ARUP

Ove Arup Ventures Limited

Financial Statements and Reports

For the year ended 31 March 2023

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Directors' report

The directors present their annual directors' report together with the audited financial statements for Ove Arup Ventures Limited (the "Company") for the year ended 31 March 2023 which was approved by the Board of directors (the "Board").

The Company is a subsidiary of Arup Group Limited. Arup Group Limited with its subsidiaries is referred to as the "Arup Group". The Board of directors of Arup Group Limited are referred to as the "Arup Group Board".

In accordance with section 414B of the Companies Act 2006, the Company has taken the exemption from the requirement to present a strategic report.

The directors confirm that to the best of their knowledge the Financial Statements and Reports, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Principal activities

The Company is an investment holding company within the Arup Group.

General information

The Company is a private limited company registered in England and Wales under company number 4212232 at registered address 8 Fitzroy Street, London, W1T 4BJ, United Kingdom. The Company's parent company is Arup Group Limited registered in England and Wales under company number 1312454.

Future developments

The Company will continue to operate as an investment holding company.

To ensure that the Company is positioned for long-term success, the Board takes into account a range of factors including funding flows arising from expected investments or disposals; the pipeline of current and future commercialisable ventures and their likely timelines; and actual and projected cashflow and the sufficiency of access to financial resources.

The economic climate and market conditions remain uncertain as a result of the challenging operating environment with rapidly increasing inflation, an energy price shock in Europe driven by the Russian invasion of Ukraine, ongoing supply chain and labour shortages in many geographies, and pandemic-related absenteeism and disruption in some regions. However, the business was in a robust financial position at the year end.

Dividends

Any dividends paid or declared in the financial year have been disclosed in note 20 to the financial statements.

Directors

The directors of the Company during the year and up to the date of signing these financial statements were as follows:

Ansley-Young, Martin James (Resigned 13 February 2023)
Boardman, Robert Philip (Appointed 9 February 2023)
Coughlan, Paul Anthony
Day, Margot Annabel (Appointed 10 February 2023)

Directors' remuneration

No directors were employees of the Company, and no directors received any remuneration for services to the Company.

Directors' indemnities

As permitted by the Company's Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the UK Companies Act 2006.

The indemnity was in force throughout the financial year and is currently in force.

The Arup Group also purchased and maintained throughout the financial year Directors' and Officers' Liability Insurance in respect of itself, its directors and officers.

Independent auditors

The Company's independent auditors, Crowe U.K. LLP, have indicated their willingness to continue in office for another financial year.

Financial risk management

The Company's financial assets and liabilities comprise cash and cash equivalents, trade and other receivables and trade and other payables, the main purpose of which is to maintain adequate finance for the Company's operations. The Company is exposed to a number of financial risks and actively mitigates the risk of financial loss. The key aspects are:

- Foreign exchange risk: where possible the Company matches its currency earnings with currency costs. Where this is not possible, appropriate derivative contracts may be used. There is no speculative use of financial instruments;
- Interest rate risk: the Company currently does not hedge interest rate risk, however the need to do so is regularly reviewed;
- Credit risk: the main exposure to credit risk is on amounts due from Arup Group undertakings. Controls and procedures are in place to mitigate this risk. Cash investments are held with banks with a minimum credit rating of A-3/P2; and
- Liquidity risk: cash flow forecasts are prepared to ensure that sufficient funds are available to meet the Company's liabilities as and when they fall due.

Note 2 in the notes to the financial statements provides further information on accounting for exchange rate differences.

Going concern

These financial statements have been prepared on the going concern basis. Note 2 in the notes to the financial statements provides further information.

Carbon emissions

In October 2019 the Arup Group committed to be a net zero carbon organisation by March 2030, and that we would reduce absolute scope 1 and 2 Greenhouse Gas ("GHG") emissions 30% by March 2025 from a 2018/19 baseline year. The Arup Group has also committed to reduce absolute scope 3 GHG emissions 30% by March 2025 from a 2018/19 baseline year; this includes a target to reduce business travel by 50% from the baseline.

In November 2021 the Arup Group committed to undertaking whole lifecycle carbon assessments for all our buildings projects, new and retrofit, from April 2022. The Arup Group also announced it will not pursue any new energy commissions that support the extraction, refinement, or transportation of hydrocarbon-based fuels.

Further details of Arup Group's commitments to achieve Net Zero including our Net Zero Carbon Strategy and our Net Zero GHG Emissions Statement, can be found in the 'Our global commitments' section on Arup.com.

Statement of directors' responsibilities

The directors are responsible for preparing the Financial Statements and Reports in accordance with applicable law and regulation.

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors have prepared the Company's financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") 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, 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

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.

On behalf of the Board

Robert Philip Boardman

Director

3 November 2023

Registered office: 8 Fitzroy Street, London, W1T 4BJ, United Kingdom

Independent Auditor's Report to the Members of Ove Arup Ventures Limited

Opinion

We have audited the financial statements of Ove Arup Ventures Limited for the year ended 31 March 2023 which comprise Income Statement, Balance Sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework", the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 has 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 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 by the company, 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; or
- the directors were not entitled to take advantage of the small company's exemption in preparing the directors report and from preparing a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases and ensuring accounting policies are appropriate under the United Kingdom Generally Accepted Accounting Practice and applicable law.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

M Stallabrass

Matthew Stallabrass
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

3 November 2023

Income statement

For the year ended 31 March 2023

	Note	2023	2022
		£	£
Other income	4	4,183,342	19,278,257
Other expense	4	(4,728,467)	-
Communications and other overheads		(106,519)	(2,280,200)
		(4,834,986)	(2,280,200)
Operating (loss) / profit	6	(651,644)	16,998,057
Comprising:			
– Underlying operating profit		(4,453,232)	3,288,830
– Exceptional items	7	3,801,588	13,709,227
		(651,644)	16,998,057
Finance income	8	351,033	36,797
Finance costs	8	-	(8,589)
Share of loss of investments accounted for using the equity method		(1,754,366)	(598,526)
(Loss) / profit before income tax		(2,054,977)	16,427,739
Income tax credit / (charge)	9	608,000	(608,000)
(Loss) / profit for the financial year		(1,446,977)	15,819,739

All activities of the Company are derived from continuing operations in both the current and prior years.

No separate statement of comprehensive income has been presented as all comprehensive income has been dealt with in the income statement above.

The above income statement should be read in conjunction with the accompanying notes.

Registration number 4212232

Balance sheet

As at 31 March 2023

	Note	31 March 2023 £	31 March 2022 £
Assets			
Non-current assets			
Investments in subsidiaries	10	1,060	1,062
Investments accounted for using the equity method	11	3,256,667	1,209,445
Financial assets at fair value through profit or loss	12	539,889	6,273,376
Other non-current assets	13	1,662,893	435,742
		5,460,509	7,919,625
Current assets			
Trade and other receivables	14	4,857,607	12,458,264
Cash and cash equivalents	15	1,826,465	17,457
		6,684,072	12,475,721
Total assets		12,144,581	20,395,346
Liabilities			
Current liabilities			
Trade and other payables	16	949,216	145,004
Current income tax liabilities		-	608,000
		949,216	753,004
Total liabilities		949,216	753,004
Net assets		11,195,365	19,642,342

	Note	31 March 2023 £	31 March 2022 £
Equity			
Share capital	17	2,000,100	2,000,100
Retained earnings		9,195,265	17,642,242
Total equity		11,195,365	19,642,342

The above balance sheet should be read in conjunction with the accompanying notes.

The financial statements on pages 7 to 21 were approved and authorised for issue by the Board of directors and signed on its behalf by:

Robert Philip Boardman

Director

3 November 2023

Statement of changes in equity

For the year ended 31 March 2023

	Share capital	Retained earnings	Total equity
	£	£	£
Balance as at 1 April 2021	2,000,100	1,822,503	3,822,603
Profit for the financial year	-	15,819,739	15,819,739
Total comprehensive income for the year	-	15,819,739	15,819,739
Dividends	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-
Balance as at 31 March 2022	2,000,100	17,642,242	19,642,342
Loss for the financial year	-	(1,446,977)	(1,446,977)
Total comprehensive expense for the year	-	(1,446,977)	(1,446,977)
Dividends	-	(7,000,000)	(7,000,000)
Total transactions with owners, recognised directly in equity	-	(7,000,000)	(7,000,000)
Balance as at 31 March 2023	2,000,100	9,195,265	11,195,365

Notes to the financial statements

For the year ended 31 March 2023

1 Incorporation

Ove Arup Ventures Limited is a private company limited by shares which is incorporated in England and Wales. The address of the registered office is 8 Fitzroy Street, London, W1T 4BJ, United Kingdom.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The financial statements have been prepared under the historical cost convention, except for financial assets and liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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 Arup Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the preparation of the financial statements are disclosed in note 3.

The following exemptions from the requirements of International Financial Reporting Standards ("IFRS or IFRSs") have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3, 'Business Combinations';
- Paragraph 33(c) of IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations';
- 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);
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15, 'Revenue from Contracts with Customers';
- The requirements of paragraph 52, paragraph 58, the second sentence of paragraph 89 and paragraphs 90, 91 and 93 of IFRS 16, 'Leases';
- Paragraph 38 of International Accounting Standard ("IAS") 1, 'Presentation of Financial Statements' comparative information requirements in respect of:

  - 79(a)(iv) of IAS 1, 'Presentation of Financial Statements' (reconciliation of the number of shares outstanding at the beginning and end of the period);
  - 73(e) of IAS 16, 'Property, Plant and Equipment' (reconciliation of the carrying amount at the beginning and end of the period);
  - 118(e) of IAS 38, 'Intangible Assets' (reconciliation of the carrying amount at the beginning and end of the period); and
  - 76 and 79(d) of IAS 40, 'Investment Property' (reconciliation of the carrying amount at the beginning and end of the period).

- The following paragraphs of IAS 1:

  - 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 IFRSs);
  - 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';
- 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);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
- IAS 24 (disclosure of related party transactions entered into between two or more members of a group providing that the parties are wholly owned by the group).

2.2 Going concern

The directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. The Company continues to meet its day-to-day working capital requirements through its cash reserves and other financial support available within the Arup Group. The directors have also considered other factors which could have an adverse impact on the Company's going concern assessment. The directors have obtained assurance of financial support from Arup Group Limited and other relevant entities within the Arup Group, for a period of at least 12 months from the date of approving the financial statements. Management of Arup Group have performed analysis on future projections of financial performance and cashflow and even after considering the downside scenario, it is satisfied that Arup Group can take sufficient mitigating action, where necessary, to ensure that resources remain sufficient over the forecasting period and that it has adequate resources to continue operations and provide financial support to the Company for the foreseeable future. As such, the Company's financial statements have been prepared on the going concern basis.

2.3 Changes in accounting policies and disclosures

New standards, amendments and interpretations

There are no amendments to accounting standards, or IFRS Interpretations Committee ("IFRIC") interpretations that are effective for the year ended 31 March 2023 that have a material impact on the Company.

New standards, amendments and interpretations not yet adopted by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for reporting periods ending 31 March 2023 and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions.

2.4 Consolidation

The Company is a wholly owned subsidiary of Arup Group Limited and is included in the consolidated financial statements of Arup Group Limited which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

2.5 Accounting policies

The following are the significant accounting policies applied by the Company in preparing the financial statements. All accounting policies have been consistently applied to all the years presented, unless otherwise stated.

Foreign currency translation

Functional and presentation currency

The Company's functional currency is pound sterling. The financial statements are presented in pound sterling (£), which is the Company's presentation currency.

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 remeasured. 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 the income statement.

Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is objective evidence that an asset or group of assets is impaired. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and value in use.

Financial assets

Classification

The Company classifies its financial assets in the following categories:

- those to be measured subsequently at fair value through profit or loss ("FVPL");
- those to be measured subsequently at fair value through other comprehensive income ("FVOCI"); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade date being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in communications and other overheads together with foreign exchange gains and losses and impairment losses.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Exceptional items

Exceptional items comprise items of income, expense and cash flow that are material in amount and outside the normal course of business, or relate to events which do not frequently recur. They merit separate disclosure in the financial statements in order to provide a better understanding of the Company's underlying financial performance.

Income tax charge

Current and deferred income tax is recognised in the income statement for the year except where the taxation arises as a result of a transaction or event that is recognised in other comprehensive income or directly in equity. Income tax arising on transactions or events recognised in other comprehensive income or directly in equity is charged or credited to other comprehensive income or directly to equity 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.

Investments in subsidiaries

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

Cash and cash equivalents

Cash and cash equivalents include cash at bank.

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3 Critical accounting estimates and judgements

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates may not, by definition, equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of other receivables (estimates and judgements)

Due to the nature of the Company, it has significant receivables due from Arup Group undertakings. When assessing impairment, management have considered inter-group agreements and historical experience. As a result of this the expected credit loss is deemed to be immaterial.

Value of investments and financial assets at FVPL (judgement)

Judgement is required in determining whether to impair the value of investments in subsidiaries, investment accounted for using the equity method and financial assets at FVPL.

4 Other income and other expense

Other income	2023	2022
	£	£
Gain on disposal of subsidiaries	3,801,588	13,709,227
Bonus shares from financial assets at FVPL	381,754	-
Fair value gain on financial assets at FVPL	-	2,369,030
Gain on sales of intellectual properties	-	3,200,000
	4,183,342	19,278,257

Other expense	2023	2022
	£	£
Loss on disposal of financial assets at FVPL	(4,425,215)	-
Fair value loss on financial assets at FVPL	(303,252)	-
	(4,728,467)	-

5 Directors' remuneration

No directors were employees of the Company and no directors received any remuneration for services to the Company (2022: nil).

6 Operating (loss) / profit

	2023	2022
	£	£
This is stated after charging / (crediting):		
During the year, the Company obtained the following services from the Company's auditors:		
– Audit of Company financial statements	9,400	6,700
Loss / (gain) on exchange from trading activities	10,873	(25,915)

7 Exceptional items

	2023	2022
	£	£
Gain on disposal of subsidiaries	3,801,588	13,709,227
	3,801,588	13,709,227

On 8 February 2022, the Company sold its investment in a subsidiary, MailManager Limited, with the value of £1,200 to an external third party for net proceeds of £13,710,427. The gain of £13,709,227 has been included in 'other income' in the income statement.

On 7 Apr 2022, the Company sold 85% of its investment in a subsidiary, Neuron Operations Limited, with the value of £2 to a joint venture for cash consideration of £2 and 5,000,000 shares in Neuron Digital Limited valued at £3,801,588. The gain of £3,801,588 has been included in 'other income' in the income statement.

8 Net finance income

	2023	2022
	£	£
Interest expense - Arup Group undertakings	-	(8,589)
Total finance costs	-	(8,589)
Interest receivable - Arup Group undertakings	347,025	36,797
Other interest receivables	4,008	-
Total finance income	351,033	36,797
Net finance income	351,033	28,208

Interest due to / from Arup Group undertakings is in regard to short term inter-group loans.

9 Income tax charge

(a) Analysis of total income tax charge

	2023	2022
	£	£
Current income tax		
– UK: current income tax on profits for the year	-	608,000
– UK: adjustment in respect of prior years	(608,000)	-
Total current income tax	(608,000)	608,000
Deferred income tax		
Total deferred income tax	-	-
Total income tax (credit) / charge	(608,000)	608,000

(b) Factors affecting the total income tax (credit) / charge for the year

The tax assessed for the year is lower (2022: lower) than the amount computed at the standard rate of corporation tax in the UK 19% (2022: 19%).

The differences are explained below:

	2023	2022
	£	£
(Loss) / profit before income tax	(2,054,977)	16,427,739
(Loss) / profit before income tax multiplied by the standard rate of corporation tax in the UK	(390,446)	3,121,270
Effects of:		
Group relief	(386,803)	412,292
Income not subject to tax	(794,836)	(3,662,869)
Expenses not deductible for tax purposes	1,238,326	737,307
Adjustment in respect of prior years	(608,000)	-
Chargeable gains	333,759	-
Total income tax (credit) / charge	(608,000)	608,000

The prior year adjustment of £(608,000) arises from the ultimate use of tax losses via group relief from other UK group companies, which was used to offset against an intangible asset degrouping charge arising on the dilution of share ownership of Artus Air Limited during financial year ended 31 March 2022.

10 Investments in subsidiaries

The Company owns ordinary shares in the companies noted below. These companies were all wholly owned subsidiary undertakings of the Company at 31 March 2023 and 2022 (unless otherwise stated), and their results are consolidated into the Arup Group financial statements.

A listing of registered addresses and principal activities can be found in note 22.

Direct holdings	**Country of incorporation**
Acorn Technology Systems Inc.	United States
eFleet Integrated Service Limited	England and Wales
Neuron Operations Limited*	Hong Kong

Indirect holdings	**Country of incorporation**
Neuron Technology (Shenzhen) Limited*	China

*On 7 April 2022, the Company's ownership in Neuron Operations Limited decreased from 95% to 10% changing it from an investment in a subsidiary to a financial asset at fair value through profit or loss. Neuron Technology (Shenzhen) Limited is a wholly owned subsidiary of Neuron Operations Limited.

Movement of investment	Cost	Investment impairment	Net value
	£	£	£
Balance as at 1 April 2021	327,861	(325,600)	2,261
Additions / recapitalisations	3,200,002	-	3,200,002
Transfers	(3,200,001)	1,392,031	(1,807,970)
Investment impairments	-	(1,392,031)	(1,392,031)
Disposals	(326,800)	325,600	(1,200)
Balance as at 1 April 2022	1,062	-	1,062
Additions / recapitalisations	-	-	-
Transfers	(0)	-	(0)
Investment impairments	-	-	-
Disposals	(2)	-	(2)
Balance as at 31 March 2023	1,060	-	1,060

The directors believe that the carrying values of the investments are supported by their underlying net assets.

During the year ended 31 March 2022, the Company's ownership in Artus Air Limited decreased from 100% to 49.25% changing it from an investment in a subsidiary to an investment accounted for using the equity method. For the year ended 31 March 2022, the transfer was presented as net under cost and investment impairment. For the year ended 31 March 2023, the comparatives for the transfer has been revised to present as gross under cost and investment impairment.

On 8 February 2022, the Company sold its investment in MailManager Limited with the value of £1,200 to an external third party for a net proceed of £13,710,427.

On 15 February 2022, the Company disposed its investment in Networked Electricity Storage Technology Limited upon its dissolution. The investment was fully impaired during the year ended 31 March 2017.

On 7 April 2022, the Company sold 85% of its investment in a subsidiary, Neuron Operations Limited, with the value of £2 to a joint venture for £2 and 5,000,000 shares in Neuron Digital Limited valued at £3,801,588. The Company's ownership in Neuron Operations Limited decreased from 95% to 10% changing it from an investment in a subsidiary to a financial asset at fair value through profit or loss.

11 Investments accounted for using the equity method

	2023	2022
	£	£
Balance at the beginning of the financial year	1,209,445	-
Additions	3,801,588	1
Transfer	-	1,807,970
Share of loss	(1,754,366)	(598,526)
Balance at the end of the financial year	3,256,667	1,209,445

On 30 November 2021, the Company acquired 50% of the issued share capital from Neuron Digital Limited for a consideration of £1. On 7 April 2022, the Company received £3,801,588 worth of shares from Neuron Digital Limited for partial disposal of Neuron Operations Limited. The Company owns 50% (2022: 50%) interest in Neuron Digital Limited.

At 31 March 2023, the Company owns 49.25% (2022: 49.25%) interest in Artus Air Limited.

At 31 March 2023, the Company owns 26% (2022: 26%) interest in Geon Energy Limited. This investment was fully impaired during the year ended 31 March 2016.

12 Financial assets at fair value through profit or loss

	2023	2022
	£	£
Balance at the beginning of the financial year	6,273,376	3,904,347
Additions	843,093	-
Transfer	0	-
Disposals	(6,273,330)	-
Change in fair value	(303,252)	2,369,030
Adjustment for exchange differences	2	(1)
Balance at the end of the financial year	539,889	6,273,376

On 7 April 2022, the Company's ownership in Neuron Operations Limited decreased from 95% to 10% changing it from an investment in a subsidiary to a financial asset at fair value through profit or loss (note 10).

On 24 June 2022, the Company was granted 88,265 bonus shares from Charge Enterprises, Inc., a company whose equity is traded on the OTC market. These bonus shares were valued at £381,754 on the day of the grant, and the resulting gain has been included in 'other income' in the income statement.

On 28 March 2023, a related party entered into a collaboration agreement with Nationwide Engineering Research and Development Ltd ("NERD"), a company incorporated in England and Wales, to contribute sweat equity on behalf of the Company. The Company received 2,097 Seed Preferred Shares in NERD valued at £461,339 on the same day. An accrual for the same amount has been recorded under 'trade and other payables' in the balance sheet for future sweat equity contributions.

During the year ended 31 March 2023, the Company disposed of 1,677,019 shares in Charge Enterprises, Inc. on the OTC market for £1,848,115. The loss on disposal of £4,425,215 has been included in 'other expense' in the income statement. At 31 March 2023, the Company owned 88,265 (2022: 1,677,019) shares in Charges Enterprises, Inc. which were valued at £78,502 (2022: £6,273,330).

13 Other non-current assets

	2023	2022
	£	£
Loan receivable from related party	450,086	435,742
SAFE stock receivables	1,212,807	-
	1,662,893	435,742

During the year ended 31 March 2023, the Company entered Simple Agreement for Future Equity ("SAFE") with a subsidiary, Acorn Technology Systems, Inc..

14 Trade and other receivables

	2023	2022
	£	£
Amounts due from Arup Group undertakings	4,857,607	12,458,264
	4,857,607	12,458,264

The directors consider that the carrying value of trade and other receivables approximates to their fair value.

Amounts due from Arup Group undertakings

Amounts due from Arup Group undertakings are unsecured, have no date of repayment and are repayable on demand. Where inter-group loans have been provided, interest is accrued on inter-group loans with a rate in the range of 1-8.25% (2022: 1-8%).

The Company has assessed the ability of Arup Group companies to meet their inter-group liabilities. Based on this review the expected credit losses of amounts due from Arup Group undertakings is deemed to be nil (2022: nil).

15 Cash and cash equivalents

	2023	2022
	£	£
Cash at bank	1,826,465	17,457
	1,826,465	17,457

16 Trade and other payables

	2023	2022
	£	£
Amounts owed to Arup Group undertakings	478,474	136,902
Accrued expenses	470,742	8,102
	949,216	145,004

The directors consider that the carrying value of trade and other payables approximates to their fair value.

Amounts owed to Arup Group undertakings

Amounts owed to Arup Group undertakings are unsecured, have no date of repayment and are repayable on demand. Where inter-group loans have been provided, interest is accrued on inter-group loans with a rate in the range of 1-8.25% (2022: 1-8%).

17 Share capital

	2023	2022
Issued, called up and fully paid:	£	£
2,000,100 (2022: 2,000,100) ordinary shares of £1 each	2,000,100	2,000,100
	2,000,100	2,000,100

18 Related parties

The following transactions and year end balances were in relation to related parties that are not 100% owned by the Arup Group:

	2023	2022
	£	£
Transactions with joint ventures		
Purchases of goods and services	(0)	-
Outstanding balances arising from sales / purchases of goods and services		
Net payables to joint ventures	(1)	(3)
Loans to a joint venture		
Balance at beginning of the financial year	435,742	-
Loans advanced	14,344	435,742
Balance at the end of the financial year	450,086	435,742

19 Controlling party

The immediate parent undertaking of Ove Arup Ventures Limited is Arup Group Limited, a company incorporated in England and Wales.

Arup Group Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements.

The consolidated financial statements of Arup Group Limited are publicly available at 8 Fitzroy Street, London, W1T 4BJ, United Kingdom.

The parent undertakings and controlling parties are Ove Arup Partnership Employee Trust, Ove Arup Partnership Charitable Trust and The Arup Service Trust.

These are the owners of Arup Group Limited. The ultimate controlling party is Ove Arup Partnership Charitable Trust.

The capital of Arup Group Limited is divided into equity shares, which are held in trust for the benefit of the employees (past and present) of the Arup Group and voting shares that are held by Ove Arup Partnership Charitable Trust.

20 Dividends

As at the date of the financial statements the directors do not recommend a dividend for the year ended 31 March 2023 (2022: £3.50 per share, amounting to a total dividend £7,000,000). A dividend of £3.50 per share, amounting to a total dividend of £7,000,000 was paid in the year ended 31 March 2023 (2022: nil).

21 Post balance sheet events

On 1 September 2023, the Company's ownership in Artus Air Limited decreased from 49.25% to 27.60% changing it from a joint venture to an associate.

22 Registered addresses of investments in subsidiaries

Name of investment	Registered address	Principal activities
Acorn Technology Systems Inc.	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801, United States	Transportation industry technology solutions
eFleet Integrated Service Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Lessor of electric busses
Neuron Operations Limited	Room 512, 5/F, New Mandarin Plaza Tower B, 14 Science Museum Road, Tsim Sha Tsui East, Hong Kong	Provider of digital software
Neuron Technology (Shenzhen) Limited	Unit 1502-1505B, 15/F, Zhaobangji Building, No. 319 Fuhua Road, Gangxia Community, Futian Street, Futian District, Shenzhen, People's Republic of China	Provider of digital software