of the transaction can be measured reliably and it is probable that the economic benefits will flow to the Company. Any loss on a contract is recognised as soon as it is expected.

Where fee income is determined by time charged, revenue represents the amount of services provided during the financial year. Revenue on long term contracts is recognised according to the stage of completion at the balance sheet date and the terms of the contract including those in relation to variations. The stage of completion is based upon a review of the contract progress and the proportion of costs incurred for work performed compared to the estimated total costs of the contract after making a prudent allowance for uncertainties.

2.4 Current tax

The tax expense for the period only comprises current 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.

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.

The Company has made an irrevocable "branch" election in respect of its taxation. Profits and losses from its overseas trade are therefore excluded from UK taxes with effect from 1 January 2014.

2.5 Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 120 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income statement within operating expenses in the statement of comprehensive income.

Trade and other receivables includes amount recoverable on contracts, which are stated at cost plus attributable profit to the extent that such profit is reasonably certain and after making provision for any foreseeable losses in completing contracts, less payments in advance received on contracts. Cost comprises the direct costs of providing the service, together with directly attributable overheads.

Notes to the financial statements

2 Summary of significant accounting policies (continued)

2.5 Trade and other receivables (continued)

Payment in advance on contracts represent excess amounts billed over that earned and are included separately within trade and other payables.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

2.6 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.

2.7 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.8 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.

2.9 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.

2.10 Leases

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. The Company leases certain property to facilitate its operations.

2.11 Financial risk management

The Company's exposure to liquidity risk and credit risk is managed by other group companies. The Company's exposure to foreign currency risk is discussed in note 2.12 below.

2.12 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements in relation to the Branch are measured using the currency of the primary economic environment in which the Branch operates ('the functional currency').

Notes to the financial statements

2 Summary of significant accounting policies (continued)

2.12 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in other comprehensive income as part of the Company's net investment in its overseas branch operations.

These foreign exchange gains and losses will be recognised in the income statement if and only if there is a disposal of the Company's overseas branch operation in the future.

All other foreign exchange gains and losses are presented in the income statement within 'Other operating income.'

The results and financial position of all the branch (which does not have a currency of hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting exchange differences are recognised in other comprehensive income.

2.13 New standards, amendments and interpretations adopted by the Company

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2020 that have a material impact on the company's financial statements.

2.14 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Notes to the financial statements

3 Profit before taxation

This has been stated after charging:

	2020 £'000	2019 £'000
Staff costs (note 4)	-	-
Audit fees payable to the Company's auditors	6	5

4 Employees and directors

Employees

The average number of monthly staff employed by the Company overseas in the year was nil (2019: nil).

Directors

None of the directors received any emoluments for services to this Company during the year (2019: £nil).

5 Tax on profit

Tax charge included in profit or loss

	2020 £'000	2019 £'000
Current tax:		
- UK corporation tax for the year	-	-
	2020 £'000	2019 £'000
Profit before taxation	129	6
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19.00% (2019: 19%)	25	1
Effects of:		
- Overseas results not taxable	(25)	(1)
- UK corporation tax credit in respect of prior years	-	-
Tax credit for the year	-	-

The UK corporation tax rate decreased from 20% to 19% from 1 April 2018. Therefore the rate for the current year (19.00%) is the same as in the prior year (19 %).

A reduction in the UK corporation tax rate to 17% from 1 April 2020 was substantively enacted on 6 September 2016. A decision has been taken to cancel this reduction and maintain the UK corporation tax rate at 19%. This cancellation was substantively enacted on 17 March 2020. Legislation was enacted in June 2021 to increase the UK corporation tax rate from 19.0% to 25.0% with effect from 1 April 2023 and its effects were included in these financial statements.

Notes to the financial statements**6 Trade and other receivables**

	2020 £'000	2019 £'000
Amounts owed by group undertakings	2,046	2,806
	<u>2,046</u>	<u>2,806</u>

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

	2020 £'000	2019 £'000
Amounts owed to group undertakings	-	898
Other payables	15	6
	<u>15</u>	<u>904</u>

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

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

	Number (000)	£'000
Allotted, called up and fully paid		
At 1 January 2019	102	102
Issued during the year	-	-
At 31 December 2019	<u>102</u>	<u>102</u>
At 1 January 2020	102	102
Issued during the year	-	-
At 31 December 2020	<u>102</u>	<u>102</u>

9 Related party transactions

Advantage has been taken of the exemption from disclosing transactions and balances with other group undertakings as permitted by FRS 101.

Notes to the financial statements

10 Ultimate parent company

The Company's immediate parent undertaking is Arcadis (UK) 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.