

ARUP

Arup North America Limited

Financial Statements and Reports

For the year ended 31 March 2024

Registration number: 2094896

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Strategic report

The directors present their annual strategic report for Arup North America Limited (the “Company”) for the year ended 31 March 2024 which was approved by the Board of directors (the “Board”).

The Company is an indirect 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”.

Review of the business

These are the results for the Company for the financial year ended 31 March 2024. The results show a profit for the financial year of £2,266,621 (2023: loss of £2,935,720). The net assets as at 31 March 2024 are £7,723,362 (2023: £5,585,204).

The size and operations of the business is expected to remain broadly stable on the basis of the existing business and confirmed work, both of which are in line with expectations of the business given the corporate restructure decision made in 2021.

Risk management and key performance indicators

As with any business, the Company faces risks and uncertainties in the course of operation. It is by way of timely identification, effective management and monitoring of these risks that we are able to deliver our strategy and strategic goals. The Arup Group Board is ultimately responsible for the oversight of risk across the Arup Group and that a robust risk management is maintained. Our risk framework includes the identification of risks and, where appropriate, controls to manage and mitigate risks. The risk framework enables the Arup Group Board to provide reasonable, and not absolute, assurance against material misstatement or loss. Regional Risk Committees are established in each of our key operating regions and consist of senior executive and business leaders who meet regularly to discuss and evaluate risks specific to their respective regions. By having localised committees, we can better understand region-specific risks and tailor our risk management strategies accordingly. Regional Risk Committees report to a risk co-ordination group whose function is to co-ordinate mitigation and management activities, identify themes and consolidate regional reports and risk registers for onward reporting to the Group Risk Committee.

Statutory directors of the Company are either members of the management bodies, such as the Arup Group Board, the Operations Executive, the Region Boards, the Regional Risk Committee, or have direct connections to these bodies. The statutory directors are fully informed of the risk management strategies and activities by way of their roles, as risk management reports and management activities are communicated throughout the Arup Group via these governing bodies.

The principal area of risk and operating uncertainty for the Arup Group is its ability to continue to secure new projects and deliver the performance of existing projects in line with the management’s objectives. To monitor these, Arup Group Board uses the following key performance indicators (“KPIs”) which are monitored at Arup Group level:

- Profit before income tax is a key indicator of our ongoing financial resilience. The ability to generate an aggregate profit across our projects is key to our ability to continue to finance our business without recourse to external funding, to invest in the areas that are important to us, and to provide reasonable prosperity for our members. As many of our projects span multiple financial years, the profit reported in any individual year can be distorted by a range of factors, however recurrent annual losses of significant scale would be a cause of concern needing to be addressed. For the year ended 31 March 2024, profit before income tax for the Company was £3,001,728 (2023: loss of £4,236,195).
- In the reporting period, we have continued to monitor the emerging risks, including the global economic outlook and the impact on growth, increasing technological disruption, climate related risks, and increased regulatory requirements. These themes are often interrelated, and an overall consequence is instability of markets. For Arup Group, this manifests most readily in uncertainty of opportunities and the likely volume of secured work and potential impact to on-going projects. An outcome of our increased attention on risk is the modification of the Arup Group Risk Management Framework to align with operational and management structures and ensure we are arranged to optimise our risk management approach, continue to mitigate and manage risks through effective internal controls, and remain agile to shifting dynamics.

Section 172(1) statement

The Board considers collectively and individually that they have made decisions during the financial year ending 31 March 2024 that would be most likely to promote the success of the Company for the benefit of its stakeholders as a whole, having regard to the matters set out in Section 172(1) (a) to (f) of the Companies Act 2006 (“S.172(1)”).

Statutory directors of the Company have been appointed due to their roles within the Arup Group, for example as members of the Arup Group Board; the Operations Executive (an executive committee of the Arup Group Board whose role is to manage the overall operations and performance of the firm within the framework established by the Arup Group Board), the Region Boards or by a direct link to these bodies. This ensures that all statutory directors are fully informed of and aligned with the decisions of the Arup Group Board, as these are filtered down throughout the Arup Group via these bodies. This link also directly informs and assures the statutory directors in their responsibilities to perform their duties as directors in accordance with S.172(1).

The directors recognise that to progress the strategy and achieve long-term sustainable success, they must consider the stakeholders impacted by their decisions and satisfy themselves that those decisions uphold our purpose and values.

How does it work in practice?

- Establishing the purpose, values, strategy, and culture – Arup Group Board is responsible for deciding our strategy and for overseeing its implementation. The Board recognises that a positive culture comes from the very top and the Board is responsible for ensuring that our purpose and values are adhered to and lived by the members.
- Decision making – The composition of the Board is a mix of directors with extensive Arup backgrounds, and a diverse set of skills, knowledge, experience, and competence, that are collectively key in the Board’s decision making. The Board provides rigorous evaluation and challenge as part of its decision-making processes to enable the decisions taken to be ones that promote long-term sustainable success.
- Board reporting – To enable informed decision making, the Board receives extensive reports from key areas of the business that include the likely long-term impact of a decision and how stakeholders have been considered in relation to the matter presented.
- Monitoring and oversight – The regular reporting to the Board includes updates on key decisions and the actions taken in respect of them.

The Board, together with all other statutory directors within the Arup Group, are required to undertake mandatory training on statutory director duties.

Execution and principal decisions

The Board delegates the day-to-day authority to a management team that has overall responsibility for business operations and performance, the delivery of annual business plans, the success and wellbeing of our members, delivering value and a high quality of service to our clients. Members of the Board are part of the management team. Matters reserved for the Board are in place.

The Board considers principal decisions to be ones that are material and make significant impact to the Company and its key stakeholder groups. No principal decisions were made by the Board during the year. The decisions made by the Board during the year are deemed to be routine in nature and are taken on a cyclical basis.

Employee and other stakeholder engagement

The Board sets the framework within which day-to-day operational management, including stakeholder engagement, is carried out either by the Board itself or by management teams on its behalf. Regular engagement with our stakeholders, listening to them and taking on board any feedback, is key to achieving the long-term success and sustainability of the Arup Group.

Clients

The clients who contract for services from within Arup Group are integral to who we are as a firm, providing both the income that sustains us and the opportunities to use our skills to deliver solutions. We work with our clients to deliver high quality work and build long-term trusted relationships across all our markets.

Each of our members is responsible for creating and strengthening the relationships with our clients. Building relationships goes beyond the project work we are doing with clients at any one time and calls for us to understand their business, anticipate their needs, and offer solutions they value.

Arup Group Board and the Board engagement – The Arup Group Board and the Board sponsor client relationships and act as a member and convener in partnerships and leading market organisations - for example, World Economic Forum. The Board provides direction and oversight of Arup Managed Clients, a programme designed to shape our sustained investment in driving higher value relationships and becoming our clients’ consultant of choice. The programme’s objectives are to deliver exceptional client experiences to develop a client-first mindset, and to be curious, generous and open in conversation with our clients and each other as One Arup. This allows us to shape opportunities to suit our strengths, deliver value for our clients, and realise more sustainable outcomes.

The directors of the Company are a direct part of the engagement by way of their roles in the Arup Group. In addition, management reporting to the Company’s Board meetings contains relevant information on projects and contracts. This reporting enables the Board to perform their duties as directors.

Priorities for 2024/2025 – This year, our Portfolio Leaders and Region Chairs have assumed a stronger role in shaping the direction of the programme to focus our investment in clients that match Arup’s purpose and strategy, emphasising growth in the markets in which we can have the greatest impact with our clients. This means ensuring we are working with clients that will work with us to shape a better world. We aim to understand how we should connect with clients to deliver shared value, ensure we have a client mix that can sustain our business growth and ability to influence in key markets, work to clear client engagement plans that accelerate the achievement of sustainable development commitments and deliver better business and community outcomes, and bring teams to our clients that can deliver on the full potential of our collaboration.

Link to strategy – Each of our client relationships is informed by and linked to the Arup Group strategy through our integrated and annual business planning processes. The Arup Managed Client Programme is a key enabler for our strategy and purpose, as a client centric approach will increase both the value we bring to our clients and our ability to deliver better and more sustainable outcomes for them and for society.

Collaborators and suppliers

We have many close direct relationships including joint-ventures partners, contractors, consultants, and industry organisations etc.

Arup Group Board and the Board engagement – The Board has various engagement mechanisms including: holding senior positions in industry organisations e.g., the attendance at industry events; sub-consultants and supplier engagement on sustainable development approaches; engagement on compliance with Modern Slavery and Human Trafficking legislation. The directors of the Company are a direct part of the engagement by way of their roles in the Arup Group. In addition, management reporting to the Company’s Board meetings contains relevant information on projects and contracts. This reporting enables the Board to perform their duties as directors.

Priorities for 2024/2025 – To work with suppliers and collaborators to ensure a continued focus on sustainable development and climate.

Link to strategy – To deliver excellence and achieve our strategy, we need to supplement our own capacity with the expertise of others who share our values.

Community and society

As part of our vision to shape a better world, Arup Group engages with many parts of society: those impacted or influenced by our work including end users, and communities local to our projects, charities, future members, and those who we can engage with to extend our influence.

Arup Group Board has committed to direct a proportion of our annual income to the Global Community Engagement programme, which delivers our charitable contribution to a more inclusive, resilient, and sustainable future for all, in particular underserved communities our commercial work might not reach.

Arup Group Board and the Board engagement – The Arup Group Board and the Board engage through the Arup Group’s senior positions, and participation, in policy setting, government and regulatory forums, and partnerships with influencers and wider societal engagement. The directors of the Company are a direct part of the engagement by way of their roles in the Arup Group.

Link to strategy – The Community Engagement Strategy focuses on the most disadvantaged and vulnerable communities. It emphasises the importance of longer-term partnering with charities and NGOs to deliver positive impact at scale and help create a more inclusive and equitable society



Nigel Nicholls

Director

29 October 2024

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

Directors' report

The directors present their annual directors' report together with the audited financial statements for the Company for the year ended 31 March 2024 which was approved by the Board.

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 practices in the field of design and consulting engineering services, in architecture and in other related professional skills, principally in the United States of America.

General information

The Company is a private limited company registered in England and Wales under company number 2094896 at registered address 8 Fitzroy Street, London, W1T 4BJ, United Kingdom. The Company's parent company is Arup Americas Inc., registered in United States under company number 68779251, and the Company's ultimate parent company is Arup Group Limited registered in England and Wales under company number 1312454.

Future developments

The Company will continue to operate in similar markets and is positioned to deliver the committed work in line with the expectations of the business.

Dividends

Any dividends paid or declared in the financial year have been disclosed in note 19 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:

Paul Anthony Coughlan
Fiona Mary Cousins
Nigel Roy Nicholls

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, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office for another financial year.

Financial risk management

The Company's financial assets and liabilities comprise 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 of these risks and mitigations 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.

- Liquidity risk: the Company does not have a bank account, however other Arup Group companies will receive cash and make payments on behalf of the Company.

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.

Governance

Arup Group applies their own corporate governance framework that is based upon the same principles of good governance and long-term sustainable success as those reflected in the UK Corporate Governance Code 2018. As a subsidiary operating within the Arup Group, the Company adopts and applies Arup Group's corporate governance framework to ensure that Arup Group's values, policies and processes are adhered to, and its members and businesses act in a clear, accountable and consistent manner.

This is implemented through a series of measures including:

- The Company have delegated responsibility to a management team, including matters reserved by the Board. The management team make the operational decisions and engage with the key stakeholders on behalf of the Board;
- The management team report back to the Board on a needs basis;
- The Company adheres to Arup Group's eight core policies which are updated and adopted on an annual basis and apply across the business in the day-to-day operations. The policies are publicly available on Arup.com;
- A Business Integrity Code of Practice has been adopted and communicated to members which includes measures to recognise and prevent bribery, corruption, modern slavery and human trafficking;
- All directors (and members) must undertake compulsory code of conduct training and health and safety training on a triennial basis to reinforce ethical behaviour and a high standard of behaviour;
- The Board is appointed by the parent company to achieve a balance of local business knowledge and skills based on professional expertise and tenure with the Company;
- Agendas are set between the company secretary and the chair of the Board to a planned timetable of matters that need to be addressed throughout the financial year;
- Each subsidiary company within the Arup Group keeps a register of directors' interests which is reviewed and updated at every board meeting. Subsidiary directors often hold cross-directorships within the Arup Group so all subsidiary company articles of association contain express provisions that directors may hold such positions without it being considered a conflict of interest; and
- A mandatory statutory directors' duties training module was introduced during 2021 for all statutory directors of Arup Group including the Company, in addition the module is supplemented by a Company specific induction by the company secretary.

Stakeholder engagement and S.172(1) statement

Pursuant to the Companies (Miscellaneous Reporting) Regulations 2018, we acknowledge the importance of stakeholder engagement and fulfilling our duties under S.172(1). Our strategic report provides a comprehensive account of our stakeholder engagement activities and our approach to fulfilling our S.172(1) obligations.

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



Nigel Nicholls

Director

29 October 2024

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

Independent auditors' report to the members of Arup North America Limited

Report on the audit of the financial statements

Opinion

In our opinion, Arup North America Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 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, including 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 Financial Statements and Reports (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2024; the Income statement, the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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.

Conclusions relating to going concern

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.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

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 Directors' report, 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 Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2024 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 Directors' report.

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, 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 US employment legislations, 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 UK Companies Act 2006 and US tax legislations. 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 posting inappropriate journal entries to manipulate results and potential management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Gaining an understanding of the legal and regulatory framework applicable to the company and industry in which it operates and considering the risk of non-compliance of these laws and regulations;
- Holding discussions with management covering its consideration of known or suspected instances of non-compliance with laws and regulation that could give rise to a material misstatement in the financial statements;
- Addressing the risk of management override of controls through the testing of journals which met specific risk criteria, and evaluating whether there was evidence of management bias throughout our audit procedures;
- Challenging assumptions and judgements made by management to its significant accounting estimates, in particular in relation to the critical accounting estimates in regards to the contract accounting and the Impairment of trade receivables;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulation;
- Understanding and evaluating management's controls designed to prevent and detect irregularities;
- Reviewing minutes of meetings of those charged with governance; and
- Designing audit procedures to incorporate unpredictability into our testing.

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.



Jonathan Sturges (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 October 2024

Income statement

For the year ended 31 March 2024

	Note	2024 £	2023 £
Revenue	4	55,572,417	78,157,780
Employee benefit expense	5	-	(624,014)
Charges from sub-consultants and other direct project expenses		(46,324,277)	(69,060,403)
Net reversal of impairment losses / (impairment losses) on financial and contract assets		283,008	(194,017)
Communications and other overheads		(6,108,512)	(12,173,303)
		<u>(52,149,781)</u>	<u>(82,051,737)</u>
Operating profit / (loss)	7	3,422,636	(3,893,957)
Finance income	8	16,683	349
Finance costs	8	(437,591)	(342,587)
		<u>3,001,728</u>	<u>(4,236,195)</u>
Profit / (loss) before income tax			
Income tax (charge) / credit	9	(735,107)	1,300,475
		<u>2,266,621</u>	<u>(2,935,720)</u>

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

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

Statement of comprehensive income

For the year ended 31 March 2024

	2024	2023
	£	£
Profit / (loss) for the financial year	2,266,621	(2,935,720)
Items that may be reclassified subsequently to profit or loss		
Currency translation (losses) / gains	<u>(128,463)</u>	<u>816,024</u>
Other comprehensive (expense) / income for the year, net of tax	(128,463)	816,024
Total comprehensive income / (expense) for the year	<u>2,138,158</u>	<u>(2,119,696)</u>

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

Balance sheet

As at 31 March 2024

	Note	31 March 2024 £	31 March 2023 £
Assets			
Non-current assets			
Deferred income tax assets	14	804,003	9,075,063
		<u>804,003</u>	<u>9,075,063</u>
Current assets			
Contract assets	10	3,549,288	2,458,100
Trade and other receivables	11	16,460,000	69,223,246
		<u>20,009,288</u>	<u>71,681,346</u>
Total assets		<u>20,813,291</u>	<u>80,756,409</u>

	Note	31 March 2024 £	31 March 2023 £
Liabilities			
Current liabilities			
Trade and other payables	12	2,783,443	31,095,745
Contract liabilities	10	9,148,565	14,234,612
Provisions for other liabilities and charges	13	746,868	29,648,578
		<u>12,678,876</u>	<u>74,978,935</u>
Non-current liabilities			
Deferred income tax liabilities	14	239,509	134,732
Provisions for other liabilities and charges	13	171,544	57,538
		<u>411,053</u>	<u>192,270</u>
Total liabilities		<u>13,089,929</u>	<u>75,171,205</u>
Net assets		<u>7,723,362</u>	<u>5,585,204</u>
Equity			
Share capital	15	1,000,000	1,000,000
Retained earnings		5,518,513	4,585,204
Currency reserve		1,204,849	-
Total equity		<u>7,723,362</u>	<u>5,585,204</u>

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

The financial statements on pages 11 to 28 were approved and authorised for issue by the Board of directors and signed on its behalf by:



Nigel Nicholls

Director

29 October 2024

Statement of changes in equity

For the year ended 31 March 2024

	Share capital	Currency reserve	Retained earnings	Total equity
	£	£	£	£
Balance as at 1 April 2022	1,000,000	-	10,704,900	11,704,900
Loss for the financial year	-	-	(2,935,720)	(2,935,720)
Currency translation differences - Gains	-	-	816,024	816,024
Other comprehensive income for the year	-	-	816,024	816,024
Total comprehensive expense for the year	-	-	(2,119,696)	(2,119,696)
Dividends	-	-	(4,000,000)	(4,000,000)
Total transactions with owners, recognised directly in equity	-	-	(4,000,000)	(4,000,000)
Balance as at 31 March 2023	1,000,000	-	4,585,204	5,585,204
Reclassification of reserves	-	1,333,312	(1,333,312)	-
Profit for the financial year	-	-	2,266,621	2,266,621
Currency translation losses	-	(128,463)	-	(128,463)
Other comprehensive expense for the year	-	(128,463)	-	(128,463)
Total comprehensive income for the year	-	(128,463)	2,266,621	2,138,158
Dividends	-	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-	-
Balance as at 31 March 2024	1,000,000	1,204,849	5,518,513	7,723,362

During the year ended 31 March 2024, the Company has reclassified historic currency transactions from retained earnings to currency reserve.

Notes to the financial statements

For the year ended 31 March 2024

1 Incorporation

Arup North America Limited is a private limited 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 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 Americas Inc. 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 2024 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 2024 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 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 US Dollar. 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.

Impairment of financial assets

Assets carried at amortised cost

The Company applies the simplified approach for IFRS 9, 'Financial Instruments' when measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on payment profiles of sales over a period of 36 months for the three preceding financial years (excluding the current financial year) and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on the customers' ability to settle the receivables.

Revenue

Revenue represents the value of work performed on contracts in the year. For contracts on which revenue exceeds fees rendered, the excess is included as contract assets. For contracts on which fees rendered exceed revenue, the excess is included as contract liabilities. The value of long term contracts is based on recoverable costs plus attributable profit. Cost is defined as staff costs and related overheads plus project expenses.

As projects reach stages where it is considered that their outcome can be reasonably foreseen, proportions of the expected total profit are brought into the financial statements. Provision is made for all known and anticipated losses.

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.

Contract assets and liabilities

Contract costs

Contract assets represent unbilled revenue on contracts. Generally, at the balance sheet date the unbilled revenue has not been invoiced due to a payment schedule being in place.

If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Pre-contract costs

The Company accounts for all pre-contract costs in accordance with IFRS 15. Costs incurred before it becomes probable that a contract will be obtained are charged to expenses, unless they meet the definition of a fulfilment cost.

Contract liabilities

Contract liabilities represents revenue on contracts billed in advance of performing the related services.

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are initially recognised at fair value and are subsequently measured at amortized cost.

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 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.

Provisions for other liabilities and charges**Provisions for other liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Deferred income tax

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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.

Contract accounting (estimates and judgements)

The Company's revenue accounting policy (note 4) is central to how the Company values the work it has carried out in each financial year. This policy requires forecasts to be made on the current percentage complete and the projected outcomes of projects. The key estimates and judgements relating to determining the revenue and profitability of projects within the Company's financial statements are:

- Percentage completion: usually calculated by taking actual salary expense incurred as a percentage of forecasted salary expense. Estimation is required in determining the forecasted salary expense;
- Profitability of a project: project teams use their judgement to estimate the costs to complete a project. These include an assessment of the need for additional contingencies to cover potential unknown expenses;
- Modifications: where a modification to a contract occurs, judgement is made on whether the modification is distinct, or intrinsically connected to the original contract. Where it is not distinct, the original project is reforecasted for the additional income and costs to complete; and
- Pain / gain share: where the Company engages with another joint operator to provide a service to a client, there are additional risks regarding work outside of the Company's direct control. Project teams use their judgement, to estimate their share of any pain / gain and include this in their cost to complete forecasts.

While the estimates made are based on professional judgements, subsequent events may mean that estimates calculated prove to be inaccurate, with a consequent effect on the reported result.

Projects may contain contingencies in their accounting estimates. These contingencies are for potential additional costs that may be required to complete the project. Such costs are only included when they are deemed more likely than not. Management have reviewed ongoing projects as at 31 March 2024 and are satisfied that it is reasonable to include these contingencies. Based on the information available as at 31 March 2024, management does not consider there to be any significant risks of material change to the estimates that feed into contract accounting within the next financial year.

Forecasted income represents income that has been agreed with the client. Fee from modifications is only recognised once it has been agreed with the client.

Measuring the outcome of the performance obligations can take time due to the multi-year lifespan of the Company's contracts. Assuming the project is forecasted to make a profit, the Company recognises revenue only to the extent of the costs incurred until the project reaches 50% complete on a standard risk project and 95% on a high risk project. Management have reviewed projects across the Arup Group and have used their judgement to establish these percentages. Once a non-onerous project reaches 50% / 95% complete, profit is recognised in line with its percentage completion.

Impairment of trade receivables and contract assets (estimates and judgements)

The Company makes an estimate of the recoverable value of trade receivables and contract assets. When assessing impairment, management considers factors including the credit rating of the receivables, the ageing profile of receivables and historical experience. The Company applies the simplified approach for IFRS 9 when measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. See notes 9 and 10 for the net carrying amounts of contract assets and trade receivables and their associated impairment provisions.

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.

Legal claims (estimates and judgements)

From time to time the Company receives claims from clients with regards to work performed on projects. The Company has professional indemnity insurance and / or project insurance policies in place for such situations. Significant judgement is required to determine whether a provision should be put in place for these claims. Where applicable, accounting estimates are made to value these claims utilising both internal and external sources as well as the result of past experience. Assumptions are used in making these estimates and as such subsequent events may mean that they prove to be inaccurate, with an adjustment made in a future year. The Company recognises that accounting standards require that professional indemnity insurance should be recognised as a reimbursement only when it is virtually certain that the reimbursement will be received. No separate disclosure is made of the detail of such claims or proceedings, or the costs recovered by insurance, as to do so could prejudice the position of the Company.

4 Revenue

The total revenue recognised in the year that was included in contract liabilities at the beginning of the year was £11,841,772 (2023: £13,982,959). The total revenue recognised in the year from performance obligations satisfied (or partially satisfied) in previous years was £54,715,737 (2023: £634,383).

	2024	2023
	£	£
Revenue by destination		
Americas	55,437,830	76,039,066
Middle East & Africa	171,746	1,539,200
Europe	73,204	49,161
United Kingdom	-	128,775
Australasia	-	194
Asia	(110,363)	401,384
	<u>55,572,417</u>	<u>78,157,780</u>

5 Employee benefit expense

	2024	2023
	£	£
Wages and salaries	-	553,769
Staff bonus	-	21,168
Social security costs	-	15,203
Pension contributions	-	33,874
	<u>-</u>	<u>624,014</u>
Average monthly number of people employed	Number	Number
Engineering and technical staff	-	5
Administrative staff	-	1
	<u>-</u>	<u>6</u>

As at 31 March 2024, the Company did not employ any staff (2023: nil).

6 Directors' remuneration

No directors were employees of the Company and no directors received any remuneration for services to the Company (2023: nil).

7 Operating profit / (loss)

	2024	2023
	£	£
This is stated after charging:		
During the year, the Company obtained the following services from the Company's auditors:		
Audit of Company financial statements	99,563	98,319
Loss on exchange from trading activities	34,109	335,345
	<u> </u>	<u> </u>

8 Net finance costs

	2024	2023
	£	£
Interest expense – Arup Group undertakings	(437,591)	(342,587)
Total finance costs	<u>(437,591)</u>	<u>(342,587)</u>
Interest income – Arup Group undertakings	16,683	-
Other interest receivables	-	349
Total finance income	<u>16,683</u>	<u>349</u>
Net finance costs	<u>(420,908)</u>	<u>(342,238)</u>

Interest due to / from Arup Group undertakings is in regard to the Arup Group's cash pooling facility.

9 Income tax charge

(a) Analysis of total income tax charge / (credit)

	2024	2023
	£	£
Current income tax		
– Non-UK: current income tax on profits for the year	297,544	7,242,410
– Non-UK: adjustment in respect of prior years	(7,791,771)	-
Total current income tax	<u>(7,494,227)</u>	<u>7,242,410</u>
Deferred income tax (note 14)		
– Origination and reversal of temporary differences	610,761	(8,449,787)
– Effect of changes in tax rates	306,784	(60,302)
– Under / (over) provision of deferred income tax in respect of prior years	7,311,789	(32,796)
Total deferred income tax	<u>8,229,334</u>	<u>(8,542,885)</u>
Total income tax charge / (credit)	<u>735,107</u>	<u>(1,300,475)</u>

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

The tax assessed for the year is higher (2023: lower) than the amount computed at the standard rate of corporation tax in the UK 21% (2023: 19%).

The differences are explained below:

	2024	2023
	£	£
Profit / (loss) before income tax	<u>3,001,728</u>	<u>(4,236,195)</u>
Profit / (loss) before income tax multiplied by the standard rate of corporation tax in the UK	630,363	(804,877)
Effects of:		
Impact of change in accounting standards	-	(36,330)
Expenses not deductible for tax purposes	-	22,930
Impact of non-UK tax	277,941	(235,392)
Remeasurement of deferred income tax - change in tax rates	306,785	(60,302)
Adjustment in respect of prior years	(479,982)	(186,504)
Total income tax charge / (credit)	<u>735,107</u>	<u>(1,300,475)</u>

(c) Factors affecting current and future income tax charges

For the year ended 31 March 2024, a local tax rate of 28.25% (2023: 26.67%) has been used to calculate deferred income tax assets and liabilities.

10 Contract assets and liabilities

Contract assets	2024	2023
	£	£
Contract assets	3,665,001	2,641,103
Loss allowance	(115,713)	(183,003)
	<u>3,549,288</u>	<u>2,458,100</u>
Contract liabilities	2024	2023
	£	£
Contract liabilities	<u>9,148,565</u>	<u>14,234,612</u>

11 Trade and other receivables

	2024	2023
	£	£
Trade receivables – net	6,699,839	13,341,135
Amounts due from Arup Group undertakings	9,759,260	26,980,775
Non-UK corporation tax receivable	-	81
Other receivables	901	28,901,255
	<u>16,460,000</u>	<u>69,223,246</u>

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

Trade receivables	2024	2023
	£	£
Trade receivables	8,418,896	15,319,843
Loss allowance	(1,719,057)	(1,978,708)
	<u>6,699,839</u>	<u>13,341,135</u>

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 2.00-8.25% (2023: 1.00-8.25%).

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 (2023: nil).

12 Trade and other payables

	2024	2023
	£	£
Trade payables	749,224	-
Amounts owed to Arup Group undertakings	1,323,312	25,710,574
Accrued expenses	548,395	5,245,645
Other payables	162,512	139,526
	<u>2,783,443</u>	<u>31,095,745</u>

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 2.00-8.25% (2023: 1.00-8.25%).

13 Provisions for other liabilities and charges

2024	Legal claims	Onerous contract	Total
	£	£	£
Current	326,130	420,738	746,868
Non-current	-	171,544	171,544
	<u>326,130</u>	<u>592,282</u>	<u>918,412</u>
Reconciliation of movement			
Balance as at 1 April	29,289,295	416,820	29,706,115
Additions	327,765	185,127	512,892
Provisions utilised	(28,818,616)	-	(28,818,616)
Adjustment for exchange differences	(472,314)	(9,665)	(481,979)
Balance as at 31 March	<u>326,130</u>	<u>592,282</u>	<u>918,412</u>

2023	Legal claims	Onerous contract	Total
	£	£	£
Current	29,289,296	359,282	29,648,578
Non-current	-	57,538	57,538
	<u>29,289,296</u>	<u>416,820</u>	<u>29,706,116</u>
Reconciliation of movement			
Balance as at 1 April	-	-	-
Additions	-	-	-
Provisions charged to the income statement	30,047,280	427,607	30,474,887
Adjustment for exchange differences	(757,984)	(10,787)	(768,771)
Balance as at 31 March	<u>29,289,296</u>	<u>416,820</u>	<u>29,706,116</u>

14 Deferred income tax

The offset amounts are as follows:

	2024	2023
	£	£
Deferred income tax assets		
– deferred income tax assets to be recovered after more than 12 months	804,003	9,075,063
	<u>804,003</u>	<u>9,075,063</u>
Deferred income tax liabilities		
– deferred income tax liabilities to be recovered after more than 12 months	(239,509)	(134,732)
	<u>(239,509)</u>	<u>(134,732)</u>
Deferred income tax assets (net)	<u>564,494</u>	<u>8,940,331</u>

The gross movement on the deferred income tax account is as follows:

	2024	2023
	£	£
Balance at the beginning of the financial year	8,940,331	576,413
Under provision of deferred income tax in respect of prior years	(7,618,584)	-
Deferred income tax (charged) / credited to the income statement	(610,761)	8,542,885
Adjustment for exchange differences	(146,492)	(178,967)
Balance at the end of the financial year	564,494	8,940,331

Deferred income tax liabilities	Other	Total
	£	£
At 1 April 2022	284,473	284,473
Charged / (credited) to the income statement	(168,525)	(168,525)
Adjustment for exchange differences	18,784	18,784
At 31 March 2023	134,732	134,732
Charged to the income statement	108,142	108,142
Adjustment for exchange differences	(3,365)	(3,365)
At 31 March 2024	239,509	239,509

Deferred income tax assets	Provisions	Other	Total
	£	£	£
At 1 April 2022	22,347	838,539	860,886
(Charged) / credited to the income statement	(23,824)	8,398,184	8,374,360
Adjustment for exchange differences	1,477	(161,660)	(160,183)
At 31 March 2023	-	9,075,063	9,075,063
Credited to the income statement	-	(8,121,194)	(8,121,194)
Adjustment for exchange differences	-	(149,866)	(149,866)
At 31 March 2024	-	804,003	804,003

15 Share capital

	2024	2023
Issued, called up and fully paid:	£	£
1,000,000 (2023: 1,000,000) ordinary shares of £1 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

16 Contingent liabilities

As a part of the ordinary business activities of the Company, claims may arise in relation to work undertaken by the Company. The Arup Group arranges and maintains professional indemnity insurance on behalf of all entities in the Arup Group.

The Company is one of several Arup Group companies that act as a guarantor for the Arup Group's banking facility. The Company does not expect this to be called upon.

17 Related parties

	2024	2023
	£	£
Transactions with other related parties		
Services provided	-	(1,804)
Services received	52,460	129,330
Outstanding balances arising from sales / purchases of services		
Net receivable	568,275	551,516

18 Controlling party

The immediate parent undertaking of Arup North America Limited is Arup Americas Inc., a company incorporated in the United States of America.

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.

19 Dividends

As at the date of the financial statements the directors do not recommend a dividend for the year ended 31 March 2024 (2023:nil).