



Ove Arup & Partners Limited

Financial Statements and Reports

For the year ended 31 March 2025

Registration number: 1312453

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Strategic report

The directors present their annual Strategic report for Ove Arup & Partners Limited (the “Company”) together with its subsidiaries (the “Group”) for the year ended 31 March 2025 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”.

No employees are directly employed by the Company.

Review of the business

These are the results for the Company for the financial year ended 31 March 2025. The results show a profit for the financial year of £62,620k (2024: £59,368k). The net assets as at 31 March 2025 are £91,888k (2024: £89,268k).

The performance and development of the Company is in line with the expectations of the directors. We continue to adapt to the changing business climate notwithstanding an operating environment influenced by slower global economic growth. Our business benefited from opportunities for growth in renewable energy, water, technology, building retrofit, and transport, despite a macroeconomic environment characterised by elevated interest rates, curbs on government spending, and geopolitical instability. Converting opportunities to contracted project work has continued to be slow in some parts of our business, and we have made organisational adjustments to enhance operational efficiency, including aligning our headcount growth accordingly. However, we have continued to successfully invest in those parts of the business which align with our strategy and our opportunity pipeline remains strong.

Both the size of the operation and the business have remained broadly stable during the year, and the confirmed work for the Company at the end of the year is consistent with the size and the diversity of the Company.

Risk management and key performance indicators

Timely identification, effective management and monitoring of risks and uncertainties arising in the course of our business is key to the delivery of our strategy and strategic goals.

The Arup Group Board is ultimately responsible for oversight of risk across the Arup Group and ensuring that a robust risk framework is maintained. Our risk management framework includes the identification of risks and, where appropriate, controls to manage and mitigate them, and enables the Arup Group Board to provide reasonable but not absolute assurance against material misstatement or loss.

While governance and oversight remained centralised, the management of risk activities - including mitigations, control assurances, and related processes - was previously handled more at a regional level than by the Arup Group. In 2024–25, UKIMEA (United Kingdom, India, Middle East, Africa) risk governance was largely decentralised, with regional boards overseeing risk reporting and management within their jurisdictions. However, in 2025–26, a new Arup Group Board structure was introduced, centralising oversight and aligning UKIMEA risk governance with global standards. This shift reflects a broader trend toward strategic integration and consistency across regions. The Arup Group Board now sets overarching risk priorities and expectations, while regional leadership teams are empowered to execute and adapt these locally. Although reports were submitted centrally under the previous structure, there was limited central review or stress testing. This has now changed with the establishment of the Risk & Assurance (R&A) team, which has introduced a more robust and centralised approach to oversight and challenge.

The move to a new Arup Group Board structure enhances strategic coherence but requires strong regional coordination to ensure local risks are not overlooked. Regional Risk Coordination Groups are critical in bridging this gap, ensuring bottom-up insights inform top-down governance. Organisations in UKIMEA must now balance global expectations with regional realities, requiring agility, collaboration, and robust data-driven reporting.

In each of our key operating regions, senior executives and risk owners lead regular risk identification and evaluation, reviewing mitigation progress and effectiveness. This enables risk management strategies appropriate to enterprise-wide or region-specific risks. Regional and enterprise risk management is coordinated and aligned through the Risk coordination group with top risks and emerging risk themes being reported to the Risk Committee.

The Risk committee of the Arup Group Board (the “Risk committee”) oversees the overall risk landscape, understands region and cross-regional risks, and interrogates reports from the regions to ensure alignment with our risk tolerances and strategic objectives. The Risk committee provides reports to the Arup Group Board Assurance committee (the “Assurance committee”) on the efficacy of the systems in practice, together with any recommendations for the Assurance committee to take to the Arup Group Board.

The Arup Group Board designates certain risks as “Focus Risks” and designates an appropriate ‘owner’ to oversee the ongoing assessment and mitigation/management controls. Current Focus Risks are: geopolitical risk; technological resilience; professional errors leading to major consequences, reputation, solvency, health & safety, and climate risk. The development, implementation and maintenance of controls to mitigate and manage Focus Risks is structured to enable co-ordination across our geographies.

This framework ensures that all significant identified risks are actively monitored and that appropriate actions have been undertaken to bring each risk within tolerance levels set by the Arup Group Board.

In the reporting period we have continued to monitor emerging risks, including the global economic outlook and impacts on growth, increasing technological disruption, climate related risks and regulatory requirements. These themes are often inter-related and contribute collectively to market instability. For Arup, this manifests primarily as uncertainty of opportunities and the likely volume of future work secured as well as the potential impacts for on-going projects.

Following the year end, and as part of wider governance changes, the Risk committee is chaired by an independent non-executive director and work is underway to further align enterprise risk management with strategic objectives including enhancing visibility of critical controls and assurances to facilitate achieve greater strategic agility in response to market volatility.

The Board of the Company receives progress on the above by way of regional management reporting.

Statutory directors of the subsidiaries of Arup Group Limited are members of the Arup Group Board, the Executive Board, the Region Leadership Teams, 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 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, the Arup Group Board uses the following key performance indicators ("KPIs") which are monitored at Arup Group level:

- Revenue is a key indicator linked to the number of people that are employed within Arup Group (our "members") or engage as consultants, although quality of work is more important than market share or revenue growth. As a professional services firm, the ability to secure earnings in proportion to the number of members – whether through its own contracts or as subconsultant to other Arup Group companies in support of their contracts – is key to the Company's ongoing commercial success. Moderate growth in revenue provides development opportunities for our members; rapid growth brings the challenge of acquiring skilled resources and deploying them effectively in delivering projects, in addition to the funding pressures that would typically accompany such growth; and reducing revenue would, if expected to continue, may require a reduction in headcount. For the year ended 31 March 2025, revenue for the Company was £559,180k (2024: £564,310k).
- 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 2025, profit before income tax for the Company was £64,749k (2024: £62,730k).

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 2025 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)").

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?

- The Arup Group Board holds ultimate responsibility for the Arup Group, ensuring its long-term success, financial stability, unity, well-being, and sustainability. It provides oversight across strategy execution, performance, compliance, and leadership. The Arup Group Board has delegated the implementation of strategy and day-to-day operations to the Executive Board ("EB"). The EB leads the business in alignment with Arup's purpose, aims, and values—developing and cascading strategic plans, driving performance against agreed targets, establishing effective management structures, and ensuring an excellent member experience.
- Reporting to the EB are the leaders for global markets, businesses and services as well as the globally integrated business support function leadership. Alongside this sits the Regional Leadership Teams ("RLT"s), each led by a Region Managing Director. RLTs

are responsible for delivering the Arup Strategy within their regions, overseeing regional operations, and making region-specific decisions.

- Statutory directors of Arup Group subsidiaries are appointed based on their roles within the Group and the specific Region or Market in which the subsidiary operates.
- This responsibility and flow of delegation, ensure 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).
- Establishing the purpose – The Arup Group Board establishes Arup’s purpose, values and strategy, and satisfies itself that these and its culture are aligned. All statutory directors are required to act with integrity, lead by example and promote the desired culture. The Arup Group Board recognises that a positive culture comes from the very top and is responsible for ensuring that our purpose and values are adhered to and lived by the members.
- Decision making – The Arup Group Board, along with the Company Board, is composed of directors who bring deep experience within Arup and a broad range of skills, knowledge, and expertise. This diversity is essential to effective decision-making. The Board plays a critical role in providing robust evaluation and constructive challenge, ensuring that decisions support the long-term, sustainable success of the firm.
- 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.

All statutory directors within the Arup Group, are required to undertake mandatory training on statutory director duties.

Execution and principal decisions

The Board, via a Corporate Board Delegation Framework, 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. The Board receives operational reports from the management team on a quarterly basis and compliance updates from business functions. Matters reserved for the Board are in place.

During the financial year ended 31 March 2025, the Board of directors made several principal decisions (as detailed below), demonstrating their commitment to promoting the long-term success of the Company and taking into account the interests of its stakeholders.

- Approval of the content and submission of the Company’s Payment Practices and Performance Report in accordance with the statutory requirements under the Reporting on Payment Practices and Performance Regulations 2017. This reflects the Company’s ongoing commitment to transparency and responsible supplier engagement.
- Oversight and challenge on matters such as UKIMEA (United Kingdom, India, Middle East and Africa) Region strategy, risk management, and project quality assurance.
- Approval of the adoption of Arup’s external Group Policies, ensuring that all entities within the Arup Group operate under the same ethical, professional, and operational standards.
- The directors reaffirmed the Delegated Authority Policy, ensuring effective handling of matters and reinforcing the existing framework. By endorsing this policy, the Board promotes streamlined decision-making, agility, and responsiveness while maintaining accountability and oversight. This approach benefits stakeholders by ensuring that decisions are made efficiently and transparently, which is crucial for maintaining trust and confidence. Our members benefit from a clear and accountable management structure, which supports a stable and supportive work environment.

These principal decisions made during the financial year demonstrate the Board’s dedication to promoting the success of the Company, considering the long-term interests of stakeholders, and upholding principles of good governance. In making decisions, the Board ensures that the Company remains well-positioned for sustained growth, stakeholder satisfaction, and responsible business practices.

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

Arup’s client relationships are fundamental to our business, providing both the income that sustains us and the opportunities to deliver innovative 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 of the Company sponsor client relationships and act as members and conveners in partnerships and leading market organisations. Together the Arup Group Board and the Board provide

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.

During the year of reporting, Paula Walsh introduced the UKIMEA Big 5 business strategy which aligns and delivers on Arup Group global strategy. The day-to-day roles of the statutory directors, ensures that the Board members are a direct part of the engagement with both clients and members delivering the strategy.

Priorities for 2025/2026:

- Focus on top strategic clients, segmented into Growth, Mature, Emerging, and Opportunistic.
- Embed strong relationship management across Arup, with clear roles for Relationship Managers and Sponsors.
- Align client engagement with the Integrated Business Plan to drive commercial growth, operational excellence, and sustainability.

Link to strategy: Each of our client relationships is informed by and linked to the Arup strategy through our integrated and annual business planning processes. The Global Arup Management Client (AMC) programme is key initiative targeting a core group of clients to enhance these relationships and align with Arup Group's strategy. Arup's client relationships activities are deeply aligned with Arup's values of excellence, collaboration, and sustainability. By fostering a client-centric approach, we enhance the value we bring to our clients and our ability to deliver better and more sustainable outcomes.

Collaborators and suppliers

We have many close direct relationships with joint-venture partners, contractors, consultants, and industry organisations etc. In recognition of the growing impact of, and risks and opportunities within, our supplier relationships, the Arup Group has established a fully integrated global procurement function. This team is responsible for all aspects of end-to-end procurement and supply chain management, across all locations in which we operate - covering strategic sourcing and commercial value, performance management, sustainable and social supplier development, supplier risk & assurance and business controls, systems and processes. In the last financial year Arup introduced its supplier code of conduct that outlines our expectations of those in our supply chain.

Arup Group Board and the Board engagement: The Arup Group Board and the Board have various engagement mechanisms including holding senior positions in industry organisations; attendance at industry events; sub-consultants and supplier engagement on sustainable development approaches; engagement on compliance with Modern Slavery and Human Trafficking legislation etc. 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 2025/2026: To work with suppliers and collaborators to ensure a continued focus on sustainable development and climate and embed sustainability into our supplier selection.

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

Community Engagement (CE) is a direct expression of Ove Arup's principles of being a humane organisation, doing socially useful work and joining hands with others fighting for the same values. The work is aligned to the UN Sustainable Development Goals and aims to shape a better world for all by prioritising support for the most disadvantaged and vulnerable communities. The pro bono projects and charitable donations are delivered globally and provide tangible and purposeful inputs for communities that Arup's commercial work might not reach, contributing to the goal of a more sustainable future for the world.

Arup Group Board and the Board engagement: The Trustees, alongside the Arup Group Board, maintain oversight of Community Engagement as part of their governance responsibilities for the Ove Arup Partnership Charitable Trust. This enables them to demonstrate the significant positive social impact linked to Arup Group's ownership structure. Acting on behalf of the Arup Group Board, the Community Engagement Steering Group provides governance, strategic direction, oversight, and external partnering for the firm's Community Engagement efforts. Chaired by an Arup Group Board director, the Steering Group also includes a Trustee-nominated representative to ensure alignment with the Trust's objectives. In FY2024/25, Jerome Frost served as Chair of the Community Engagement Steering Group for Q1 and acted as the Senior Sponsor for Arup's relationship with Shelter England. From Q2 onwards, Eva Hinkers (Arup Group Board member up to 31 March 2025) took over as Chair of the Steering Group. Paul Coughlan (Arup Group Board member up to 31 March 2025) contributed through his involvement in the post-earthquake Decision Making Unit for Myanmar and Thailand. Additionally, all Arup Group Board members are actively engaged in community initiatives, including participation in activities like Missing Maps during two in-person Joint Board meetings.

The directors of the Company are a direct part of the engagement by way of their roles in the Arup Group. In the UKIMEA region during this financial year, activities continued to support technical advice and stakeholder engagement on tackling homelessness and net zero social and affordable housing, structural engineering support to community facilities and mentoring disadvantaged students and individuals with refugee status.

Priorities for 2025/2026: Arup is developing a new Community Engagement Strategy for 2025 – 30, aligned with Arup’s overall strategy, and to reinforce its identity as a purpose-led business. The aim is to evolve CE from an organically grown programme into a fully integrated global function, consistent with other business support functions. A key focus will be building a diversified and scalable delivery model that maximises social impact and supports anticipated budget growth.

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.

On behalf of the Board



Anthony Lovell

Director

16 October 2025

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 Ove Arup & Partners Limited for the year ended 31 March 2025 which was approved by the Board (the "Board").

The Group 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".

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 Kingdom.

General information

The Company is a private limited company registered in England and Wales under company number 1312453 at registered address 8 Fitzroy Street, London, W1T 4BJ, United Kingdom. The Company's parent company is Ove Arup & Partners International Limited registered in England and Wales under company number 952468, 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. To ensure that the Company is positioned for long-term success, the Board takes into account a broad range of factors including: the level of committed work and future work prospects; Arup Group's reputation and our ability to attract good quality projects and clients aligned with our strategy; the diversification of the business by service, business sector and geography; actual and expected results and cashflow; sufficiency of access to financial resources; and Arup Group's ability to attract and retain highly talented employees ("members").

Uncertainties around inflation, interest rates, government spending and geopolitical instability continue to impact on the markets in which we operate. Within this challenging and evolving business landscape we are focussing on growth opportunities in renewable energy, water, technology, building retrofits, and transport. The business was in a robust financial position at the year end and our future workload remains strong.

Dividends

Any dividends paid or declared in the financial year have been disclosed in note 21 to the financial statements.

Directors

The directors of the Company during the year and up to the date of signing these Financial Statements and Reports were as follows:

Jacqueline Denise Burns (appointed 31 July 2025)
James Guy Andrew Johnson (resigned 12 May 2025)
Anthony Frederick Lovell
James Alistair Pratt (resigned 25 October 2024)
Austin Matthew Smith (appointed 31 July 2025)
Miriam Louise Staley (resigned 26 June 2025)
Paula Walsh (appointed 1 April 2024)

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 include 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 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.
- Credit risk: the main exposure to credit risk is on contract assets, trade receivables, and 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.
- 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.

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:

- Delegation of authority is in place for the Company with clear levels of 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 quarterly basis or on a needs basis;
- The Company adheres to Arup Group's ten 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;
- Regular board meetings are held for operating subsidiaries, including 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;
- Governance and compliance reviews are included at quarterly board meetings of the Company;
- 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

- An annual 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.

Streamlined Energy and Carbon Report ("SECR")

As a subsidiary, Ove Arup & Partners Limited is part of the group-level SECR report prepared by our ultimate parent company, Arup Group Limited and therefore we have applied the exemption for group reporting under SECR regulations. Arup Group Limited is required to report the emissions deriving from our operations in the United Kingdom focussing on the energy and carbon indicators mandated by the SECR:

Scope	2025	2024 ⁴
UK energy use kWh ¹	9,314,249	11,910,430
Associated GHG emissions tCO ₂ e ^{2,3}	2,016	2,654
Intensity ratio tCO ₂ e per m ² net lettable area	0.04	0.05

1. Energy use associated with combustion of gas, combustion of fuel used for fleet vehicles and grey fleet (hire vehicles and personal mileage), electricity consumption and district heating for Arup Group Limited.
2. Associated GHG have been calculated using the GHG Protocol Corporate Accounting and Reporting Standard and UK Government GHG Conversion Factors for Company Reporting 2023.
3. Emissions figures have been adjusted to incorporate wheel to tank emissions in addition to tank to wheel emissions for fuel.
4. These figures differ to those reported in FY 2023/24 due to the inclusion of wheel to tank emissions for fuel usage, and to correct an immaterial omission for energy consumption. The previously reported figures were 11,807,961 kWh and 2,507 tCO₂e.

During the 2024/25 financial year the following energy efficiency actions were taken by Arup Group Limited and its UK based subsidiaries:

1. We continue to prioritise future net zero carbon ready buildings when planning office moves, and moved two major offices to all electric buildings, reducing gas consumption. Retrofit activities and moves to more efficient office space, reduce gas use and retrofit existing offices to be more efficient has resulted in energy savings of 2,082,235 kWh.
2. Reductions in grey fleet travel has resulted in energy savings of 513,947 kWh.

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.

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.

On behalf of the Board



Anthony Lovell

16 October 2025

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

Independent auditors' report to the members of Ove Arup & Partners Limited

Report on the audit of the financial statements

Opinion

In our opinion, Ove Arup & Partners Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025 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 2025; the Income statement and 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 2025 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 tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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:

- Discussions with management (including the internal legal team) and those charged with governance, including consideration of any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Performing procedures over unusual journal entries;
- Challenging assumptions made by management in determining their judgements and accounting estimates, in particular long term contract accounting revenue recognition;
- Designing audit procedures to incorporate unpredictability into our testing; and
- Review of financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

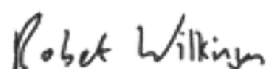
Other required reporting

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.



Robert Wilkinson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 October 2025

Income statement

For the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Revenue	4	559,180	564,310
Charges from sub-consultants and other direct project expenses		(500,563)	(506,714)
Communications and other overheads		(804)	(626)
Net reversal of impairment losses on financial and contract assets		762	93
		<u>(500,605)</u>	<u>(507,247)</u>
Operating profit	7	58,575	57,063
Finance income	8	6,313	5,704
Finance costs	8	(139)	(37)
		<u>64,749</u>	<u>62,730</u>
Profit before income tax			
Income tax charge	9	(2,129)	(3,362)
Profit for the financial year		<u>62,620</u>	<u>59,368</u>

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.

Balance sheet

As at 31 March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
Assets			
Non-current assets			
Investments in subsidiaries	10	0	0
		<u>0</u>	<u>0</u>
Current assets			
Contract assets	11	29,218	31,397
Trade and other receivables	12	150,739	135,024
Cash and cash equivalents	13	1,302	1,164
		<u>181,259</u>	<u>167,585</u>
Total assets		<u>181,259</u>	<u>167,585</u>
Liabilities			
Current liabilities			
Trade and other payables	14	21,526	8,647
Contract liabilities	11	67,016	68,719
Provisions for other liabilities and charges	15	490	702
		<u>89,032</u>	<u>78,068</u>
Non-current liabilities			
Deferred income tax liabilities	16	48	64
Provisions for other liabilities and charges	15	291	185
		<u>339</u>	<u>249</u>
Total liabilities		<u>89,371</u>	<u>78,317</u>
Net assets		<u>91,888</u>	<u>89,268</u>

Balance sheet as at 31 March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
Equity			
Share capital	17	1,000	1,000
Retained earnings		90,888	88,268
Total equity		91,888	89,268

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

The financial statements on pages 14 to 30 were approved by the Board of directors on 13 October 2025 and signed on its behalf by:

Anthony Lovell
Anthony Lovell
Director
16 October 2025

Statement of changes in equity

For the year ended 31 March 2025

	Share capital	Retained earnings	Total equity
	£'000	£'000	£'000
Balance at 1 April 2023	<u>1,000</u>	<u>80,900</u>	<u>81,900</u>
Profit for the financial year	-	59,368	59,368
Total comprehensive income for the year	<u>-</u>	<u>59,368</u>	<u>59,368</u>
Dividends	-	(52,000)	(52,000)
Total transactions with owners, recognised directly in equity	<u>-</u>	<u>(52,000)</u>	<u>(52,000)</u>
Balance as at 31 March 2024	<u>1,000</u>	<u>88,268</u>	<u>89,268</u>
Profit for the financial year	-	62,620	62,620
Total comprehensive income for the year	<u>-</u>	<u>62,620</u>	<u>62,620</u>
Dividends	-	(60,000)	(60,000)
Total transactions with owners, recognised directly in equity	<u>-</u>	<u>(60,000)</u>	<u>(60,000)</u>
Balance as at 31 March 2025	<u>1,000</u>	<u>90,888</u>	<u>91,888</u>

Notes to the financial statements

For the year ended 31 March 2025

1 Incorporation

Ove Arup & Partners 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 Material accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and 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.

During the financial year, the Arup Group undertook a comprehensive review of its revenue recognition methodology. This reassessment was prompted by a Group wide analysis of over 1,000 completed projects, which indicated that the previous methodology, specifically recognising revenue and profit from the 50% completion milestone for projects in standard risk locations, no longer reflected the economic substance of project performance and introduced a delay in reporting financial outcomes.

As a result, the Group has revised its revenue recognition methodology to recognise revenue and profit from the point at which a project reaches 20% completion for standard risk locations. This change aligns more closely with industry benchmarks, enhances the timeliness of financial reporting, and improves comparability with peers.

Additional changes were made to the methodology, including the use of total costs instead of solely salary costs to determine the percentage of completion.

These changes have been effective from 1 April 2024 and have been accounted for as a change in accounting estimate in accordance with IAS 8 in the Company. The net impact of these changes in methodology is not material to the current year's financial statements.

The following exemptions from the requirements of IFRS 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 Ove Arup & Partners International 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 2025 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 2025 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 Ove Arup & Partners International Limited and is included in the consolidated financial statements of Ove Arup & Partners International 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 material 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.

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.

Finance income

Finance income is recognised using the effective interest method. In calculating interest income / (expense), the effective interest rate is applied to the gross carrying amount of the asset, when the asset is not impaired, or to the amortised cost of the liability for interest expense. For financial assets that have been impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired the interest income calculation reverts to the gross carrying amount.

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.

Contract assets and liabilities

Contract assets

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 represent fees 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 amortised cost.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

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.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

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 2) 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 in determining the revenue and profitability of projects within the Company's financial statements are:

- Percentage completion: usually calculated by taking total costs incurred as a percentage of forecasted total costs. Estimation is required in determining the forecasted total costs;
- 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 and include this in their cost to complete forecasts. Gain share is only recognised in forecast income once it is virtually certain.

While those estimates are based on professional judgements, subsequent events may mean that calculations based on these estimates 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 2025 and are satisfied that it is reasonable to include these contingencies. There is a specific combination of contracts that require significant accounting estimates for which, as at 31 March 2025, contingencies totalling £18,568k (2024: £22,021k) have been forecast. These contingencies reflect management's best estimate of outflows or the cost of remediation of work done to 31 March 2025. However, there is uncertainty in respect of the extent and magnitude of the associated costs included in the contingencies, most notably whether the amounts recognised will be fully utilised. Management has estimated a range of outcomes from £13,798k (2024: £17,174k) up to a maximum of £26,325kk (2024: £29,701k) relating to the recorded position at the balance sheet date. Based on the information available as at 31 March 2025, 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 on the other remaining contracts.

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. Where the project is forecasted to make a profit, the Company recognises revenue only to the extent of the costs incurred until the project reaches 20% 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 project reaches 20% / 95% complete, so long as it is not categorised as onerous, 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 11 and 12 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 a significant receivable 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.

4 Revenue

The total revenue recognised in the year that was included in contract liabilities at the beginning of the year was £63,121k (2024: £57,878k). The total revenue recognised in the year from performance obligations satisfied (or partially satisfied) in previous years was £427,668k (2024: £451,794k).

The Company derives revenue from the provision of services over time in the following geographical regions:

	2025	2024
	£'000	£'000
Revenue by destination		
United Kingdom	553,884	561,669
Europe	5,222	2,586
Asia	71	47
Middle East & Africa	3	8
	<u>559,180</u>	<u>564,310</u>

5 Employee benefit expense

No employees are directly employed by the Company. Salary costs are recharged from Arup Group and presented within 'charges from sub-consultants and other direct project expenses' in the income statement. It is not possible to separately ascertain the element of the recharge that relates to staff costs from Arup Group.

6 Directors' remuneration

No directors were employees of the Company and no directors received any remuneration for services to the Company (2024: nil).

7 Operating profit

	2025	2024
	£'000	£'000
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	406	396
Loss / (gain) on exchange from trading activities	9	(15)
Impairment of trade receivables	711	131
	<u>1,126</u>	<u>512</u>

8 Net finance income

	2025	2024
	£'000	£'000
Interest expense on borrowings	-	(0)
Interest expense – Arup Group undertakings	(139)	(37)
Total finance costs	(139)	(37)
Interest receivable on short-term bank deposits	-	8
Interest receivable - Arup Group undertakings	6,313	5,696
Total finance income	6,313	5,704
Net finance income	6,174	5,667

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

9 Income tax charge

(a) Analysis of total income tax charge

	2025	2024
	£'000	£'000
Current income tax		
– UK: current income tax on profits for the year	5,764	7,005
– UK: adjustment in respect of prior years	(3,619)	(3,627)
Total current income tax	2,145	3,378
Deferred income tax (note 16)		
– Origination and reversal of temporary differences	(16)	(16)
Total deferred income tax	(16)	(16)
Total income tax charge	2,129	3,362

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

The tax assessed for the year is lower (2024: lower) than the amount computed at the standard rate of corporation tax in the UK 25% (2024: 25%).

The differences are explained below:

	2025	2024
	£'000	£'000
Profit before income tax	64,749	62,730
Profit before income tax multiplied by the standard rate of corporation tax in the UK	16,187	15,682
Effects of:		
Group relief	(14,596)	(8,725)
Expenses not deductible for tax purposes	51	32
Tax decrease arising from overseas tax suffered	(1)	-
Adjustment in respect of prior years	(3,619)	(3,627)
Payment in respect of group relief	4,107	-
Total income tax charge	2,129	3,362

Correction of Prior Year Tax Loss Claim

During the financial years ended 31 March 2022 - 2024, the Company claimed UK corporation tax losses surrendered by fellow group companies, for nil consideration. At the time of surrender, certain of these companies had negative reserves, and the transactions were subsequently identified as constituting unlawful distributions under the Companies Act 2006 in the surrendering companies.

To rectify this position, an intercompany loan has been established in the current financial year between the Company and those tax loss surrendering companies. The loan reflects the tax value of the losses claimed, amounting to £3,386k, and ensures that the surrendering companies are appropriately compensated, thereby restoring compliance with distribution regulations under the Companies Act 2006.

Accounting Treatment and Financial Impact

This correction has been accounted for in the current financial year as follows:

Income Statement: Recognition of a tax debit of £3,386k, corresponding to the value of the losses claimed.

Balance Sheet: Recognition of an intercompany payable of £3,386k to the surrendering companies, reflecting the loan arrangement to compensate these companies.

Management considers this adjustment necessary to ensure the financial statements present a true and fair view and that they comply with the Companies Act 2006 and applicable accounting standards.

(c) Factors affecting current and future income tax charges

The current tax charge has been calculated using the applicable UK corporation tax rate of 25%, which has been in effect since 1 April 2023. This rate has also been used in the measurement of deferred tax balances in the financial statements.

The Company has applied the disclosure exemption permitted under paragraph 8(iZA) of FRS 101, and has therefore not provided the disclosures required by paragraphs 88C and 88D of IAS 12 in relation to the OECD Pillar Two model rules. Equivalent disclosures are included in the consolidated financial statements of Arup Group Limited, in which the Company is consolidated.

10 Investments in subsidiaries

The Company owns ordinary shares in the company noted below. The company was a wholly owned subsidiary undertaking of the Company at 31 March 2025 and 2024, 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
Ove Arup & Partners Scotland Limited	Scotland

Movement of investment	Cost	Investment impairment	Net book value
	£'000	£'000	£'000
Balance as at 1 April 2023	0	-	0
Balance as at 31 March 2024	0	-	0
Balance as at 31 March 2025	0	-	0

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

11 Contract assets and liabilities

Contract assets	2025	2024
	£'000	£'000
Contract assets	29,244	31,432
Loss allowance	(26)	(35)
	29,218	31,397

The change in contract asset value depends on invoicing schedules and percentage completion of projects.

Contract liabilities	2025	2024
	£'000	£'000
	67,016	68,719

12 Trade and other receivables

	2025	2024
	£'000	£'000
Trade receivables - net	70,626	72,497
Amounts due from Arup Group undertakings	80,113	62,527
Other receivables	0	-
	150,739	135,024

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

Trade receivables	2025	2024
	£'000	£'000
Trade receivables	71,102	73,727
Loss allowance	(476)	(1,230)
	<u>70,626</u>	<u>72,497</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. The balance includes amounts that are interest-bearing and amounts that are non-interest-bearing. Interest-bearing receivables accrue interest at rates ranging from 2.31-11.75% (2024: 2.00-8.25%) per annum. Non-interest-bearing receivables do not accrue any interest.

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 (2024: nil).

13 Cash and cash equivalents

	2025	2024
	£'000	£'000
Cash at bank and in hand	1,302	1,164
	<u>1,302</u>	<u>1,164</u>

14 Trade and other payables

	2025	2024
	£'000	£'000
Trade payables	2,715	2,423
Amounts owed to Arup Group undertakings	8,604	52
Accrued expenses	10,207	6,172
Other payables	-	(0)
	<u>21,526</u>	<u>8,647</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. The balance includes amounts that are interest-bearing and amounts that are non-interest-bearing. Interest-bearing payables accrue interest at rates ranging from 2.31-11.75% (2024: 2.00-8.25%) per annum. Non-interest-bearing payables do not accrue any interest.

15 Provisions for other liabilities and charges

2025	Onerous contract	Total
	£'000	£'000
Current	490	490
Non-current	291	291
Reconciliation of movement		
Balance at the beginning of the financial year	887	887
Provisions released to the income statement	(106)	(106)
Balance at the end of the financial year	781	781
2024	Onerous contract	Total
	£'000	£'000
Current	702	702
Non-current	185	185
Reconciliation of movement		
Balance at the beginning of the financial year	1,379	1,379
Provisions released to the income statement	(492)	(492)
Balance at the end of the financial year	887	887

16 Deferred income tax

	2025	2024
	£'000	£'000
Deferred income tax assets		
– deferred income tax assets to be recovered after more than 12 months	-	-
– deferred income tax assets to be recovered within 12 months	-	-
	<u>-</u>	<u>-</u>
Deferred income tax liabilities		
– deferred income tax liabilities to be recovered after more than 12 months	(48)	(64)
– deferred income tax liabilities to be recovered within 12 months	-	-
	<u>(48)</u>	<u>(64)</u>
Deferred income tax liabilities (net)	<u>(48)</u>	<u>(64)</u>

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

	2025	2024
	£'000	£'000
Balance at the beginning of the financial year	(64)	(80)
Deferred income tax credited to the income statement	16	16
Balance at the end of the financial year	<u>(48)</u>	<u>(64)</u>

Deferred income tax liabilities	Other	Total
	£'000	£'000
At 1 April 2023	80	80
Credited to the income statement	(16)	(16)
At 31 March 2024	<u>64</u>	<u>64</u>
Credited to the income statement	(16)	(16)
At 31 March 2025	<u>48</u>	<u>48</u>

17 Share capital

	2025	2024
	£'000	£'000
Issued, called up and fully paid:		
1,000,000 (2024: 1,000,000) ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

18 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.

On June 2020 the Arup Group extended its £100m Revolving Credit Facility for a further five years. The facility reduced by £12.5m in June 2022 and reduced by a further £12.5m in June 2023. The facility has an option to extend, subject to the bank’s approval, for a further two years. Arup Group took up its option to extend so that the facility ends in June 2027. At the balance sheet date it bears a market floating rate based on SONIA.

19 Related parties

There were no transaction in relation to related parties that are not 100% owned by the Arup Group (2024: nil).

20 Controlling party

The immediate parent undertaking of Ove Arup & Partners Limited is Ove Arup & Partners International Limited, a company incorporated in England and Wales.

Arup Group Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2025. The consolidated financial statements of Arup Group Limited are publicly available at 8 Fitzroy Street, London, W1T 4BJ, United Kingdom.

Ove Arup & Partners International Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 March 2025. The consolidated financial statements of Ove Arup Holdings 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.

21 Dividends

The directors have on 13 October 2025 declared a dividend payment of £60.00 per share, amounting to a total dividend of £60,000k for the year ended 31 March 2025 (2024: £60.00 per share, amounting to a total dividend of £60,000k). A dividend of £60.00 per share, amounting to a total dividend of £60,000k was paid in the year ended 31 March 2025 (2024: £52.00 per share, amounting to a total dividend of £52,000k).

22 Registered addresses of investments in subsidiaries

Name of investment	Register address	Principal activities
Ove Arup & Partners Scotland Limited	10 George Street, Edinburgh, Scotland, EH2 2PF, United Kingdom	Designed and consulting engineering services, in architecture and other related professional skills