

ARUP

Arup Group Limited

Financial Statements and Reports

For the year ended 31 March 2025

Registration number: 1312454

Contents

Chair's and CEO's statements	2
Strategic report	4
Governance report	20
Board remuneration committee report.....	25
Directors' report	31
Independent auditors' report to the members of Arup Group Limited	35
Consolidated income statement	39
Consolidated statement of comprehensive income	40
Consolidated balance sheet.....	41
Company balance sheet	43
Consolidated statement of changes in equity.....	45
Company statement of changes in equity	47
Consolidated statement of cash flows.....	48
Notes to the financial statements	49

Chair's statement

Our renewed foundations

As we move towards the 80th anniversary of our founding, Arup is building on a remarkable legacy. Every business leader has experienced the complexity of the times in which we live. The last year has been one of profound change, both in the world which Arup works and within our firm itself. I have every confidence that Arup has the acumen, skills and agility needed to navigate a volatile world.

A global influence

One of the main changes we made in the last year was to set up a new governance and Arup Group Limited Board ("the Board") structure. The Board was established by our Trustees and initiated 1 April 2025 to oversee and hold the executive leadership to account. I am joined on the Board by both non-executive directors and executives. I am proud to see that they all exemplify credibility, excellence and strategic leadership both from the wider business ecosystem and within Arup. The diversity and calibre of our board members – spanning geographies and sectors – reflects the renewed global outlook and influence of the firm.

Looking to the future

The Board oversees the performance, compliance, and organisation of Arup, as well as the firm's new five-year strategy, published in April 2025: 'The future we choose'. The strategy is a culmination of over a year's worth of hard work by our leaders and our people right across the firm. Building on our unique heritage and strong foundations, it will help us meet the complex volatilities of our time and enable us to grow, ensuring we have an even greater positive impact on the world around us in the coming years.

Our strategy has a renewed focus on working closely with our clients and being emerged in our markets, as we deliver the excellence we aim towards. Successful implementation will require a robust governance and operational structure, with strong leadership capacity from the board throughout the organisation. I would like to thank our people for their hard work throughout the financial year ending 31 March 2025. I am looking forward to seeing our achievements over the coming years. This is a truly exciting time to be part of Arup.



Hilde Tonne
Chair, Arup Group Limited 22 October 2025
Registered office: 8 Fitzroy Street, London, W1T 4BJ, United Kingdom

CEO's statement

Pioneering new solutions

There's never been a more important time for a firm like Arup to work with likeminded clients.

During the last financial year, I set our firm a challenge. I asked our global membership to imagine how we, working together with our clients and partners might continue to deliver not just the best projects in the world, but work that every time makes a positive and meaningful difference to society and the planet.

How could we, led by a clear sense of purpose honed over almost eight decades, ensure that we remain a firm that shapes cities to be the most exciting, affordable, liveable and productive places in the world? A firm that in collaboration with others helps to lead the global energy transition. A firm that enables the safe treatment, storage and supply of water for billions.

This is a truly exciting time to be collaborating with our clients. We exist to shape a better world, and as that world changes rapidly around us. I am delighted to be leading our firm in a new role as Arup's first CEO.

Achieving a solid financial performance

The financial year ending 31 March 2025 marked a period of stabilisation and improvement for Arup, following a challenging period. We achieved a solid financial performance and maintained profitability. Our business, like many, continued to experience economic challenges with some of the markets we work in seeing a slowdown in investment, some of those due to change in a year of elections. Some challenges persist, particularly around reduced infrastructure spending and a quieter global property market. The changes in capital flows have also led to growth in some new markets, and we are in a strong position to target these. The Arup strategy 2025-2030 focuses on high-potential sectors such as renewable energy, water, and science, industry and technology, and through this we have set a clear direction for the future growth of the firm.

Delivering with purpose

Our performance has been underpinned by work of which we and our clients are especially proud. In Asia, Hong Kong's 50,000-seat Kai Tak Stadium, designed as the 'Pearl of the Orient', opened in March 2025. It forms a centrepiece for the work that we have been involved in over two decades in the former home of the city's iconic airport.

In Europe and in Australia, we have helped to reshape cities and strengthen national infrastructure. Belfast Grand Central Station brings rail and bus services in the city under one roof for the first time, creating the largest integrated transport facility on the island of Ireland. The Parramatta Light Rail is improving connectivity, supporting population growth and unlocking economic potential in Western Sydney. In the United Kingdom, our fast-growing water business has helped the National Infrastructure Commission for Wales to shape a long-term approach for managing flood risk, creating a vision for a flood resilient Wales in 2050.

In North America, with traditional electrical infrastructure under strain from dynamic changes in industrial loads and consumer demand, we have supported Pacific Northwest National Laboratory in delivering the Grid Storage Launchpad in their Washington campus. Our design approach focused on safety and performance for this testing facility that brings every stage of battery development and deployment together in one place.

The future we choose

Everything we do as a firm, everything we do as business leaders, is a choice. It's why we called our new five-year strategy "The future we choose". Published in April 2025, and informed, shaped and refined with input from our global membership, it places collaboration at our core – collaboration with our clients, our partners, and with each other.

Because Arup must not only be a great partner to work with – we must also be a place where every single one of our global members comes to work and takes part in an industry leading employee experience. On my visits to Arup offices during the year, I have been enormously impressed by both the quality of the work we are doing and the way we are doing it. Wherever we are, that same sense of purpose shines through as we deliver exceptional outcomes every time.

I would like to thank our clients for giving us the opportunity to tackle the world's greatest challenges and to work on the most impactful projects. Thank you also to our members who continue to deliver their best, every day. I am grateful for the continued dedication and support of our people across the firm. I am excited to lead a new chapter as Arup's first CEO, helping us to realise the future we choose.



Jerome Frost
CEO, Arup Group Limited 22 October 2025
Registered office: 8 Fitzroy Street, London, W1T 4BJ, United Kingdom

Strategic report

The directors present their strategic report for Arup Group Limited (the “Company”) together with its subsidiaries (the “Group”) for the year ended 31 March 2025 which has been approved by the Board.

Review of the business

These are the results for the Group for the financial year ended 31 March 2025. The results show a profit for the financial year after exceptional items of £26.1m (2024: £24.4m); the underlying profit for the year before profit-share, interest, income tax, depreciation and amortisation, share of investments accounted for using the equity method and exceptional items was £260.2m (2024: £221.1m). The net assets as of 31 March 2025 are £447.4m (2024: £414.9m).

Our markets have continued to provide a mix of buoyancy and challenge against a background of ongoing geopolitical uncertainty and variable economic growth. Strong performance in the year was reported in the Americas, Europe and UKIMEA, and in key sectors including Energy Water & Resources, Healthcare, Science Industry & Technology and Transport. More challenging conditions were evident in Asia and Australasia and in the Arts & Culture and Property sectors.

Overall revenue decreased during the year, and the Group undertook a reshaping programme to reflect anticipated forward workload, business size, shape and skillsets that resulted in increases and decreases in staff levels in different locations, but with a decrease in staff numbers overall. Those actions enabled us to maintain profitability in the year. Cashflow and cash at bank remained strong and in line with expectations, and work outstanding had increased at the year-end compared to 2024.

Further market turmoil became evident early in 2025-26, contributing to a more cautious business outlook and an environment characterised by delays in project decisions and a slow-down in work winning in the short-term. Notwithstanding these headwinds, we see significant opportunities that are aligned with our new strategy, and we will be focussing our actions to ensure that that potential is realised.

What we do

Our purpose

The Group works across every aspect of the built environment to help our clients solve their most complex challenges – turning exciting ideas into tangible reality. We are driven by our values, and vision to shape a better world; living by our founder Ove Arup’s goal of doing our work “as well as it can be done” to push boundaries and produce better, more sustainable, socially valuable outcomes.

The Board establishes the Company’s purpose, values and strategy, and satisfies itself that these and its culture are aligned. All directors are required to act with integrity, lead by example and promote the desired culture.

Our strategy

On 1 April 2025, Arup’s 2025-2030 Strategy ‘The future we choose’ was launched. The strategy defines the kind of organisation we choose to be over the next five years.

The new strategy was developed through the collective insight of our people, our clients, collaborators, and partners, brought together with data and market intelligence to shape a bold, shared vision for the future. It aligns our strengths with the opportunities and challenges of our time, ensuring that we can maximise our impact. The strategy sets out four key areas of focus:

- Bringing Total Design to every client – a smarter, impactful and collaborative Arup, working on the toughest challenges.
- Being immersed in our markets – a bolder, proactive approach to clients and markets.
- Creating an agile, borderless organisation – a more efficient Arup, making it easier to get things done.
- Investing in an industry-leading member experience – a vibrant, engaged culture, built on a strong sense of belonging.

How we operate - values driven

Unique ownership structure

Since 1979 Arup has been owned by Trusts for the benefit of current and former Group members. The directors of the Trustee companies are collectively referred to as the Trustees.

Trust ownership affords us total independence and the ability to take a long-term view, without external pressures from shareholders or the risk of change in ownership. This provides our clients with confidence in our ability to prioritise their interests, and we have the freedom to shape our own direction and invest in the things we feel matter most: our members, our knowledge, our resources, and our communities and our broader impact.

The Board

The Board is appointed by the Trustees, and they approve Arup's strategy and oversee and hold the Executive Board to account in leading the day-to-day operations of the Group.

With effect from April 2025 the Board comprises Hilde Tonne as non-executive Chair; non-executive directors Cordelia Chung, Kathy Harper, and Andrew Wyllie; and executive directors Jerome Frost (Group CEO) and Fiona Cousins (COO Total Design). Further details on the Board's composition and responsibilities are provided in the Directors' report.

The Executive Board

The Executive Board is appointed by the Board to implement the agreed strategy and to lead the day-to-day operations of the Group in line with Arup's purpose, aims and values.

With effect from April 2025 the Executive Board comprises Jerome Frost as CEO; Rob Boardman (Group CFO); Fiona Cousins (COO Total Design); Richard de Cani (COO Business & Markets); Judith Everett (Chief of Staff); Eva Hinkers (Chief Strategy Officer); Tony Lovell (COO Performance & Operations); and Diane Thornhill (COO People & Culture).

Regions

Geographically we operate through four regions: Americas, Asia Pacific – combining, from 1 April 2025, our East Asia and Australasia operations - Europe and UKIMEA. Each region has a Region Leadership Team, headed up by a Managing Director alongside region leaders for Business & Markets, People & Culture, Performance & Operations and Total Design, together with a region CFO.

Key Performance Indicators (“KPIs”)

The primary financial measures of the performance and development of the business are: revenue, a key indicator of our ability to secure new work; profit before income tax, a key indicator of the quality of financial return from our business; and, going forward, recovery factor, a measure of the value that clients place on our expertise. Further detail is provided in the section on Risk management below.

The following KPIs were monitored by the directors at Group level during the year of reporting:

- Revenue for the year ending 31 March 2025 was £2,159.2m (2024: £2,202.2m).
- Profit before tax for the year ending 31 March 2025 was £44.7m (2024: £43.9m).

The following KPIs have been agreed to track progress going forward: recovery factor and profit %, as noted above; work winning, the success rate in securing our targeted new work; member engagement, a measure of our members' pride in and commitment to Arup; the number of high potential health and safety incidents, to ensure that safety remains a top priority.

Risk management

Timely identification, effective management and monitoring of risks and uncertainties arising in the course of our business is key to our continued operational resilience and the achievement of our strategic goals.

The Board is ultimately responsible for oversight of risk across the Group and ensuring that a robust risk framework is maintained. The Arup Risk Management Framework (“ARMF”) includes the identification of risks and, where appropriate, controls to manage and mitigate them, and enables the Board to provide reasonable but not absolute assurance against material misstatement or loss. The Head of Risk & Assurance has overall responsibility for the development of the ARMF for approval by the Board, and for driving its implementation on behalf of the Executive Board.

Operational risks

In each of our key operating regions, senior executives and risk owners lead regular risk identification and evaluation, reviewing mitigation progress and effectiveness. Outputs from regional and enterprise risk management workstreams are coordinated and aligned through a Risk coordination group with top risks and emerging risk themes being escalated.

The principal operational risks for the Group are its ability to continue to secure new projects and ensuring performance on existing projects in line with management's objectives.

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 impacted by a range of factors, however recurrent annual losses of significant scale would be a cause of concern needing to be addressed.

The primary mitigations for this risk are: tracking of project performance and action plans; regular commercial reviews; deploying skilled project directors with experience commensurate with the complexity and risk profile of the project; commercial training frameworks for those involved in project management; tiered bid review gateways and project selection criteria.

Day to day management of the above two risks is primarily delegated to the operating parts of the business, with quarterly

performance reviews undertaken by the Group's executive leadership to identify any areas of concern and agree action plans. The Group's cash position and forecast cashflow are also monitored closely, with major capital decisions – upgrades to or expansion of office space, release of investment funding, and member profit sharing – aligned to ensure that the business remains financially resilient.

Focus risks

The following 'Focus Risks' have been led and managed globally during the reporting year, with individual senior leaders designated as the risk owners, and with the effectiveness of mitigations kept under close review:

Focus Risk	Risk description and primary mitigations
Climate risk	Physical and transitional climate risks and uncertainty may result in business disruption including loss of future revenue and/or increasing costs of running a sustainable business, while also presenting opportunities to increase climate-related services. Refer to the ESG section of the Strategic report for further details.
<i>Primary mitigations include:</i>	<i>We engage with our supply chain on reducing emissions, we maintain and develop skills and services to clients, and we robustly track progress towards our commitments.</i>
Geopolitical risk	Geopolitical volatility may give rise to business disruption, financial loss and risk of regulatory fines, exposing members to safety and security risks and Arup to reputational damage.
<i>Primary mitigations include:</i>	<i>We monitor and maintain awareness of international and local geopolitical contexts, while also maintaining plans for potential business disruption.</i>
Health & Safety	Project work undertaken may give rise to health and safety incidents that may put members, collaborators, clients, partners or local communities at risk of fatality or life-changing injury and may also result in breach of local health and safety legislation, litigation, financial loss and loss of market share and reputational damage.
<i>Primary mitigations include:</i>	<i>We set and operate to principles to ensure physical and design safety, technical rigour and competence.</i>
Professional errors leading to major consequences	Project errors may arise due to poor project execution, lack of skills and competence resulting in major adverse consequences.
<i>Primary mitigations include:</i>	<i>We operate a set of project selection principles to manage risks as well as processes to deliver project excellence and high competency and skills of members.</i>
Reputation risk	Our diverse portfolio of project work across multiple countries and/or external events in particular geographies may expose Arup to negative stakeholder views resulting in a wide spectrum of impacts from diminished market position, lost revenue, increased operating, capital or regulatory costs and member turnover.
<i>Primary mitigations include:</i>	<i>We operate a set of project selection principles to understand and manage risks as well as ongoing monitoring of geopolitical and other events both locally and internationally.</i>
Solvency	The impact of a single catastrophic or combination of such negative events may result in not being able to meet our obligations as they fall due.
<i>Primary mitigations include:</i>	<i>We manage cashflows through proactive management of project delivery and project commercial outcomes, application of project selection principles, appropriate contract and banking arrangements and debt exposure, to enable us to meet our strategic objectives and to meet our obligations as they fall due.</i>
Technological Resilience	A successful cyber incident may result in significant business disruption, potential loss of member or client data, resulting in possible non-compliance with regulations, penalties and litigation. In addition, adoption of digital solutions and emerging technologies less effectively or slower than industry trends may result in loss of revenues, future workload and reputation.
<i>Primary mitigations include:</i>	<i>We maintain robust policies, protocols and standards to protect our data and business-critical systems and we operate training and awareness programmes to upskill members in emerging technologies and threats.</i>

These Focus Risks are often inter-related and may contribute to uncertainty of opportunities and the likely volume of future work secured as well as having potential impacts for on-going projects, which would translate into the two key operational risks – winning sufficient work and delivering project performance – and be mitigated and managed accordingly.

A new Risk committee of the Board, chaired by an independent non-executive director and acting under new terms of reference, was established on 28 April 2025 at the first meeting of the new Board. The primary role of the committee is to support the Board's oversight of risk and provide assurance that Arup is identifying and managing risks appropriately, meeting its regulatory and legal obligations, has measures in place to ensure the firm's resilience to known and unknown risks and can successfully deliver on its strategic objectives.

In parallel with these ongoing risk management processes, the new committee is overseeing a refreshed approach to facilitate risk management and reporting against a single set of principal risks, integrated with the new strategy. Risk mapping and associated risk appetite assessments are expected to be substantially completed in 2025, together with aligned mitigations and controls and defined risk owners and reporting.

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.

Future developments and looking ahead

The Group will continue to operate in similar markets and is continuing to develop and invest in new services to meet market needs. To ensure that the Group 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; the Group's reputation and our ability to attract good quality projects and clients; the diversification of the business by service, business sector and geography; actual and projected cashflow and the sufficiency of access to financial resources; and our ability to attract and retain highly talented members.

Environment, social and governance ("ESG")

Introduction - shaping a better world

Arup's purpose is to shape a better world by creating safe, resilient, and regenerative places that enable current and future generations to thrive. Our purpose describes the impact we want to have on society and the environment and captures our continuing commitment to sustainable development by developing solutions that improve lives, address climate change and nature loss, and the vital transition to a circular economy. This builds on original aims of the firm to be a socially useful and humane organisation, pursuing quality and excellence on projects, and integrity in our relationships.

Arup's double materiality assessment

In FY 2024/25 our Double Materiality Assessment ("DMA") formalised how we identify and assess the impact Arup has on the outside world, and the impact the outside world has on our business. The DMA was approved by the Board in December 2024; its findings have been integrated into our 2025-2030 Strategy, integrated business plan, and risk management framework as well as our ESG reporting.

The DMA was conducted in alignment with the Corporate Sustainability Reporting Directive ("CSRD") requirements and accompanying European Sustainability Reporting Standards. It serves as the basis for our reporting in the EU and prepares us for reporting anticipated in other jurisdictions, e.g. Australia and UK, informed by International Financial Reporting Standards S1 & S2. We are monitoring the European institutions' progress on the CSRD that will dictate if and when it may apply to Arup Group or its European subsidiaries.

In developing the DMA, our stakeholder engagement included consultation through surveys with over 400 members, and extensive senior leadership engagement. We completed a desk-based analysis of material ESG matters considered by some of Arup's key clients as part of their own materiality assessments, augmented with one-on-one client interviews in our key sectors; as well as supplier surveys and partner interviews. This process ensured the impacts, risks, and opportunities emerging through the DMA process reflected our key stakeholders' perspective.

Environment

Non-Financial Sustainability and Information Statement

Arup Group is in scope for the UK's Companies (Strategic report) (Climate-related Financial Disclosure) Regulations 2022. To meet this requirement, we have included a Taskforce on Climate-related Financial Disclosures ("TCFD") aligned disclosure in this report. This communicates our progress and describes our governance, strategy, risk management, metrics, and targets in relation to climate change.

Climate change presents risks and opportunities to our business due to increasing physical risk and transition risks associated with global efforts to accelerate decarbonisation. So, we need to understand the impacts of climate related risks on our operations, supply chain, clients and services, and to integrate appropriate responses into our risk management, operations, business planning, and strategy.

Addressing both the causes and consequences of climate change, by accelerating the transition to a net zero economy and building

resilience is a key part of our commitment to sustainable development, and fundamental to achieving our purpose. As specialists in the planning, design, engineering and provision of expert advice on the built environment – urban development, infrastructure networks, landscape, and buildings – we play a crucial role in mitigating climate change and in shaping how our clients adapt to new conditions.

Pillar	NFSIS	TCFD Requirement	ESG Section	Page
Governance	A	A) Describe the Board’s oversight of climate-related risks and opportunities.	Governance of climate related issues in Arup	13 & 19
		B) Describe management’s role in assessing and managing climate-related risks and opportunities.	Management’s role in overseeing climate related issues	13 & 19
Strategy	D	A) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Impact of Climate Related Risks and Opportunities to Arup	9
	E	B) Describe the impact of climate related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	Our business resilience to climate related risks	9
	F	C) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios.	Our business resilience to climate related risks	9
Risk Management	B	A) Describe the organisation’s processes for identifying and assessing climate-related risks.	How Arup identifies and assesses climate related risks	13
		B) Describe the organisation’s processes for managing climate-related risks.	How Arup manages climate related risks	13
	C	C) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.	How Arup manages climate related risks	13
Metrics and Targets	H	A) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Emissions performance summary	10 & 19
	N/a	B) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (“GHG”) emissions, and the related risks.	Emissions performance summary	10 & 19
	G	C) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Arup’s emissions and energy use	10 & 19

Climate Scenario Assessment

We have completed Climate Scenario Assessments to quantify Climate Related Risks and Opportunities which were integrated into our DMA.

Climate Scenarios

To assess the possible transition risks and opportunities for our business we undertook quantitative modelling and utilised two transition scenarios and one physical risk scenario:

- Transition scenario - Delayed transition: An intermediate scenario that assumes climate policies are delayed or different across countries and sectors, enabling temperatures to rise by 2-3°C. This scenario is based on Network for Greening the Financial System (“NGFS”) nationally determined contributions which include all pledged policies even if not yet implemented. This assumes that only currently implemented national policies are preserved, leading to higher physical risks.
- Transition scenario - Net zero: An aggressive scenario that assumes global warming is limited through the application of national policies, technological, and behaviour changes. This scenario is based on the NGFS net zero 2050 scenario and limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO₂ emissions around 2050.
- Physical risk scenario: Potential impacts of physical risk on our assets evaluated based on the Intergovernmental Panel on Climate Change RCP 4.5 scenario in the year 2050. The RCP 4.5 scenario represents an intermediate greenhouse gas emission scenario, in which CO₂ emissions remain around current levels until mid-century.

Likelihood of occurrence

The likelihood of possible impact by scenario as set out in the Climate Related Risks and Opportunities for Arup is outlined in table 1 (see Reference tables section at the end of the Strategic report).

Timeframes

Our climate scenario assessment was designed with timeframe boundaries and associated rationales set out below so that the approach to ESG related risks and opportunities will align with how we manage our business as financial and non-financial

reporting converge over time. Table 2 (see Reference tables section) outlines the time periods for short, medium and long term.

Impact of Climate Related Risks and Opportunities to Arup

TCFD category	Risk/Opportunity	Potential impacts/outcomes for the business	Mode of impact	Anticipated timeframes	Likelihood of possible impact by scenario	
					Net zero	Delayed transition
Market opportunity	Increased demand for low carbon and climate adaptation services.	<ul style="list-style-type: none"> - Increased revenue and positive impact on ESG scores. - Opportunity to expand member capability and skillsets. - Support client's transition and adapt to climate change. - Possibility to engage with new clients aligned to our values. 	Increased revenue	Short to long term	Very likely	Very likely
Market risk	Failure to grow Arup's low-carbon service offerings in line with client needs.	<ul style="list-style-type: none"> - Opposite impacts of the related opportunity. 	Reduced revenue	Short to long term	Unlikely	Unlikely
Physical risk	Climate-related impact on Arup owned assets.	<ul style="list-style-type: none"> - Impact on valuation of assets in higher risk locations. - Increased insurance costs. 	Asset value reduction	Long term	Very unlikely	Very unlikely
Policy and legal risk	Failure to meet clients' ESG or climate-related contractual expectations.	<ul style="list-style-type: none"> - Potential loss of contracts. - Potential of litigation. - Reputational damage. - Possible impact in winning future work. - Reduction in work in specific sectors. 	Reduced revenue	Long term	Unlikely	Unlikely
Reputation risk	Failure to achieve publicly committed net zero targets.	<ul style="list-style-type: none"> - Reputational damage. - Possible impact in winning future work. - Not being aligned with key client cohort. 	Reduced revenue	Long term	Possible	Possible
Technology risk	Failure to invest in new technologies to match market and regulatory developments, and client needs.	<ul style="list-style-type: none"> - Potential loss of market share. - Increased cost to the business. 	Reduced revenue	Medium to long term	Possible	Possible

We also modelled the transition risks and opportunities considered most material to the business against our updated climate risk register, and concluded the following from a transition risk perspective:

1. Transition risks materialise sooner under a net zero scenario but often have a higher impact under a delayed transition.
2. In the short term, Arup could increase revenue from low-carbon and climate adaptation services – applying definitions informed by the EU Taxonomy – if those services are grown in line with anticipated demand.
3. The most significant risk is failing to adequately invest in low-carbon and climate adaptation services, or new technologies to meet changing client and regulatory demands. The financial implications of this risk increase after 2030.
4. Failure to achieve publicly committed net zero targets could result in Arup losing business to peers who are decarbonising at a more aggressive pace. Continued alignment with our client's carbon emissions reduction targets could also be at risk.

Our business resilience to climate related risks

Arup has conducted a physical risk assessment of its offices globally to evaluate the likelihood of property damage and disruption to operations from flood, wind, and seismic events. The results of this study, and our experience of operating with a largely remote membership during COVID-19, suggest that for Arup as an organisation there are limited direct business impacts arising from physical climate risk to our assets. No high risks were identified in terms of critical system-wide operational impacts.

We consider that the likely impact of potential, acute and chronic climate risks on our short-term business continuity, and on our ability to continue to provide professional services effectively, is low. Sensible precautions are in place to protect the limited physical assets that we own against extreme weather events, which we expect to be disruptive rather than business critical, and we do not hold investments or other assets whose value is innately climate dependent. Our operations are also not dependent on supply chains that are likely to be significantly disrupted by climate change.

However, climate change is clearly a significant factor in relation to our products and services. Energy transition, electrification of transport, low carbon construction and climate adaptation represents a significant and growing business opportunity in the near- to long-term. Our clients need advice to protect their assets and adapt their business models for the effects of changing policy, legislation and financing. We face potential risk in terms of future claims and remediation costs as compliance with current codes and standards is no longer sufficient with respect to climate-related design criteria – whether in terms of the delivery of our own responsibilities, or indirectly in relation to developments where we provide specialist services.

Overall, we see that climate change will drive future business growth by increasing the demand for the innovative solutions that we are well positioned to provide.

Arup's emissions and energy use

Our Sustainable Development Policy commits us to making a meaningful contribution to the UN Sustainable Development Goals ("SDGs"). SDG13 requires urgent action to combat climate change and its impacts, including reducing our own emissions, and we have made significant progress in decarbonising our operations. Arup set initial science-based targets to reduce our absolute scope 1 and 2 emissions by 30% and reduce absolute scope 3 emissions by 30% by 2025 from a 2019 baseline year. In 2025, we achieved our initial targets, delivering an 88% reduction in our Scope 1 and 2 emissions and a 35% reduction in our Scope 3 emissions.

In January 2025, the Science Based Target initiative ("SBTi") validated our new near term and long-term reduction targets which are:

Near-term reduction targets	Long-term reduction targets	Progress vs Target/KPI	Target Rationale
Reduce absolute scope 1 and 2 emissions by 90% by FY 2029/30 from a FY 2018/19 base year.	Maintain at least 90% absolute scope 1 and 2 GHG emissions reductions from FY 2029/30 through FY 2039/40 from a FY 2018/19 base year.	In FY 2024/25 Arup achieved an 88% reduction on scope 1 and scope 2 GHG emissions from the FY 2018/19 baseline year.	Our near- and long-term targets are part of our commitment to reducing our impact on the planet and playing a leading role in helping others decarbonise.
Reduce absolute scope 3 emissions by 35% by FY 2029/30 from a FY 2018/19 base year.	Reduce absolute scope 3 GHG emissions 90% by FY 2039/40 from a FY 2018/19 base year.	In FY 2024/25 Arup achieved a 35% reduction on scope 3 GHG emissions from the FY 2018/19 baseline year.	

We also published our updated Net Zero Plan and Net Zero GHG emissions statement which details how we intend to transition to a science-based net zero organisation by 2040, both of which are available on arup.com. We are proud of the progress we have made against our emissions reduction targets to date, and the achievement of our initial targets marks a significant milestone in our net zero journey.

Emissions performance summary

The total carbon footprint of Arup Group for the financial year ended 31 March 2025 amounts to 109,802 tonnes of carbon dioxide equivalent ("tCO₂e"). 1,375 tCO₂e is attributed to our scope 1 and 2 emissions and 108,427 tCO₂e is attributed to our scope 3 footprint. Overall, our 2025 emissions represent a combined absolute 39% decrease on our baseline. Given our significant growth over the period, this equates to a combined 48% reduction per member. Our emissions performance is detailed further in table 3 in the Reference tables section.

Our scope 1 and 2 emissions have reduced by 9,680 tCO₂e since 2019. In the last year Arup retrofitted our London office with LED lighting and commenced the replacement of gas boilers with air source heat pumps, and we invested in solar PV and battery storage for our Durban office. We also have planned energy efficiency measures for other offices that will drive further reductions.

Scope 3 emissions have decreased by 59,410 tCO₂e from the baseline year. Our priority is to reduce our scope 3 (purchased goods and services) emissions, that contribute c51% of the Group's total emissions, by ensuring our key suppliers are equally committed to reducing their carbon emissions. Our procurement team continue to engage with key suppliers to collect more accurate scope 3 emissions data. We are committed to supporting groups of suppliers such as small and medium sized enterprises with their ambitions to address carbon reduction in their own organisations.

Since 2023 Arup's emissions inventory has been independently assured to a limited standard by LRQA. They carried out third-party verification of our methodology and our application of the GHG protocol for the reporting period 2025.

Streamlined Energy and Carbon Report ("SECR")

The Group 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 ^{2,3} tCO ₂ e	2,016	2,654
Intensity ratio tCO ₂ e per m ² net lettable area	0.04	0.05

- 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.
- Associated GHG have been calculated using the GHG Protocol Corporate Accounting and Reporting Standard and UK Government GHG Conversion Factors for Company Reporting 2023.
- Emissions figures have been adjusted to incorporate wheel-to-tank emissions in addition to tank-to-wheel emissions for fuel.
- These figures vary 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 continued to prioritise future net zero carbon ready buildings in our office planning, and we moved two major offices to all electric buildings, reducing gas consumption. Moves into more efficient office space and reduce gas use and retrofit of existing offices to be more efficient has resulted in energy savings of 2,082,235 kWh.
2. Reductions in grey fleet travel resulted in energy savings of 513,947 kWh.

Nature

Our commitment to sustainable development includes protecting and restoring nature – land, water, oceans, air and biodiversity – through our operations, services and influence. This includes developing nature-positive solutions, not just minimising environmental impacts; and working with our clients to identify and manage their nature impacts and risks to their operations.

The global discourse on nature loss is translating into policy changes, creating significant opportunity to develop our specialist environmental services, including biodiversity and water resources management. However, we recognise the potential for the major infrastructure projects we design to have a negative impact in terms of ecosystem disruption and habitat fragmentation as identified in the DMA. We have carried out an initial assessment to deepen our understanding of how our projects impact on biodiversity and water resources initially, aligned with guidance from the Task Forces for Nature-related Financial Disclosure.

Social

Our membership

The latest Working@Arup survey was conducted in September 2024 to check in with our members on how they are feeling and the factors that are most important to them. Based on the findings of this survey our Executive Board took significant steps to address member concerns, focusing on reward, leadership, mobility, and engagement.

To deliver our commitment to shape a more sustainable future for everyone, we need to attract and retain quality people. We provide opportunities for our members to develop in their careers, to achieve reasonable prosperity, and to thrive in a humane and caring environment. Arup's profit-share is a global reward mechanism, operating consistently for eligible members in all countries so that we all share in the results of our collective efforts. Each member's share of the profit is determined on the same basis, wherever they are located.

In FY 2024/25 pay levels were benchmarked against the external market, leading to additional investment in the April 2025 pay review. These decisions considered market trends, business performance, and affordability. Leadership also addressed turnover across all grades, ensuring a responsive and member-focused approach.

To strengthen leadership and recognition, Arup is embedding a performance-driven culture through a new framework emphasising goal setting, self-reflection, and development conversations. This aims to clarify expectations, foster feedback, and enhance wellbeing. Additionally, the Leadership Academy was launched to build leadership skills across all levels, reinforcing inclusive leadership behaviours.

A series of "Mobility Reimagined" initiatives are being implemented to create a borderless organisation, enabling talent to move internally and supporting the firm's global culture.

Our culture

After nearly eighty years, the Group has evolved into a unique organisation with a strong culture, thanks in part to our independence and our shared values. Today, our work, our range of expertise, and our international footprint all greatly expanded, but there is also a significant global shift in people's expectations about their working lives, with five generations co-existing in the workplace, and with increasing use of technologies. The Board recognises that with a membership of around 17,500 people, we need to be even more intentional in developing our culture at scale.

Promoting and protecting culture

The Executive Board is responsible for promoting and protecting our aims and values and a strong, coherent and inclusive culture where our members thrive. Ingredients contributing to the creation of a healthy corporate culture, in addition to the Executive Board's engagement with our members, include:

- Fair and transparent employment policies and practices that ensure that members' rights and needs are respected in accordance with applicable laws and employment contracts, together with programmes and initiatives that support the health and wellbeing of our members, develop talent and encourage diversity.
- Improving the management of our supply chain, developing supplier protocols and procedures that seek to address how our key suppliers operate their businesses and respect their employees' rights in a way that aligns with our own approach.
- Engagement by our global support functions on Group policies (described under Group policies), procedures and standards at

every level and location of the business around the world, including dedicated safety, finance, people, legal and digital technology teams.

- Addressing the concerns from the Working@Arup and people pulse surveys and taking action to improve membership experience.

Feedback from all of these activities has enabled the Board to be assured that the Group's culture remains aligned with our values. Where these channels have revealed matters that can be improved upon or areas of concern, the Board has discussed these and is satisfied that action plans designed to drive improvements or address those concerns are put in place.

Belonging at Arup

An equitable, diverse and inclusive Arup is essential for our success. In 2024 we published our first global EDI strategy 'From EDI to Belonging'. This five-year global strategy brings together our regional approaches to drive consistency across four themes: our people, our culture, our clients and partners, and our communities. We continue to focus on embedding our Behaviour Charter and we have used our inclusive leadership framework to understand the strengths and areas for improvement with a view to establishing a greater sense of belonging for all our members.

As leaders across the built environment, it is our shared responsibility to promote meaningful change for good. We do this through the projects we deliver and the people we choose to work with, and our EDI Policy provides a foundation for this. We prohibit discrimination on the grounds of age, disability, gender identity or expression, marriage / civil partnership, pregnancy / maternity, race / ethnicity, religion or belief, sex, sexual orientation or employment status (see Group policies for further details).

We collect, analyse and report on diversity data to help ensure fairness in our people processes and outcomes, such as annual pay / promotion equity reviews and retention metrics. Our new human capital management system will also support a global approach to diversity data capture and reporting. We have maintained our market leading gender diversity mix in FY 2024/25 which stayed steady year on year at 40%, this figure has been assured to a limited standard by LRQA.

Health, safety and wellbeing

As a humane organisation, keeping our members healthy and safe and protecting their wellbeing is at the core of our values. We constantly strive to create safe and healthy work environments, and to provide safe, robust solutions for our clients, collaborators and communities. Safety is explicitly embedded in our strategy, reaffirming our commitment to shaping "safe, resilient and regenerative places". This positions safety not only as a compliance issue, but as a fundamental part of responsible design and delivery. In FY 2024/25, Arup recorded a total of 0 work-related fatalities (0 in FY 2023/24) and 20 work-related lost workday cases (6 in FY 2023/24, 17 in FY 2022/23) among members and subconsultants working under our control.

Our safety culture programme has continued to evolve, with particular focus on psychological safety and leadership engagement. Regional plans are now active, supported by tools such as new "speak-up" training, practical guidance, and targeted interventions. A best-practice guide for safety governance is also being developed with input from senior leaders and Arup Fellows.

We've made significant progress in enhancing our internal safety processes. Risk assessment practices and incident classification have been reviewed and standardised, and a firmwide review of local safety procedures has helped shape a new global design safety standard. Foundational learning is being redeveloped to strengthen understanding of design-stage safety responsibilities.

This year, Arup has begun to shift the focus of its safety performance reporting towards high-risk and high-potential (HiPo) events. These are incidents that could have resulted in serious harm, even if they did not. This approach reflects a broader move towards more risk-informed decision-making and enables Arup to learn from precursors to serious incidents, not just the outcomes. The shift is particularly important as Arup continues to grow in markets and sectors where risk profiles are more complex and safety expectations more variable.

Community engagement

Our well-established global Community Engagement programme 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. Its 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.

In the last financial year there has been a shift from programmes structured around mass participation and transactional relationships to a more strengthened focus on impact through skills based pro-bono activity. The impact of this focus has meant 1,283 Arup members globally contributed more than 41,305 hours in FY 2024/25, a reduction on FY 2023/24 where staff contributed 47,057 hours. We have been developing deeper relations with values aligned organisations and these partnerships are essential for us to understand local contexts so that we can give the right support, at the right time, to the people who need it most. Both of these changes have been designed to enable us focus on tangible outcomes for specific communities.

During FY 2024/25 we worked on 139 major pro bono Community Engagement projects. The total investment was £4m, of which c.£723k was disbursed as donations and grants.

Governance

Governance of climate related issues in Arup

Climate is one of the seven identified Focus Risks having a potentially significant impact on our business overall. The global Sustainable Development Director is the Climate Focus Risk owner responsible for identifying, assessing, and managing climate-related risks and opportunities in accordance with the requirements of the (risk management framework). The climate risk owner is responsible for developing and maintaining the climate risk register, prioritising risks, appointing sub-risk owners and overseeing risk mitigation plans.

As of 1 April 2025, the roles in assessing and managing climate related issues can be found in table 4 in the Reference tables section.

The Executive Board includes individuals with significant knowledge of climate risk, which forms part of the regular quarterly report by the global Head of Risk & Assurance. The climate risk register was updated and shared with the Risk committee in January 2025 to reflect the outcome of the Climate Scenario Assessment.

How Arup identifies and assesses climate related risks

The Group climate risk register is reviewed and updated annually based on climate scenario risk assessments and inputs from region and business leaders. Climate risks that have been identified are assessed, and prioritised and key risks are integrated into our overall risk framework. This applies a risk taxonomy and likelihood vs severity matrix to assess climate risk in relation to other risks on a comparable and consistent basis using a digital dashboard. The Group Head of Risk and Assurance has overall responsibility for monitoring the inherent and residual nature of our risks.

Physical risk identification and assessment

As part of the physical risk identification in the property (i.e. offices) assessment referred to earlier, Arup utilised its own proprietary climate risk modelling tool IRIS to quantify the:

- Hazard: the likelihood and intensity of climate hazards (flooding, sea-level rise, storms).
- Exposure: the number of people, basic characteristics of the buildings, and typical building components in office occupancies in each asset.
- Vulnerability: the level of hazard intensity that will trigger a discrete level of damage for the asset (or components within the asset, if any).
- Consequences: the consequences (e.g. duration of downtime) associated with the damage states considered in the vulnerability analysis.

Transition risks identification and assessment

As noted above, we conducted a climate transition risk assessment to understand and quantify how different transition scenarios over a range of time horizons could impact our business. That analysis demonstrated that Arup has potential material transition risks but also financial opportunities to help clients mitigate or adapt to the impacts of climate change which aligns well with our purpose.

Eighteen transition risks were identified that could impact our business by augmenting our existing climate risk register with data from an external climate risk and opportunity database aligned to the TCFD recommendations and transition categories. The Climate Risk Coordination Group prioritised the risks and opportunities, and the six top risks and opportunities were modelled over agreed timeframes utilising agreed climate scenarios and integrated into the risk framework.

Climate scenario modelling considerations and limitations

- Longer time horizons and the continuous evolution of climate science and associated models cause increased uncertainty on both impact and likelihood.
- As our understanding evolves, our mitigating activities will become more specific and targeted to specific timeframes.
- We plan to continually improve the data that feeds into our climate scenario modelling updates.
- Key risk and opportunity indicators will be leveraged to track progression.

How Arup manages climate related risks

Each of the six climate sub-risks included in the risk framework are being proactively managed by an identified sub-risk owner. The Climate Risk Focus Owner provides oversight and monitors implementation of risk mitigation plans, updating the ARMF quarterly.

The key activities conducted this reporting year to manage climate related risks and opportunities included:

- Quantification of risk - Climate Scenario Assessment was approved by Risk committee.
- Target setting - published our Net Zero Plan and received validation from SBTi for our short- and long-term targets.
- Climate action training - new modules introduced to educate our members about climate risk and equip them to act to reduce risks identified on projects and our operations.
- Services development – focus on low carbon and adaptation/resilience services across our key market portfolios.

- Client requirements – cross-function working group stood up to develop a plan for tracking and responding to changing bid/contract requirements for ESG reporting.
- Supply Chain management – procurement team stepped up supplier engagement with our key suppliers on emissions reduction to support our scope 3 reduction target and commitment.
- Management of physical assets – established a global Real Estate function whose responsibilities include the operational ownership of our real estate footprint, its decarbonisation and climate resilience.
- Integrating climate resilience into our work – continuation of the Future Climates Programme to raise awareness and develop/enable access to data, tools, guidance and expertise to support assessment of climate change on our projects.

Ethics and integrity

Our commitment to ethical conduct and business integrity stems from our values, and a desire to act honourably and with integrity in all our business dealings. Arup's commitments and expectations are articulated in our Ethical Conduct Policy and Business Integrity Code of Practice. Both are available to our members on our intranet, and those who work with us have access externally on arup.com.

The Business Integrity Team maintains the Business Integrity Code of Practice and is custodian of Arup's due diligence programme, including controls relating to sanctions. The Team provides regular reports to senior management on due diligence metrics, themes and emerging issues; it also provides guidance and support to members regarding integrity issues and delivers targeted communications, training and workshops.

Compliance with applicable sanctions is a key part of Arup's due diligence programme, and updates on developments under various sanctions regimes forms a critical part of these reports to senior management. In response to further sanctions imposed on Russia following its invasion of Ukraine, additional sanctions-related risk mitigation actions have been implemented. The effectiveness of those actions is monitored regularly by members of the Board.

Personal interest and conflict of interest

An online Personal Interests Register ("the Register") is maintained for nominated members, including statutory board directors and regional leadership team members, to disclose and record any interests that could influence or could be perceived to influence the discharge of their role(s) and responsibilities. The Register is updated when individual's circumstances change and is reviewed as a standing item at Board meetings. The Chair determines any issues of potential conflict. Entries on the Register can also be viewed by designated roles/functions within Arup for the purposes of quality assurance and good governance. Board directors' potential external appointments are notified to the Chair in advance of acceptance, and any actual, potential or perceived conflicts of interest are examined to determine if they should proceed and if any mitigating actions are required.

Speak Up

Arup's Speak-Up procedures enable concerns regarding unethical behaviour or improper conduct to be disclosed confidentially. Disclosures are received by designated, trained members. Investigations have been conducted for a number of disclosures within the reporting period. Disclosures are reported to the Ethics committee which in turn reports to the Board via the Assurance committee.

In the reporting period the Board has endorsed a recommendation to consolidate and evolve our Speak-Up procedure, which is currently being addressed.

Modern slavery prevention

Our annual Modern Slavery and Human Trafficking Statement is published on arup.com. In the last financial year we have also developed and formalised a global Modern Slavery and Human Trafficking Policy. We seek to anticipate, prevent and mitigate potential negative human rights impacts through our policy and processes, which underpin our commitment to responsible business practices.

Assurance

LRQA was commissioned by Arup to provide independent assurance of our GHG emissions inventory, Gender Split data and Community Engagement data for 1 April 2024 – 31 March 2025. This was performed to a limited level of assurance and materiality of the professional judgement of the verifier using The Greenhouse Protocol – A Corporate Accounting and Reporting Standard (revised edition, Jan 2015) and ISO 14064 - Part 3 for GHG emissions and using Arup's methodologies for human capital data. LRQA's verification procedure is based on current best practice and is in accordance with ISAE 3000 and ISAE 3410. LRQA's independent assurance statement is accessible on arup.com.

Group policies

The Group had nine core policies in place through the year to act as formal declarations of principle to guide decision making. They are informed by our stakeholder engagement and provide direction for our business, translating our values into actions, and set clear expectations for and of our members. Further details on how the Board engages with stakeholders can be found below.

The Board reviews and approves the externally facing Group policies at least once a year. The policies are implemented through management systems, functional and operational processes, and learning. Relevant senior leaders are assigned responsibility for

developing plans to enable us to reach the aims set out while fulfilling applicable legal, regulatory and other requirements. However, all Board directors take an active and visible role in communicating the importance to our members of the policies' aims.

Artificial Intelligence (“AI”) Policy

Key Board decision: During the year of reporting, the Board worked closely with the global Director of Data and Science, in conjunction with the Digital and Data Transformation teams, Arup University, Legal, and the CIO, to develop an AI Policy. The aim of the policy is to provide clarity for clients in the use of AI, to reduce risk and ensure compliance, to establish appropriate protocols and procedures, provide pathways for innovation and position Arup as a responsible AI leader.

Key stakeholder considerations: Members, Clients, Collaborators and Clients. Regard to matters outlined in Section 172(1) of the Companies Act 2006 (“CA s172 (1)”: a, b and e.

Climate, nature and environment

Key Board decisions: During the year of reporting, the policy has been updated to align with our ISO 14001 certification, the mandatory requirements of the EU’s Corporate Sustainability Reporting Directive, and Arup’s net zero commitments. Updates agreed include:

- Addressing the material climate, nature and environmental impacts and risks identified by our Double Materiality Assessment.
- Strengthening our position statements on nature to more accurately reflect on-going activity, notably as part of the Nature Transformation priority investment.

Key stakeholder considerations: Community and Society. Regard to matters outlined in CA s172 (1): a, d.

Equality, diversity, and inclusion (“EDI”)

Key Board decisions: The Board approved our first global EDI strategy – ‘From EDI to Belonging’ 2025 – 2030, bringing together our regional approaches to drive consistency across four themes: our people, our culture, our clients, and our partners.

Key stakeholder considerations: Current and future members, and collaborators and suppliers. Regard to matters outlined in CA s172 (1): a, b, c and e.

Ethical conduct

Key Board decisions: Further development of our Speak Up confidential disclosure procedure.

Key stakeholder considerations: Members, Clients, Collaborators and Suppliers. Regard to matters outlined in CA s172 (1): a, b, c, e.

Health, safety and wellbeing

Key Board decisions: Approved to explicitly embed safety into Arup’s new strategy reaffirming Arup’s commitment to shaping “safe, resilient and regenerative places, positioning safety not only as a compliance issue, but a fundamental part of responsible design and delivery. Health & Safety remains a standing priority at Board level and a senior executive acts as Health & Safety, Environment and Quality (“HSEQ”) champion.

Key stakeholder considerations: Members, Clients, Community and Society. Regard to matters outlined in CA s172 (1): a, b, c, d.

Quality

Key Board decisions: Approved a substantially rewritten Quality Policy. The revised version was developed by a multi-geography working group focussing on what drives quality at Arup and how it is perceived (compliance or an outcome). The review was undertaken to reshape the idea of quality being foundational in all that Arup does to drive technical excellence as the outcome.

Key stakeholder considerations: Members, Clients, Collaborators and Suppliers, Community and Society. Regard to matters outlined in CA s172 (1): a, b, c, d, e.

Modern slavery and human trafficking

Key Board decisions: Approved the introduction of the Modern Slavery and Human Trafficking Policy.

Key stakeholder considerations: Members, Clients, Collaborators, Suppliers, and Society. Regard to matters outlined in CA s172 (1): a, b, c, d, e.

Information Security

Key Board decisions: Continued commitment to maintaining the highest standards of cyber security across the organisation. Continued investment in robust defences, governance frameworks, and employee awareness to protect our data, systems, and stakeholders, ensuring resilience in an evolving threat landscape and alignment with regulatory and industry best practices.

Key stakeholder considerations: Members, Clients, Collaborators and Suppliers. Regard to matters outlined in CA s172 (1): a, b, c, e.

Sustainable development

Key board decisions: Continued commitment to contribute meaningfully to the UN SDGs creating shared value for our clients and our communities whilst safeguarding our planet.

Key stakeholder considerations: Members, Clients Collaborators and Suppliers, and Community and Suppliers. Regard to matters outlined in CA s172 (1): a, b, c, d, e.

An additional Fraud Prevention Policy was approved by the Board in July 2025.

Section 172(1) relevant disclosures

In accordance with Section 172(1) of the Companies Act 2006, the directors of Arup confirm that they have acted in a way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing so, they have had regard to the matters set out in Section 172(1)(a) to (f), including the likely long-term consequences of decisions, the interests of employees, the need to foster relationships with stakeholders, the impact of operations on the community and environment, the desirability of maintaining a reputation for high standards of business conduct, and the need to act fairly between members.

Considering long-term consequences – CA s172 (a)

During the year of reporting, a key focus was the development and agreement of the new Arup Strategy 2025-2030, ‘The future we choose’. The strategy is supported by both medium and long-term financial and investment planning and scenario testing together with risk management procedures to identify the potential consequences of decisions in the short, medium and long-term so that mitigation plans can be put in place.

Fostering stakeholder relationships – CA s172 (b, c)

The members of the Board and senior managers regularly engage with both internal and external stakeholders through a variety of forums and events, including town halls, all member engagement sessions, client roundtables and industry conferences – ensuring open dialogue, transparency, and alignment with Arup’s strategic priorities. The Board receives regular presentations and reports on client engagement, risk, health and safety, people and culture strategy, and operational business updates. In response to feedback from the previous Working@Arup member survey on compensation alongside external benchmarking, the Board approved a three-year programme of investment to uplift base salaries.

Protecting communities and environment – CA s172 (d)

Arup’s determination to “create safe, resilient, and regenerative places that enable current and future generations to thrive” through our work is at the heart of the Board’s and the Group’s commitment to how we can have the most impact, developing sustainable solutions that improve people’s lives, address the climate crisis, nature loss, and the vital transition to a circular economy. This is embedded in the strategy approved by the Board during the year of reporting, and evidenced amongst other examples in: our commitment to reducing our carbon footprint as a business and the goal of achieving net zero by 2040; our commitment to business integrity, anti-bribery and corruption, and human rights; and our extensive community engagement programme.

Setting culture and conduct – CA s172 (e, f)

The Board sets the Group’s purpose, values and strategy, ensuring it aligns with our culture. To ensure section 172 requirements are met, stakeholder considerations are reflected in Board papers and reports. For example, updates on the financial overview, strategic progress, business and operational progress, and updates on relevant corporate governance and compliance matters. During the year of reporting particular focus was placed on evolving safety culture, including psychological and safety and leadership engagement. Other areas of focus included awareness of fraud, cyber security threats, and safe use of AI.

Key Board decision

Arup Strategy 2025-2030 ‘The future we choose’

As noted above, a key focus during the year of reporting was the development and approval of the new Arup strategy. The strategy focusses on Total Design as a distinctive and systematic way of working to enable us to address the transformational challenges facing our clients and to consistently create value for them, for society, and for the environment. Total Design is a critical part of how we turn our purpose into impact.

Member and stakeholder engagement

Trustees

The owning Trusts are the sole shareholders of the Company. The directors of the Trustee companies, the Trustees, administer the trusts in the interests of each trust’s beneficiaries; they appoint the Board to run Arup, and engage with the Board and with Arup’s membership on trust and trustee activities.

Board engagement: The Board engages with the Trustees in different ways, including reports to trustees’ meetings; bi-annual joint board meetings; monthly (or more regular) Chair-to-Chair meetings; and joint working groups.

Priorities for 2025/2026: Supporting the smooth implementation of the new governance structure, ensuring the governance arrangements at the top of the firm with greater clarity of roles and separation of responsibilities to enable independent oversight and effective execution.

Link to strategy: The Trustees are an important source of support to the directors in their steering of the Group and help to maintain long- wave thinking in the face of short-term pressures and beyond the terms of individual leaders.

Members

We refer to everyone employed by Arup as a member. We are a people business, and our current and former members are primary beneficiaries of the Trusts.

Board engagement: The Board engages with the members, directly or indirectly, in a number of different ways, including: reviewing and assessing the regular ‘Working at Arup’ survey; an annual meeting as well as regular online sessions with the most senior management; Board visits to Arup offices and project sites; regular internal performance reporting; initiative-specific consultation and co-creation; and regular membership events (including ‘All Members’ calls). Our intranet also provides necessary and useful information, including global, regional and community news. Further information on our engagement with our members can be found above.

Priorities for 2025/2026: Continued implementation of the Safety culture programme with a particular focus on psychological safety and leadership engagement; Invest in an industry-leading member experience; Invest in leadership development across all levels of the firm to build our collective capabilities.

Link to strategy: As a purpose-led business we aim for high levels of member engagement that in turn enable better solutions for clients and for the planet. We aim for Arup to be and be seen as a great employer, and for potential members to understand what we offer should they choose to develop their career here. Ensuring that those expectations are matched by the reality of experience that is provided helps us to retain the talent that we have invested in.

Clients

Arup’s client relationships are fundamental to our business, providing both the income that sustains us and the opportunities to deliver innovative solutions. Delivering high quality work for our clients builds 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 at any one time; it calls for us to understand our clients’ business and anticipate their needs in order to offer new solutions that they value.

Board engagement: The Board sponsors client relationships and acts as a member and convener in partnerships and leading market organisations. 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.

Priorities for 2025/2026: Focus on the strategic priority markets where we can maximise our impact; 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’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 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.

Board engagement: The Board has various engagement mechanisms including holding senior positions in industry organisations e.g., the Royal Academy of Engineering; attendance at industry events; sub-consultants and supplier engagement on sustainable development approaches; engagement on compliance with Modern Slavery and Human Trafficking legislation etc.

Priorities for 2025/2026: 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 SDGs 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.

Board engagement: The Trustees, alongside the Board, maintain oversight of CE as part of their governance responsibilities for the Ove Arup Partnership Charitable Trust and to demonstrate the significant positive social impact linked to Arup Group’s trust ownership. Acting on behalf of the Board, the Community Engagement Steering Group has provided governance, strategic direction, oversight, and external partnering for the firm’s CE efforts. Chaired by a Board director (Eva Hinkers up to March 2025), the Steering Group also includes a Trustee-nominated representative to ensure alignment with the Trust’s objectives. Jerome Frost acted as the Senior Sponsor for Arup’s relationship with Shelter England, and Paul Coughlan (Board member up to 31 March 2025) contributed through his involvement in the post-earthquake Decision Making Unit for Myanmar and Thailand. Board members also actively engaged in community initiatives, including participation in a Missing Maps session in February 2025.

Priorities for 2025/2026: Develop a new CE strategy for 2025–30, aligned with Arup’s overall strategy, and applying the same strength of purpose to our philanthropic impact; Evolve CE from an organically grown programme into a fully integrated global business support function; Focus on building a diversified and scalable delivery model that leverages our professional and technical expertise to maximise social impact.

Link to strategy: The CE 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.

Further details on the stakeholder engagement, including outcomes and actions, can be found in the ESG section.

Reference tables

Table 1: Likelihood of occurrence relating to the climate scenario assessment

Likelihood	Qualitative Description
Very unlikely	Very rare, highly unlikely to occur due to very specific conditions required.
Unlikely	Not expected to happen frequently, requires specific conditions that are not common.
Possible	Moderate chance of this risk occurring, conditions for its occurrence are feasible under certain circumstances.
Likely	Significantly probable to occur, common conditions make it a frequent possibility.
Very Likely	Almost certain to occur.

Table 2: Timeframes for the climate scenario assessment

Timeframe	From	To	Duration	Rationale
Short term	2024	2025	0-1 year	Aligned to Arup’s accounting definition of short term.
Medium term	2025	2030	1-5 years	Aligned to our business planning/strategy cycle.
Long term	2030	2050	5-20 years	Aligned to Paris climate target commitments.

Table 3: Emissions performance summary

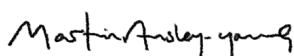
	Baseline year	Previous year	Reporting year	Reporting year – vs -	
(tCO ₂ e)	FY 2018/19	FY 2023/24	FY 2024/25	Baseline year	Previous year
Scope 1	1,107	970	745	33% decrease	23% decrease
Scope 2 (location-based)	9,948	7,264	6,315	37% decrease	13% decrease
Scope 2 (market-based)	9,948	613	630	94% decrease	3% increase
Scope 3 ^[1,3,4,5]	167,837	117,881	108,427	35% decrease	8% decrease
Total Arup Group emissions	178,892	119,464	109,802	39% decrease	8% decrease
Business travel emissions	37,880	25,336	23,491	38% decrease	7% decrease
Member headcount ^[2]	14,793	17,966	17,464	18% increase	3% decrease
Emissions intensity per member	12.1	6.6	6.3	48% decrease	5% decrease

1. Scope 3 relates to those emission categories within the SBTi target reporting boundary including purchased goods and services, capital goods, waste, business travel and membership commuting.
2. The member headcount number is an actual number taken at reporting year end, and includes all permanent members and those on specific term contracts.
3. As per SBTi requirements well-to-tank emissions have been included for business travel and membership commuting.
4. A methodology change has been applied to membership commuting for the underlying tank-to-wheel, however the impact of this change was not material.
5. Arup also monitors additional Scope 3 categories, but these are outside of the SBTi target reporting boundary, unlike previous reported years, we no longer include voluntary SBTi emissions in our scope 3 reported emissions.

Table 4: Roles in assessing and managing climate related issues

Board role	Executive Board	Overall responsibility for all risks including climate risk and approval of Arup Risk Management Framework
Board role	Chief Financial Officer	Executive Board sponsor of the GHG programme
Board role	Chief Operating Officer – Performance and Operations	Executive Board oversight of the delivery of our net zero GHG commitment
Board role	Chief Operating Officer – Total Design	Executive Board oversight of the delivery of strategic climate and sustainability plans and initiatives, and development of low carbon and adaptation services and capabilities.
Management role	Global Head of Risk & Assurance	Developing an implementation of Arup Risk Management Framework reporting to Executive Board
Management role	Global Sustainable Development Director/ Climate Focus risk owner	Developing and maintaining Climate risk register, appointing sub-risk owners, overseeing mitigation plans and reporting progress. Developing and leading implementation of strategic plans and sustainable development initiatives
Management role	Investment executive	Prioritising investment in strategic programmes and initiatives that reduce prioritised climate risks
Management role	Head of GHG Emissions and Steering Group	Co-ordinating implementation of our Net Zero Plan to achieve GHG emissions reduction targets
Management role	Group Head of Real Estate and Group Head of Procurement	Identifying and implementing actions to reduce risk to our physical assets and from supply chain

On behalf of the Board



Martin James Ansley-Young, Company Secretary
22 October 2025

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

Governance report

Introduction to Governance by the Chair

For the year ended 31 March 2025 the Company has continued to apply our 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 (the “Code”). This report provides an overview of how our Governance framework has been applied through the year of reporting.

Key Board activities

As noted in the Chair’s statement, the Board has worked closely with the Trustees to finalise Arup’s new governance structure from 1 April 2025. Further details of the new governance arrangements together with the Board’s activities during the year can be found below.

Environmental, Social and Governance

Arup is committed to responsible and sustainable business practice and is proud to be acting as a catalyst for change, driving and leading on these important issues within our sector. During the year, the Board has discussed how to best continue evolving our approach to ESG matters including our net-zero programme and the evolution of non-financial reporting. As part of our regular business review, the Board has overseen the management of the ESG activities delivered through our ESG function. Our ESG programmes have progressed significantly, and we have continued to embed them into our corporate strategy and decision-making. Further information can be found in the Strategic report.

Health, safety and wellbeing

Health and safety has continued to be a core priority at Board level, with a senior executive designated as the HSEQ champion to provide strategic leadership and guidance. Directors have also played a key role in advancing the global safety culture programme, emphasising that safety is a leadership responsibility as well as an operational one. Safety and quality have been regularly reviewed at Executive and Board meetings to ensure consistent oversight and accountability.

Culture

Promoting a culture of openness and debate in the Boardroom is one of the key responsibilities of the Chair, and as a Board we play an important leadership role in promoting the desired culture throughout the organisation. The Key Speech – in which Sir Ove set out our aims and the principles by which they might be achieved – remains a foundational document for Arup and is required reading for all of our members. By spending time with the business and its members, the Board has been able to see that the expectations set out in our Behaviour Charter – with Straight and Honourable Dealings meaning that we show respect for all, are responsible to all and are candid with all – are embedded and genuinely lived.

As further described in the Strategic report, in addition to our aims and values as a firm, we continue to make and uphold commitments to a number of culturally, socially and environmentally critical topics, including: decarbonisation; community engagement; disability, inclusion and wellbeing.

I am delighted to have commenced my role as the Chair from 1 April 2025, guiding Arup through our new governance while maintaining the things that make the firm unique. In Arup, I have found a culture that is grounded, responsible and humble, where people have confidence in their capabilities coupled with a strong desire to learn and develop. Our new strategy, combined with the clarity of execution and oversight provided by the new governance arrangements, positions Arup well for success.

Governance framework and structure

During the year of reporting the previous governance structure remained in place, and this Governance report is based upon that structure while also signalling the changes that were developed through the year and implemented from 1 April 2025.

Board leadership and other disclosures

During the year of reporting the Board was chaired by Jerome Frost and, in addition to Jerome, included six executive directors and two non-executive directors (“NEDs”) who offered an external perspective and constructive challenge. The full Board composition, including recent Director changes, can be found in the Directors’ report.

Jerome managed the Board and acted on its behalf during the meetings, fostering discussion, decision-making, and identifying strategic issues and ensure that Board members were appropriately informed on key matters. The COO, a position held by Paul Coughlan, handled many operational duties and chaired the Operations Executive.

Board activity

The Board held four full meetings, along with two joint sessions with the Trustees. Additional monthly meetings took place to handle urgent decisions, maintain momentum between full meetings, and set priorities. All Board directors are expected to attend every meeting throughout the year.

Key matters addressed by the Board include monitoring strategy progress, market outlook, key client and project issues, significant and emerging risks and their mitigation, oversight of operations and performance, investment funding and allocation, and profit-sharing arrangements and distribution. See section 172(1) Companies Act 2006 in the Strategic report, including disclosures on key Board decisions.

Time Commitment

NEDs must dedicate sufficient time to their roles to fulfil their responsibilities effectively. The table below shows NED attendance at Board and committee meetings for FY 2024/25.

Member	Board	Assurance committee	Audit committee	Risk committee
Cordelia Chung	8/8	5/5	-	4/4
Hilde Tonne	8/8	-	5/6	-

Conflict of interest

The Board operates a process for identifying and managing situations declared by the Directors (in accordance with their legal duty to do so) in which they or their connected persons have, or may have, an actual or potential conflict of interest with the Company. In accordance with the Companies Act 2006, and the Articles of Association, the Board has the authority to authorise conflicts of interest. This ensures that the influence of third parties does not compromise the independent judgement of the Board. Directors are required to declare any potential or actual conflicts of interest that could interfere with their ability to act in the best interest of the Group.

Delegation of authority

The operational companies in the Group have delegated the day-to-day management of their operations to defined management teams, with defined matters reserved for the company board only. Further information on how the directors of Arup Group Limited execute their responsibilities under Section 172(1) of the 2006 Companies Act is described in the Strategic report.

The Trustees

The Trustees are current and former members drawn from two sources in broadly equal proportion, i.e.: former Board directors, one of whom is elected Trustee Chair; and current or (by exception) retired members of senior management nominated by our members. Mahadev Raman has been the Chair of the Trustees since 1 April 2024.

Division of responsibilities

Role of the Board

Underpinned by good corporate governance, the directors are focused on delivering an effective and entrepreneurial Board that:

- Provides challenge, advice and support to management
- Drives informed, collaborative and accountable decision-making
- Creates long-term sustainable success and value for, and having regard to, the interests of all our stakeholders.

Roles and responsibilities

The section above describes the structure in place during the year of reporting. The new governance from 1 April 2025 includes a clear division of responsibilities between the Chair and the Group CEO. Other directors and the company secretary’s roles are also clearly defined to assist in enhancing the effectiveness of the Board.

Succession and evaluation

On 1 April 2025 Arup reconstituted its Arup Group Limited Board through appointments made by the Trustees, including consideration of internal and external candidates, to reflect the firm's evolving governance model. Hilde Tonne was appointed as non-executive Chair, bringing extensive leadership experience, while Jerome Frost transitioned into the newly created role of CEO.

Senior management succession planning

Senior management succession plans, providing a future pipeline of potential successors to key termed roles, are reviewed annually. Many of these appointments have been made on a termed basis which will continue to allow for flexibility, resilience and broader career development.

Board evaluation

Board directors are formally appraised by the Chair on an annual basis following the same process undertaken for all our members including feedback from a number of sources including the external evaluation and Trustees' review. Further to the appraisal, plans are agreed to address any individual skills development and / or training needs that will contribute towards more effective Board composition. The Chair is formally appraised by the Trustee Chair in the same way.

The Chair provides Trustees with feedback on individual Board directors' performance, and the Trustee Chair attends appraisals for directors nearing the end of their term. The appraisals, along with other inputs, are considered by the Trustees when deciding on potential re-appointments.

Every two to three years, the Trustees conduct a formal review of the Board to ensure effectiveness. In light of the significant external challenges and organisational changes in recent years, the Trustees decided to focus the 2023 review on the wellbeing of our members. The review was informed by a firm-wide wellbeing survey followed by focus group discussions with members. The results of the review were discussed with the Board at the July 2023 joint boards' meetings, and the actions proposed by the Group Board in relation to each of the recommendations made were reported at the January 2024 joint boards' meeting.

Audit, risk and internal control

Governance

Arup's risk management framework is described in the Strategic report under Risk management. During the year of reporting, Arup's previous governance arrangements were in place. During this period, the Assurance committees (outlined below) supported the Board in the management of risk and compliance focused activities and in identifying cross-dependencies, efficiencies and sharing of best practice across our compliance and internal control activities. Each of the constituent committees were responsible for ensuring that the key functions within their remit were discharged to a high standard, and for escalating relevant matters to the Board as appropriate.

Assurance committee

The Assurance committee supported the Board in the management of risk and compliance focused activities and in identifying cross-dependencies, efficiencies and sharing of best practice across our compliance and internal control activities.

The Assurance committee engaged with four primary committees – the Audit committee, the Ethics committee, the Health, Safety and Wellbeing committee and the Risk committee – to ensure that these key functions were discharged to a high standard. Each of the committees reported to the Assurance committee on the matters within its scope on a quarterly basis. Each of the constituent committees also reported to the Board on matters warranting direct escalation.

The committee was chaired by Fergal Whyte. Other members included Cordelia Chung (NED) and officers of the Board in place during the period.

Under the new governance structure, four new committees reporting directly to the Board – Audit, Risk, Remuneration and Nominations – have been established with new terms of reference and membership, and the previous committees have been stood down. The Assurance Committee has been dissolved, and Fergal Whyte has taken on the role of Chief of Assurance Risk & Reporting, reporting to the CEO.

Audit committee

The committee is responsible for oversight and assurance of our statutory financial reporting and the external audit process; it receives a detailed report from the independent auditors on significant matters arising from the audit; and it recommends the Group Financial Statements and Reports to the Board for approval.

In FY 2024/25 the committee was chaired by David Thomlinson, who took on the role in July 2023. Other members during the year included Hilde Tonne (NED), the Chair and COO, officers of the Board and senior members of the Finance team.

No member of the committee has direct responsibility for the management of professional services projects, the performance of which forms the core of the financial statements. The Chair of the committee holds meetings as appropriate with the auditors

without members of senior management or the finance teams being present, to ensure that there are no barriers to the free disclosure of all relevant matters.

The committee met six times during the year of reporting allowing the committee to confirm the audit programme and agree audit approaches in key areas, to agree the principal accounting policies and accounting procedures, and to review the auditors' report and the Group Financial Statements and Reports. The committee also receives briefings on key matters relevant to its remit, this year these covered strengthening of fraud risk management processes, updates on the Internal Audit Function Plan, and the work on IT General Controls.

A retendering process of the Company's auditors was undertaken in 2021 and concluded in early 2022, and the committee concluded to reappoint the Company's auditors, PricewaterhouseCoopers LLP ("PwC") (originally appointed in 2010). The appointment of the auditors is reviewed annually by the committee, and PwC were formally reappointed in October 2024 for the upcoming financial year. Given the unusual trust ownership structure of the firm, an extended tenure of external auditors can contribute to a more comprehensive understanding of our business, and therefore a more effective audit process, subject to maintaining an appropriately independent relationship. The performance and tenure of the auditors is kept under regular review by the committee and the CFO.

The committee receives a formal report from the auditor each year on its independence, covering corporate, business and individual relationships as well as identifying non-audit services, and confirms that there are no matters that would compromise an objective evaluation of the financial statements. The primary non-audit services are in relation to tax compliance and advisory work. There are no contingent fee arrangements in place, and the lead audit engagement partner is rotated at least every 10 years. The committee formally considered the position and confirmed that it was satisfied that the auditors remain sufficiently independent. All potential joint business relationships are reviewed to ensure that those which proceed are limited in size, thereby maintaining objectivity and independence.

The new Audit committee from 1 April 2025 is chaired by Kathy Harper (NED). Kathy has previous extensive, recent and relevant experience for this role. The other member of the committee is Andrew Wyllie (NED), who is also a member of the Audit committee at Persimmon Plc. Regular attendees include the CFO, the Head of Risk and Assurance, and other senior members of the Finance team.

Ethics committee

The committee is responsible for maintaining oversight of business integrity and ethical behaviours, including raising awareness and sharing experiences across all regions to enhance our ability to address ethical issues.

The committee is chaired by Fergal Whyte (Chief of Assurance Risk and Reporting), and its membership includes senior leadership representatives from across the firm.

The committee meets quarterly to receive reports on any ethical matters arising, to monitor mandatory training completion rates and to discuss topical ethical issues. The committee reports both to the Assurance committee and to the Board. The committee members engage with members periodically to raise awareness and reinforce the importance of this area. This includes global and regional communications, and hosting townhalls and discussion groups in our offices.

Ethics training is mandatory for all our members; this is monitored by the committee and non-compliance is followed up directly. Arup members are actively encouraged to raise any ethics-related queries and issues with their line manager; group leader; their regional ethics representative; the Ethics committee chair; the business integrity team; their regional legal team; or the General Counsel. A 'Speak Up' procedure is fully operational across Arup and provides an additional mechanism for ethical concerns to be raised on a confidential (and if chosen, anonymous) basis. The volume and nature of Speak-Up disclosures are reported to the Ethics committee, see further details on this procedure in the Strategic report.

Health, safety and wellbeing committee

The committee is responsible for the leadership and development of our global approach to health, safety and wellbeing. It oversees the effectiveness of the firm's committee conducts in depth reviews of specific risks. During the year of reporting, the committee supported the shift to focus on safety performance reporting towards high-risk and high-potential (HiPo) events.

The committee is chaired during the year by James Pomeroy, global Health, Safety, Environment and Quality Leader, and its other members include senior Leaders from the Health & Safety team, People team, Legal team, Corporate Services team, and region boards.

The committee met six times a year, reviewing the implementation of the health, safety and wellbeing programme.

On 1 April 2024 the HSEQ resources across Arup were brought together into a single integrated team aligned across geographies to serve the needs of the business. The integrated HSEQ team is led by James Pomeroy, global H&S Leader, who reports to the Chief of Assurance Risk & Reporting. HSEQ reports are provided to the Executive Board and the Arup Group Limited Board on a regular basis.

Risk committee

The Risk committee is responsible for oversight and assurance of our risk management process areas as identified and prioritised by the Board, together with the related control and mitigation measures, as well as in-depth reviews of specific risks arising from time to time. It regularly reviews and updates the framework to ensure a dynamic approach to risk management. Further details can be found under Risk management in the Strategic report.

During the reporting period, the committee was chaired by the Group General Counsel, Margot Day. Its members also included Board members, the Head of Risk and Assurance, and senior managers from the Group.

The committee met quarterly to review the implementation of the evolving group risk management framework and to address any concerns, whether escalated through management channels or otherwise. Reports from the committee were reviewed by the Assurance committee and the Board at their respective quarterly meetings.

Since April 2025, a new Risk Committee has been established, chaired by Cordelia Chung (NED) with its other member, Andrew Wyllie (NED). Other regular attendees include the Chief of Staff, The Head of Risk and Assurance, and the Chief of Assurance Risk & Reporting.

Nominations committee

A new Nominations committee has been established from April 2025, chaired by Hilde Tonne (Chair and NED), with Cordelia Chung as the other committee member. The committee ensures a formal and transparent process for appointing Executive Board members, recommends candidates to the Board, and oversees succession planning for senior roles. It reviews the Board's composition, performance, and diversity, and supports the development of a strong leadership pipeline.

Project delivery environment

Our global Arup Management System ("AMS") project delivery environment is our primary quality management tool providing a comprehensive set of procedures and checks to enable compliance and quality assurance. The AMS integrates our Quality, Health and Safety, and Environmental policies within our project delivery environment. Adherence to the AMS is overseen by the regional management teams, and its operation is audited annually by external bodies in each location. The AMS is certificated to ISO 9001, ISO 14001 and ISO 45001. The AMS is also regularly audited internally, and lessons learned and opportunities for improvement are incorporated, in line with the requirements of the standards.

Remuneration

The remuneration policy for the Board, including the Chair and senior management, is set in accordance with our global approach to reward for all of our members. It reflects our values and in particular our aim for reasonable prosperity of members.

The Trustees oversee and set the total remuneration of the Board, which includes salary, benefits and profit-share. A committee of the Trustees, the Board remuneration committee, develops policy and advises on Board remuneration for decision by the Trustees. The Board remuneration committee report provides further details of the responsibilities of the committee and our policies for Board remuneration.

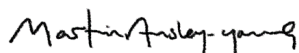
The Senior Staff Remuneration executive is a committee of the Board that determines the remuneration of the senior management (excluding the Board itself).

The remuneration of the NEDs of the Board during the year was determined by the Chair on the advice of the global People Leader and is based on current market rates and the time commitment required. Reasonable expenses are also reimbursed but there are no additional benefits, and the NEDs are not beneficiaries of the profit-share. From 1 April 2025, NED remuneration has been determined by the Trustees.

The Board conducts an annual firm-wide review of gender pay parity, in addition to the gender pay gap reporting requirements in various countries in which we employ members. This enables the Board to assess the overall picture of gender pay parity across the Group and raise any areas of concern with senior management for further investigation, and correction of any disparities as appropriate.

During our annual pay review process, leaders across all offices reference a dashboard showing gender pay parity data for their teams. This enables them to see how the salary decisions they take will impact gender pay parity, helping to reduce unconscious bias in the process. Real-time data is supplemented with guidance and support from their local People support teams and all decisions are ultimately approved by the leader at the next level up.

On behalf of the Board



Martin James Ansley-Young, Company Secretary
22 October 2025

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

Board remuneration committee report

Committee chair's introduction

On behalf of the Board remuneration committee of the Trustees (the "committee"), I am pleased to present our remuneration report for the financial year ended 31 March 2025. This report outlines the committee's activities and the remuneration principles and policies applied to the executive directors of the Board as it was in place between 1 April 2024 to 31 March 2025. We remain committed to upholding high standards of remuneration governance, with disclosures reflecting the same principles as those underlying the UK Corporate Governance Code (the "Code").

The committee continues to ensure that executive director remuneration is aligned with the same general principles applied to the wider membership. The April 2024 salary review considered individual performance, external market benchmarks, salary forecasts, and prevailing economic conditions.

Due to challenging market conditions - including rising interest rates and delays in infrastructure projects - global revenue growth was modest in 2023/24. As a result, salary budget allocation for the April 2024 pay review prioritised early and mid-grade members, with investment in some locations falling short of market progression. Consequently, salary increases were constrained at leadership levels, and the Trustees, guided by the committee, decided not to increase executive director salaries.

The successful implementation of business recovery measures, now embedded in Arup's new strategy, strengthened operational efficiency and market positioning during 2024/25. This enabled the restoration of profit-share payments to levels close to the lifetime average of the plan, following a subdued outcome in 2023/24. The improved financial performance reflects renewed optimism and resilience. The Trustees reviewed and approved the profit-share for executive directors to be paid in line with the wider membership.

The committee remains focused on ensuring that the executive director remuneration policy is clear, transparent, and easily understood. We continue to publish a voluntary CEO equivalent pay ratio disclosure, presented later in this report as a continuation of previous disclosures.

We are also committed to addressing discrimination in remuneration. The committee reviews executive director pay alongside actions taken to ensure that protected characteristics do not influence compensation across the wider membership.

Committee composition and governance

The Trustees are responsible for determining the remuneration of the Board. They are supported by the committee, whose primary role is to ensure that the remuneration structure and policies for executive directors are fair, responsible, and aligned with Arup values.

The committee members during the reporting period were:

- Peter Bailey – appointed to the committee in April 2020 and serving as Chair since April 2021. Peter meets the Code requirement of having at least 12 months' experience on the committee prior to assuming the Chair role.
- Diane Thornhill – global People Leader, appointed in September 2021.
- Peter Chamley – Trustee, appointed in November 2024 following the departure of Trent Lethco who served from April 2021 to October 2024.
- Hilde Tonne - non-executive director of the Board, appointed to the committee in November 2024.

Committee responsibilities and operating principles

The committee operates under agreed terms of reference, which are accessible to all members. It functions independently, without influence from executive directors or senior management.

Its main responsibilities are to:

- Ensure the Group maintains the highest standards of governance and best practice in remuneration matters.
- Design and oversee the remuneration policy for executive directors.
- Implement policies that:
 - o Reflect and promote the Group's values and culture.
 - o Align with the delivery of strategic goals and purpose.
 - o Support the attraction, motivation and retention of high-calibre individuals.

Remuneration outcomes

The committee met five times in the financial year ended 31 March 2025, with the committee chair and the majority of committee members present at each meeting. Key activities included:

- Reviewing internal pay relativities and external market benchmarks to inform executive director pay levels.
- Proposing recommendations for the annual remuneration review of the executive directors.
- Evaluating the effectiveness of the pay structure designed to support the unique nature of Board roles, and recommending remuneration for Arup Group Limited Board appointments effective from 1 April 2025.
- Continuing to review the broader context for executive director remuneration decisions, ensuring that they reflect:
 - o Alignment with member remuneration and related policies.
 - o Consistency with Arup values.
 - o Competitiveness against relevant local market practices.

Looking ahead to next year

From 1 April 2025 a new Remuneration committee of the newly constituted Arup Group Limited Board has been established whose role it is to ensure that remuneration across the Group remains simple, coherent and consistent – supporting Arup’s commitment to straight and honourable dealings and the reasonable prosperity of our members.

The new Remuneration committee, chaired by Hilde Tonne, is expected to focus in the coming year on:

- Ensuring that executive director remuneration supports our overall strategy, as well as the firm’s values and purpose.
- Further aligning remuneration policy, practices and governance to reflect best practice provisions within the UK Corporate Governance Code.

Completion of this report concludes the role of the Trustees’ committee in its current form and my tenure as its chair. Going forward, the Trustees will be responsible for approving CEO remuneration including profit-share, the Board allowance for executive directors and the pay for non-executive directors.

On behalf of the Board remuneration committee.



Peter Anthony Bailey
Chair, Board remuneration committee
22 October 2025



Mahadev Raman
Chair, Trustees
22 October 2025

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

CEO equivalent pay ratio

Regulations for listed companies require them to publish the ratio of the pay of the CEO to that of United Kingdom employees. Arup Group Limited is not obliged to comply with these regulations; however, the committee has, since 2021, chosen to consider the regulations and provide a disclosure. The following table shows the ratio between the total pay and benefits of the Chair of Arup Group Limited in place between 1 April 2024 and 31 March 2025, and the members of the Group in the United Kingdom at the lower quartile, median and upper quartile pay level.

In general, we expect any variation in the total pay and benefits ratio year-on-year to be the result of the profit-share award received by the Chair in place during the reporting period. Members in less senior positions continue to have a greater portion of their pay delivered as fixed base salary, which allows for greater predictability when planning day-to-day finances. Our senior management, including the executive directors and the Chair in place during the reporting period, have a higher portion of their total remuneration structured as variable pay, given their role and ability to influence strategy and performance. The committee has therefore chosen to provide a total salary ratio as helpful context in addition to the total pay and benefits ratio.

Pay ratios

Year	Method		25th percentile ratio	50th percentile ratio	75th percentile ratio
2025	B ¹	Total pay and benefits ²	17:1	12:1	9:1
		Total salary	14:1	10:1	7:1
2024	B ¹	Total pay and benefits ²	15:1	11:1	8:1
		Total salary	14:1	11:1	8:1
2023	B ¹	Total pay and benefits ²	19:1	14:1	11:1
		Total salary	15:1	11:1	8:1
2022	B ¹	Total pay and benefits ²	23:1	16:1	13:1
		Total salary	15:1	11:1	9:1
2021	B ¹	Total pay and benefits ²	20:1	15:1	11:1
		Total salary	13:1	10:1	7:1

¹ The calculation methodology used reflects Option B as defined under the relevant regulations. This uses the most recently published gender pay gap information to identify and select the Group members at the three quartiles on 5 April 2024, with the effective date of the calculation 31 March 2025. To ensure that the results are representative of the pay and benefits at these quartiles, the values for members immediately above and below the identified member at each quartile were also reviewed.

² Total pay and benefits for our United Kingdom members includes base salary, any guaranteed cash allowance, profit-share payments and the value of health, insurance and pension benefits on a full-time equivalent basis, taken across the full financial year ending 31 March 2025. The single total figure of remuneration for the financial year ended 31 March 2025 has been used for the Chair. No broadly applicable components of pay or benefits have been omitted. Overtime pay, where received by any of the members considered in this analysis, has been excluded from the calculation as it was not deemed to be material or guaranteed.

Total pay and benefits used to calculate the ratios

Year	UK members	25th percentile	50th percentile	75th percentile
2025	Total pay and benefits	£44,460	£60,159	£85,885
	Total salary	£36,750	£49,000	£68,500

There has been an increase in the total pay and benefits ratio between 2024 and 2025. The primary reason for this is the higher profit-share in 2025 which impacts the total pay and benefits of the Chair to a greater extent due to the higher proportion of variable pay within their overall total pay and benefits. Over time the total pay and benefits ratio remains low.

The committee is satisfied that the median pay ratio reflects the total pay and benefit values for the Chair and the median United Kingdom member respectively. Also, it is consistent with the pay, reward and progression policies for our United Kingdom members, considering the diverse mix of roles, the levels of fixed and variable pay applicable to each grade, and our objective of delivering market competitive remuneration.

Board remuneration policy

This section of the report outlines the Board remuneration policy in operation throughout the reporting period. Consistent with the underlying principles for remuneration across Arup Group more broadly, the aim of the Board remuneration policy is to promote our values and culture, and to support long-term success through strong and sustainable performance.

The committee reviews the policy periodically and, once again, assessed it against the six themes set out in paragraph 40 of the Code: clarity, simplicity, risk, predictability, proportionality and culture. The committee concluded that:

- The policy is clear, straightforward and appropriately designed. It reinforces Arup’s culture, particularly our commitment to *straight and honourable dealings*, and supports long-term sustainable success. It is also consistent with the remuneration approach applied across the Group.
- Fixed pay is predictable and supports our aim of *reasonable prosperity*. The Board allowance, payable during an individual’s termed appointment to the Board, ensures that remuneration is proportionate to the responsibilities of the role. Participation in the global profit-share provides a balance between pay certainty and encouraging behaviours that drive sustainable growth for the benefit of all stakeholders, without incentivising excessive risk-taking.
- The committee retains appropriate discretion to ensure that poor performance is not rewarded.

The committee also reviewed how the policy was applied during the financial year ended 31 March 2025 and confirmed that it operated as intended, particularly in safeguarding the firm’s financial position and supporting a healthy, sustainable business into the future.

Whilst we do not formally consult the broader membership on the remuneration policy, members may raise remuneration matters directly with the Trustees at any time.

Remuneration policy table

The table below summarises the main components of the reward package for executive directors of the Board:

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Base pay: annual base salary and Board allowance			
To attract and retain high calibre individuals, and to recognise their responsibility to deliver our values, culture and strategy over the term of their appointment to the Board.	<p>Base pay consists of annual base salary, plus an additional Board allowance. This allowance is paid in monthly instalments over the term of an individual’s membership of the Board. After an individual’s termed appointment to the Board ends, their allowance reduces, and their annual base salary is reviewed and set in relation to the role to which they are subsequently appointed.</p> <p>Base pay is reviewed annually with any changes, if appropriate, effective in April. Factors considered include overall business performance; economic climate and market conditions; general increases awarded to the Group members and in the relevant market more broadly.</p>	<p>Average base pay increases are normally in line with those of Arup members in the relevant market.</p> <p>Larger increases may be given in situations where the committee considers this necessary, such as when there is a material change in the scope or responsibility of a role, where market conditions indicate a level of under-competitiveness that requires correction, or there is considered a risk to the attraction or retention of executive directors of the Board.</p> <p>The committee does not consider it appropriate to set a maximum level for base pay.</p>	Not applicable.

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Benefits			
<p>To provide market competitive health and wellbeing benefits consistent with the role, driving engagement and providing security for the individual and their family.</p>	<p>Executive directors of the Board are entitled to benefits which may include the following, based on country of employment: private healthcare; annual health checks; insurances covering accident, income protection and life; and paid annual leave.</p> <p>The benefits offered may change from time to time to reflect changing circumstances, market practice, or consistency with other members in the relevant market.</p>	<p>Benefits will be provided at levels commensurate with market practice in the country of employment.</p> <p>We expect the value of benefits to fluctuate due to individual circumstances, insurance premiums and other external factors.</p> <p>There is no specific maximum benefit spend.</p>	<p>Not applicable.</p>
Pension			
<p>To provide an income after retirement through the provision of retirement savings during employment.</p>	<p>The Group offers executive directors of the Board:</p> <ul style="list-style-type: none"> - Participation in the local pension plan in the country of their employment, or - The equivalent employer contribution to be taken as a cash allowance and paid in instalments, or - A combination of these arrangements to the same total value. 	<p>All executive directors of the Board receive employer pension contributions in line with the rest of the members in the country of their employment.</p>	<p>Not applicable.</p>
Profit-share			
<p>To embody the principles of our ownership structure, where our members are the drivers and the beneficiaries of our success.</p> <p>To reinforce the truly global nature of Arup Group, by being based on our collective success.</p>	<p>Eligible members in all Group locations participate in the profit-share.</p> <p>Any payments made to executive directors of the Board are determined based on base pay, allocated 'profit-shares' and the Group's financial performance. These payments are typically made twice per year in June and November, after review of full and half-year performance.</p>	<p>Consistent with all eligible members, executive directors of the Board are allocated 'profit-shares'. The level of allocation is subject to periodic review, both in the context of the operation of the profit-share across the Group, and to ensure an appropriate mix of fixed pay and pay at risk for executive directors of the Board reflecting their role in delivering the Group strategy.</p>	<p>Following each profit-share period, the Board determines the available profit-share fund for distribution to eligible members.</p> <p>The Trustees review the payments for the executive directors of the Board and have full discretion to vary or award no payment depending upon performance of the Board as assessed by the Trustees in the prior performance period.</p> <p>In the event of an overpayment the rules make provision for awards to be corrected and recouped as necessary.</p>

Service contracts

Executive directors of the Board have signed rolling contracts in respect of their ongoing employment by the Group, terminable on six-months' notice by either the Group or the individual, unless local employment legislation requires a different duration. An executive director may be required to undertake 'garden leave', where local employment legislation permits, during all or part of their notice period and may receive their base pay during the notice period. The firm may alternatively pay an equivalent amount of base pay in lieu of the executive director being required to work their notice period.

Eligibility for a payment under the profit-share upon termination of employment is not automatic and varies depending upon the basis of the termination. No payment will be made where an executive director resigns or is terminated for cause. In the event of retirement, redundancy or death in service, any payment will be pro-rated reflecting eligible service up to and including the date of termination. The approach for executive directors follows the same rules as for members, notwithstanding that any payment to the executive directors remains at the discretion of the Trustees.

As described in the base pay section of the table above, an individual's appointment as an executive director of the Board is a termed role, terminable at any time with immediate effect and without compensation for loss of office.

Summary of remuneration for other Group members

The approach to remuneration for the executive directors of the Board follows the same fundamental principles as for all members throughout the Group, aligned to our values, and supporting the right outcomes and our unique ownership structure, as outlined in the following table:

Base salary	Benefits and pension	Profit-share
<p>We conduct an annual review of base salary for all members.</p> <p>In determining any increase to base salary, we consider comparable market rates, the contribution, skills, knowledge and experience of each individual, and the pay budget for each country in which we employ members.</p> <p>In setting pay budgets we assess how our pay levels are positioned relative to the market, review economic conditions and forecasts for market and wage growth, and consider the business context and affordability.</p>	<p>All members are eligible for benefits reflecting competitive market practice in the country in which they are employed. Typically, this includes a combination of health, wellbeing, insurance and retirement benefits.</p>	<p>All permanent members of the Group are eligible to participate in the profit-share.</p> <p>The profit-share reflects the importance of our highly collaborative culture to our ongoing success and enables all members to share in the financial success of the Group.</p>

Directors' report

The directors present their annual Directors' report together with the audited financial statements for Arup Group Limited (the "Company") together with its subsidiaries (the "Group") for the year ended 31 March 2025 which was approved by the Board.

Introduction

This section contains the matters on which the directors are required to report each year which are not included elsewhere in the Financial Statements and Reports. Certain matters which are required to be reported on appear in other sections of the Financial Statements and Reports, as set out in the table towards the end of this Directors' report.

Fair, balanced and understandable

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 Group practices in the field of design and consulting engineering services, in architecture and other related professional skills.

General information

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

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

Dividends

Any dividends have been disclosed in note 34 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:

Chung, Cordelia
 Coughlan, Paul Anthony (resigned 31 March 2025)
 Cousins, Fiona Mary
 Dedring, Isabel (resigned 31 March 2025)
 Frost, Jerome Anthony
 Harper, Katherine Carolyn (appointed 22 April 2025)
 Hinkers, Eva Maria (resigned 31 March 2025)
 Howard, Andrew Simon (resigned 31 March 2025)
 Lee, Yuk Nin Andy (resigned 24 April 2024)
 Tonne, Hilde Merete
 Whyte, Thomas John Fergal (resigned 31 March 2025)
 Wyllie, Andrew (appointed 22 April 2025)

Directors' remuneration

Directors' remuneration has been disclosed in note 8 to the financial statements.

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 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 following the Audit committee's recommendation and the directors' resolution to re-appoint them in 2025.

Financial risk management

The Group's financial assets and liabilities comprises cash and cash equivalents, trade and other receivables, and other payables, lease liabilities and borrowings. The main purpose of which is to maintain adequate finance for the Group's operations. The Group 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 Group 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 Group 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 undertaking. Controls and procedures are in place to mitigate this risk.
- Liquidity risk: the Company does not have a bank account, however other Arup Group companies receive cash and make payments on behalf of the Company.

Note 2.4 to the financial statements provides further information on accounting for exchange rate differences.

Research and development

The Group invests in a global research programme which underpins the Arup strategy, with a particular focus in 2025/2026 on supporting three 'accelerator businesses': Energy; Water; and Science, Industry, and Technology. This programme is managed by a research faculty within Arup University who administer the allocation of the investment, the research design utilised, and the communication of research outcomes throughout the Group, and externally to our clients and collaborators.

In addition, the Group engages in research and development as required to complete projects during the normal course of business. Costs incurred in research are immediately expensed to the income statement, whilst development costs are assessed for capitalisation against the criteria of International Accounting Standard ("IAS") 38 'Intangible Assets'.

Employees ("members")

The directors are responsible for assuring themselves that the adoption of the Group policies and their implementation by the management team enable the Company to fulfil all statutory duties and other legal requirements relevant to the members and prospective members.

All members and prospective members receive equal treatment regardless of factors including, but not limited to, age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation. The Group is committed to the fair treatment of people with disabilities in relation to applications, training, promotion and career development. If an existing member becomes disabled, the company makes every effort to enable them to continue their employment and career development, and to arrange appropriate training, wherever practical.

The Group's policies, and commitments to our members and prospective members, together with details of the Company's engagement with our members, are outlined in the Strategic report.

Cross-references to key statutory information

Information required to be part of this Directors' report can be found elsewhere in the Financial Statements and Reports as indicated in the table below, and is deemed to be incorporated into this report by reference:

Matter	Pages in these Financial Statements and Reports
Strategic report, specifically: Likely future developments in the business of the Company Non – Financial Sustainability Information Statement Energy and emissions reporting, including Streamlined Energy Carbon Reporting (SECR) Stakeholder engagement s172 (1) Statement A description of the Company's member engagement practices Charitable donations Going Concern Statement	Page 7 Page 7 Pages 10 - 13 Pages 16 - 18 Page 16 Pages 17 - 18 Page 12 Page 7
Governance report, specifically: Corporate Governance statements Retirement and re-election of directors	Page 20 Page 22
Remuneration committee report	Pages 25 - 30
Directors' Remuneration	Page 64
Profit before taxation and profit after taxation	Page 39
Changes in asset values	Pages 41 - 42
Subsidiaries and associated undertakings	Pages 72 - 74

Statement of directors' responsibilities in respect of the Financial Statements

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 financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 group and company and of the profit or loss of the group 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 UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements.
- Make judgements and accounting estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the Group and 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 Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

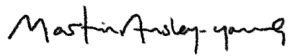
The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 Group's and Company's auditors are unaware.
- 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 Group's and Company's auditors are aware of that information.

On behalf of the Board



Martin James Ansley-Young, Company Secretary

22 October 2025

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

Independent auditors' report to the members of Arup Group Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- Arup Group Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2025 and of the group's profit and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements 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
- the financial statements 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 Consolidated and Company balance sheets as at 31 March 2025; the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated and Company statements of changes in equity and the Consolidated statement of cash flows 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 group 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 group's and 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 group's and 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 group and company and their 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 in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or 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 group and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment legislation, 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 tax legislation and the UK Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate results and potential management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inquiry of 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
- Reviewing 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.

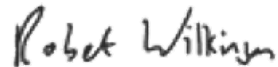
Other required reporting

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 company 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
22 October 2025

Consolidated income statement

For the year ended 31 March 2025

	Note	2025 £'m	2024 £'m
Revenue	5	2,159.2	2,202.2
Other income	6	9.7	7.4
Employee benefit expense	7	(1,337.6)	(1,336.7)
Charges from sub-consultants and other direct project expenses		(466.4)	(429.8)
Depreciation and amortisation expense	13, 14 & 15	(86.0)	(86.1)
Accommodation		(27.8)	(42.2)
Communications and other overheads		(196.9)	(246.1)
Net reversal of impairment losses / (impairment losses) on financial and contract assets		4.3	(9.6)
		<u>(2,110.4)</u>	<u>(2,150.5)</u>
Operating profit	9	58.5	59.1
Comprising:			
– Operating profit before exceptional items		78.3	107.7
– Exceptional items	10	(19.8)	(48.6)
		<u>58.5</u>	<u>59.1</u>
Finance income	11	12.2	13.8
Finance costs	11	(24.8)	(26.8)
Share of loss of investments accounted for using the equity method	17	(1.2)	(2.2)
Profit before income tax		<u>44.7</u>	<u>43.9</u>
Income tax charge	12	(18.6)	(19.5)
Profit for the financial year		<u>26.1</u>	<u>24.4</u>
Profit / (loss) is attributable to:			
Owners of Arup Group Limited		24.3	24.7
Non-controlling interests		1.8	(0.3)
		<u>26.1</u>	<u>24.4</u>

All activities of the Group are derived from continuing operations in both the current and prior years. The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive income

For the year ended 31 March 2025

	2025	2024
	£'m	£'m
Profit for the financial year	26.1	24.4
Other comprehensive income / (expense)		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations - net of tax	2.0	(25.1)
	<u>2.0</u>	<u>(25.1)</u>
Items that may be reclassified subsequently to profit or loss		
Currency translation differences - gains	4.4	6.3
	<u>4.4</u>	<u>6.3</u>
Other comprehensive income / (expense) for the year - net of tax	6.4	(18.8)
Total comprehensive income for the year	<u>32.5</u>	<u>5.6</u>
Total comprehensive income / (expense) for the year is attributable to:		
Owners of Arup Group Limited	30.7	6.1
Non-controlling interests	1.8	(0.5)
	<u>32.5</u>	<u>5.6</u>

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

Consolidated balance sheet

As at 31 March 2025

	Note	31 March 2025 £'m	Restated 31 March 2024 £'m
Assets			
Non-current assets			
Property, plant and equipment	13	303.1	317.2
Right-of-use assets	14	314.5	333.7
Intangible assets	15	15.1	12.4
Investments accounted for using the equity method	17	0.6	1.1
Deferred income tax assets	28	89.7	91.2
Financial assets at fair value through profit or loss	18	20.3	19.8
Net investments in subleases		0.0	0.1
Fulfilment contract assets	20	0.6	0.6
Other non-current assets		7.1	3.3
		<u>751.0</u>	<u>779.4</u>
Current assets			
Contract assets	20	207.0	214.4
Trade and other receivables	21	375.8	368.3
Current income tax receivables		21.8	16.0
Cash and cash equivalents ¹	22	371.3	301.7
		<u>975.9</u>	<u>900.4</u>
Assets classified as held for sale	23	-	4.0
Total assets		<u>1,726.9</u>	<u>1,683.8</u>

	Note	31 March 2025 £'m	Restated 31 March 2024 £'m
Liabilities			
Current liabilities			
Borrowings ¹	24	112.1	120.3
Trade and other payables	25	261.2	221.9
Contract liabilities	20	292.2	280.1
Current income tax liabilities		20.2	35.0
Lease liabilities	14	42.5	43.4
Employee benefit liabilities	26	8.5	13.7
Provisions for other liabilities and charges	27	37.5	34.3
		<u>774.2</u>	<u>748.7</u>
Non-current liabilities			
Borrowings	24	39.9	30.0
Lease liabilities	14	334.2	345.4
Deferred income tax liabilities	28	9.0	7.0
Employee benefit liabilities	26	91.7	109.6
Provisions for other liabilities and charges	27	28.4	26.0
Other non-current liabilities		2.1	2.2
		<u>505.3</u>	<u>520.2</u>
Total liabilities		<u>1,279.5</u>	<u>1,268.9</u>
Net assets		<u>447.4</u>	<u>414.9</u>
Equity			
Share capital	29	0.1	0.1
Retained earnings		415.0	388.7
Currency reserves		30.1	25.7
Capital and reserves attributable to owners of Arup Group Limited		<u>445.2</u>	<u>414.5</u>
Non-controlling interests		2.2	0.4
Total equity		<u>447.4</u>	<u>414.9</u>

¹Comparative amounts were restated. The impact is explained in note 2.1.

The above consolidated balance sheet should be read in conjunction with the accompanying notes. The financial statements on pages 39 to 104 were approved by the Board of directors on 22 October 2025 and signed on its behalf by:

Jerome Anthony Frost
Director
22 October 2025

Company balance sheet

As at 31 March 2025

	Note	31 March 2025 £'m	31 March 2024 £'m
Assets			
Non-current assets			
Investments in subsidiaries	16	188.9	173.8
Deferred income tax assets	28	-	0.7
		<u>188.9</u>	<u>174.5</u>
Current assets			
Trade and other receivables	21	166.0	164.1
Cash and cash equivalents	22	4.0	0.1
		<u>170.0</u>	<u>164.2</u>
Assets classified as held for sale	23	-	3.0
Total assets		<u><u>358.9</u></u>	<u><u>341.7</u></u>

	Note	31 March 2025 £'m	31 March 2024 £'m
Liabilities			
Current liabilities			
Borrowings	24	-	0.2
Trade and other payables	25	286.3	261.0
Current income tax liabilities		0.7	0.8
		<u>287.0</u>	<u>262.0</u>
Non-current liabilities			
Borrowings	24	39.9	30.0
Deferred income tax liabilities	28	-	0.8
		<u>39.9</u>	<u>30.8</u>
Total liabilities		<u>326.9</u>	<u>292.8</u>
Net assets		<u>32.0</u>	<u>48.9</u>
Equity			
Share capital	29	0.1	0.1
Retained earnings		31.9	48.8
Total equity		<u>32.0</u>	<u>48.9</u>

The Company's loss for the year was £16.9m (2024: £13.8m) and its total comprehensive expense for the year was £16.9m (2024: £13.8m).

The above Company balance sheet should be read in conjunction with the accompanying notes. The financial statements on pages 39 to 104 were approved by the Board of directors on 22 October 2025 and signed on its behalf by:

Jerome Anthony Frost
Director
22 October 2025

Consolidated statement of changes in equity

For the year ended 31 March 2025

	Attributable to owners of Arup Group Limited					Total equity £'m
	Share capital	Currency reserve	Retained earnings	Total	Non-controlling interests	
	£'m	£'m	£'m	£'m	£'m	
Balance at 1 April 2023	0.1	-	408.4	408.5	1.7	410.2
Reclassification of reserves	-	19.3	(19.3)	-	-	-
Profit / (loss) for the financial year	-	-	24.7	24.7	(0.3)	24.4
Remeasurement of post-employment obligations	-	-	(33.5)	(33.5)	-	(33.5)
Remeasurement of post-employment obligations - tax	-	-	8.4	8.4	-	8.4
Currency translation differences - gains / (losses)	-	6.4	-	6.4	(0.1)	6.3
Other comprehensive income / (expense) for the year	-	6.4	(25.1)	(18.7)	(0.1)	(18.8)
Total comprehensive income / (expense) for the year	-	6.4	(0.4)	6.0	(0.4)	5.6
Dividends	-	-	-	-	(0.9)	(0.9)
Total transactions with owners, recognised directly in equity	-	-	-	-	(0.9)	(0.9)
Balance as at 31 March 2024	0.1	25.7	388.7	414.5	0.4	414.9

	Attributable to owners of Arup Group Limited					Total equity £'m
	Share capital	Currency reserve	Retained earnings	Total	Non-controlling interests	
	£'m	£'m	£'m	£'m	£'m	
Balance as at 1 April 2024	0.1	25.7	388.7	414.5	0.4	414.9
Profit for the financial year	-	-	24.3	24.3	1.8	26.1
Remeasurement of post-employment obligations	-	-	2.7	2.7	-	2.7
Remeasurement of post-employment obligations - tax	-	-	(0.7)	(0.7)	-	(0.7)
Currency translation differences - gains / (losses)	-	4.4	-	4.4	(0.0)	4.4
Other comprehensive income / (expense) for the year	-	4.4	2.0	6.4	(0.0)	6.4
Total comprehensive income for the year	-	4.4	26.3	30.7	1.8	32.5
Dividends	-	-	-	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-
Balance as at 31 March 2025	0.1	30.1	415.0	445.2	2.2	447.4

Company statement of changes in equity

For the year ended 31 March 2025

	Share capital	Retained earnings	Total equity
	£'m	£'m	£'m
Balance at 1 April 2023	0.1	62.6	62.7
Loss for the financial year	-	(13.8)	(13.8)
Total comprehensive expense for the year	-	(13.8)	(13.8)
Balance as at 31 March 2024	0.1	48.8	48.9
Loss for the financial year	-	(16.9)	(16.9)
Total comprehensive expense for the year	-	(16.9)	(16.9)
Balance as at 31 March 2025	0.1	31.9	32.0

Consolidated statement of cash flows

For the year ended 31 March 2025

	Note	2025 £'m	Restated 2024 £'m
Cash flows from operating activities			
Cash generated from operations	30	189.3	115.6
Net cash outflow on exceptional items		(19.8)	(47.5)
Interest paid		(21.3)	(24.1)
Income tax paid		(29.8)	(4.0)
Net cash generated from operating activities		<u>118.4</u>	<u>40.0</u>
Cash flows from investing activities			
Purchases of property, plant and equipment		(21.1)	(48.2)
Proceeds from sale of property, plant and equipment		4.2	0.3
Purchases of intangible assets	15	(5.0)	(5.0)
Initial direct costs of right-of-use assets		(0.8)	-
Investment in equity accounted entities		(0.7)	-
Interest received		11.9	13.7
Net cash used in investing activities		<u>(11.5)</u>	<u>(39.2)</u>
Cash flows from financing activities			
Proceeds from borrowings ¹		70.0	280.0
Principal elements of lease payments		(40.1)	(41.7)
Repayments of borrowings ¹		(60.1)	(290.0)
Dividends paid to non-controlling interests		-	(0.9)
Net cash used in financing activities		<u>(30.2)</u>	<u>(52.6)</u>
Net increase / (decrease) in cash and cash equivalents		76.7	(51.8)
Cash and cash equivalents at the beginning of the year	22	182.5	235.1
Exchange gains/ (losses) on cash and cash equivalents		1.2	(0.8)
Cash and cash equivalents at the end of the year	22	<u>260.4</u>	<u>182.5</u>

¹Comparative amounts were restated. The impact is explained in note 2.1.

Notes to the financial statements

For the year ended 31 March 2025

1 Incorporation

Arup Group 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

Group

The Group's consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. These financial statements have been prepared under the historical cost convention, except for financial assets and liabilities and plan assets under defined benefit pension plans that are measured at fair values at the end of each reporting period, as explained in the accounting policies.

The preparation of financial statements 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 consolidated financial statements are disclosed in note 4.

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 for the Company and Group in accordance with IAS 8. The net impact of these changes in methodology is not material to the current year's financial statements.

The Group has made changes to its accounting for offsetting following the FRC's thematic review on offsetting published in September 2024. This has impacted two areas:

- Historically bank overdrafts within the Group's cash pooling arrangement were offset against cash and cash equivalents in the consolidated balance sheet. Management has revisited its accounting and concluded that the bank overdrafts and the cash balances within the consolidated balance sheet should be presented gross rather than offset with the change applied to the 31 March 2025 balance sheet and comparatives as at 31 March 2024.
- Certain financing cash flows related to borrowings were presented on a net basis in the prior year consolidated statement of cash flows. IAS 7, 'Statement of Cash Flows' requires gross presentation of cash inflows and outflows except in certain circumstances that does not apply to these borrowings. Consequently, the comparative cash flow information for the year ended 31 March 2024 has been restated to show proceeds from borrowings and repayments of borrowings on a gross basis. There is no impact on net cash flows from financing activities, cash and cash equivalents at the beginning or end of the period nor any other primary statements or disclosures.

The consolidated balance sheet at 31 March 2024 has been restated as follows:

	As previously reported 31 March 2024 £'m	Impact of restatement £'m	Restated 31 March 2024 £'m
Current assets			
Cash and cash equivalents	182.5	119.2	301.7
Current liabilities			
Borrowings	(1.1)	(119.2)	(120.3)

The restatement did not result in any change to reported profit, net assets or net cash flows reported for the year ended 31 March 2024.

The impact on the opening consolidated balance sheet as at 1 April 2023 is as follows:

	As previously reported 31 March 2023 £'m	Impact of restatement £'m	Restated 1 April 2023 £'m
Current assets			
Cash and cash equivalents	235.1	192.5	427.6
Current liabilities			
Borrowings	(1.0)	(192.5)	(193.5)

The consolidated statement of cash flows has been restated as follows:

	As previously reported 31 March 2024 £'m	Impact of restatement £'m	Restated 31 March 2024 £'m
Proceeds from borrowings	30.0	250.0	280.0
Repayments of borrowings	(40.0)	(250.0)	(290.0)
Net cash used in financing activities	(52.6)	-	(52.6)

Company

The Company's financial statements have been prepared in accordance with the Companies Act 2006 and FRS 101. These financial statements have been prepared under the historical cost convention, except for financial assets and plan assets under defined benefit pension plans that are measured at fair values at the end of each reporting period, as explained in the accounting policies.

The Company has not presented an income statement or statement of comprehensive income as permitted by Section 408(3) of the Companies Act 2006.

The loss for the year was £16.9m (2024: loss of £13.8m) and total comprehensive expense for the year was £16.9m (2024: expense £13.8m).

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 (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 Group and Company have adequate resources to continue in operational existence for the foreseeable future being at least 12 months from the date of signing these financial statements. Management have performed analysis on future projections of financial performance and cashflow and even after considering the downside scenario, it is satisfied that the 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. The Group also has access to its existing banking facilities.

Management are therefore satisfied the Group and Company has sufficient financial resources for the foreseeable future and, as such, these 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 Group and Company.

New standards, amendments and interpretations not yet adopted

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 Group and Company. These standards are not expected to have a material impact on the Group and Company in the current or future reporting periods or on foreseeable future transactions.

2.4 Accounting policies

The following are the material accounting policies applied by the Group and 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

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in British pound sterling (£), which is the Company's functional and 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.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

Impairment of non-financial assets

At each balance sheet date, the Group 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 Group 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 Group 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 Group 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 Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group 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 Group 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 Group 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

The Group practices in the field of design and consulting engineering services, in architecture and other related professional skills.

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.

No element of financing is present. Sales are made with a credit term of 30 days (on average across the Group), which is consistent with market practice.

For certain projects with the Hong Kong Government, the Company directly employs Resident Site Staff (“RSS”) to provide site supervision services. The related costs are fully reimbursable by the Hong Kong Government. The Group acts as the principal in these arrangements, as it controls the services before they are transferred to the customer. The compensation and benefit expense and the corresponding revenue are recognised on a gross basis in the financial statements.

Employee benefits

Global profit-share scheme

The Group recognises a liability and an expense for the global profit-share scheme, based on a formula that takes into consideration the employees’ salary and grade.

Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave that are expected to be settled within 12 months after the end of the period are measured at nominal value. The liability for annual leave is recognised in accrued expenses within trade and other payables.

Long service leave

In Australia, employees who work 10 years with a company are entitled to additional annual leave called long service leave. Long service leave covers all unconditional entitlements where employees have completed more than 10 years service and where employees are entitled to pro-rata payments in certain circumstances. The Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Provision is made for the cost of this leave with the majority of the provision presented as current and the remainder as non-current.

Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method (see note 26).

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds is used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory contractual or voluntary basis. The Group has no further payment obligation once the contributions have been paid.

The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.

Service milestones

The Group has a discretionary scheme in place to recognise long service employment milestones. Arup members are entitled to a cash benefit and / or additional paid leave once they reach the various milestones. The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the qualifying period.

They are therefore measured as the present value of the expected future payments to be made in respect of service provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future salary levels, experience of employee departures, local retirement age and typical periods of service.

Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in assumptions are recognised in profit and loss.

Exceptional items

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

Income tax charge

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income.

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and impairment. Cost comprises the purchase price after discounts plus all directly attributable costs of bringing the asset to working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives as follows:

Freehold property	50 years
Leasehold improvements	Duration of the lease
Furniture, fittings & IT hardware	3 - 10 years
Motor vehicles	3 - 10 years

Investment properties are accounted for using the cost model. The accounting treatment is in line with that of freehold and leasehold property shown above.

Intangible assets

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised using the straight-line method to allocate the cost of the software over its useful economic life of between two and five years. Computer software is stated at cost less accumulated amortisation.

Customer contracts were identified as part of the purchase price allocation exercise on the acquisition of an indirect subsidiary in a prior year. These are amortised over the life of the projects.

Intellectual property is held at amortised cost. It is considered to have an indefinite life as, in future years, there is no foreseeable limit to the period over which they will be used to generate net cash inflows for the Group. This is assessed annually.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Development costs are capitalised when they meet the criteria of IAS 38. Whilst still in development, such assets are considered to have indefinite life and are reviewed each year for impairment.

Investments in subsidiaries

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

Fulfilment contract assets

The Group has recognised assets in relation to costs to fulfil long-term consultancy service contracts. These costs were incurred prior to being awarded the contracts and are amortised on a straight-line basis over the contract terms.

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 Group 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 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, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Assets classified as held for sale

Assets that are expected, at the balance sheet date, to be sold within 12 months are presented as assets classified as held for sale.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs. After initial recognition, borrowings are measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the term of the borrowings.

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

Revolving Credit Facilities

Revolving credit facilities provide access to committed funds that can be drawn and repaid multiple times during the term of the facility. Commitment fees paid on the establishment of these

facilities are capitalised and amortised on a straight-line basis over the term of the facility unless it is probable that some or all of the facility will be drawn down, in which case the fees are amortized using the effective interest method over the expected life of the drawdowns.

Bank Overdrafts

Bank overdrafts that are repayable on demand and form an integral part of the entity's cash management. In the statement of financial position, overdrafts are presented as borrowings under current liabilities.

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 Group 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.

Property provision

The Group is required to perform dilapidation repairs on leased properties prior to the properties being vacated at the end of their lease term. Provision for such costs is made where a legal obligation is identified and the liability can be reasonably quantified.

Legal claims

As a part of the ordinary business activities of the Group, claims may arise in relation to work undertaken by an entity within the Group. Professional indemnity insurance and / or project insurance policies are ordinarily taken out to substantially cover any claim that may arise from time to time. This is disclosed further in note 4.

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.

Leases

(i) The Group's leasing activities and how these are accounted for

The Group leases various offices, equipment and vehicles. Rental contracts are typically made for fixed periods of 1 year to 15 years, but may have extension options as described in (ii) below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of property for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

If the Group is exposed to potential future increases in variable lease payments based on an index or rate, they are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Right-of-use buildings are not revalued.

Short-term leases are leases with a lease term of 12 months or less. The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the low-value assets recognition exemption to leases of assets below US\$5,000. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the income statement.

(ii) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

(iii) Variable lease payments

The Group has not entered into leases with variable payments tied to the performance of the business. The Group has annual rent reviews for any property leases where the extension option has been taken.

Joint arrangements

Under IFRS 11 'Joint Arrangements' investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

The agreements in relation to the Group's joint arrangements require unanimous consent from all parties for all relevant activities. Where the joint arrangement partners are entitled to their share of the assets and are jointly and severally liable for the liabilities incurred by the joint arrangement, these arrangements are classified as joint operations. The Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses.

Where the joint arrangement partners have rights to the net assets of the arrangement, it is considered a joint venture and equity accounted.

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 Financial risk management**3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to manage certain risk exposures.

Risk management is carried out by a central treasury department ("Group Treasury") under policies approved by the Board of directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

a) Market risk**i) Foreign exchange risk**

The Group operates in a number of territories internationally. Each business undertakes a large proportion of its commercial transactions within its local market and in its local functional currency. Foreign exchange risk arises from commercial transactions undertaken in currencies other than the local functional currency, from financial assets and liabilities denominated in currencies other than the local functional currency and on the Group's investments in foreign operations.

Group policy is for each business to undertake commercial transactions in its own functional currency whenever possible. When this is not possible, the Group manages its foreign currency exchange risk from future commercial transactions using appropriate derivative contracts arranged by Group Treasury. Cash flows are reviewed on a monthly basis throughout the duration of projects and the future cover is amended as appropriate.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. A proportion of the currency exposure arising from the net assets of the Group's foreign operations is managed through borrowings denominated in the relevant foreign currencies.

The Group's primary exposure to foreign exchange risk on unhedged financial assets and liabilities arises mainly in respect of movements between British pound sterling ("GBP") and euro ("EUR"), Chinese renminbi ("RMB") and United States dollar ("USD").

	Profit before tax (decrease) / increase	Profit before tax (decrease) / increase
	2025	2024
	£'m	£'m
GBP/RMB exchange rate – increase 10%	(0.8)	(1.0)
GBP/RMB exchange rate – decrease 10%	1.0	1.2
GBP/EUR exchange rate – increase 10%	(0.8)	(0.9)
GBP/EUR exchange rate – decrease 10%	1.0	1.0
GBP/USD exchange rate – increase 10%	(0.8)	(2.7)
GBP/USD exchange rate – decrease 10%	1.1	3.3

The carrying amounts of financial assets and liabilities are denominated in the following currencies:

2025								
Financial assets	GBP	USD	CAD	EUR	AUD	HKD	Other	Total
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Cash and cash equivalents	222.9	22.3	23.8	14.6	12.6	8.5	66.6	371.3
Trade receivables	87.4	73.9	11.4	43.8	29.6	19.8	49.8	315.7
Financial assets at FVPL	1.5	18.8	-	0.0	-	-	-	20.3
Other receivables	13.8	1.8	0.4	2.8	2.3	0.0	8.1	29.2
	<u>325.6</u>	<u>116.8</u>	<u>35.6</u>	<u>61.2</u>	<u>44.5</u>	<u>28.3</u>	<u>124.5</u>	<u>736.5</u>
Financial liabilities	GBP	USD	CAD	EUR	AUD	HKD	Other	Total
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Borrowings	(151.4)	(0.0)	-	(0.6)	-	-	-	(152.0)
Trade payables	(15.7)	(6.3)	(2.7)	(3.8)	(2.0)	(1.2)	(2.1)	(33.8)
Accrued expenses	(70.5)	(28.5)	(9.2)	(12.7)	(25.6)	(14.4)	(17.8)	(178.7)
Other payables	(5.3)	(0.4)	(0.1)	(3.1)	(0.0)	(0.0)	(1.5)	(10.4)
Lease liabilities	(215.3)	(37.1)	(9.0)	(12.8)	(36.6)	(30.5)	(35.4)	(376.7)
	<u>(458.2)</u>	<u>(72.3)</u>	<u>(21.0)</u>	<u>(33.0)</u>	<u>(64.2)</u>	<u>(46.1)</u>	<u>(56.8)</u>	<u>(751.6)</u>

2024

Restated

Financial assets	GBP	USD	CAD	EUR	AUD	HKD	Other	Total
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Cash and cash equivalents ¹	174.1	16.0	6.1	8.6	14.8	11.4	70.7	301.7
Trade receivables	89.1	69.8	13.6	30.5	35.7	14.8	44.8	298.3
Financial assets at FVPL	0.5	19.3	-	-	-	-	0.0	19.8
Other receivables	4.2	2.4	0.4	4.4	3.2	10.1	6.4	31.1
	<u>267.9</u>	<u>107.5</u>	<u>20.1</u>	<u>43.5</u>	<u>53.7</u>	<u>36.3</u>	<u>121.9</u>	<u>650.9</u>

¹Comparative amounts were restated. The impact is explained in note 2.1.

Restated

Financial liabilities	GBP	USD	CAD	EUR	AUD	HKD	Other	Total
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Borrowings ¹	(150.3)	-	-	(0.0)	-	-	(0.0)	(150.3)
Trade payables	(14.9)	(6.0)	(1.6)	(2.3)	(2.3)	(3.0)	(1.5)	(31.6)
Accrued expenses	(52.2)	(25.9)	(7.5)	(9.9)	(23.6)	(13.8)	(11.9)	(144.8)
Other payables	(3.5)	(0.5)	(0.3)	(3.1)	(0.2)	(1.2)	(0.7)	(9.5)
Lease liabilities	(209.7)	(46.4)	(9.8)	(16.7)	(37.2)	(30.8)	(38.2)	(388.8)
	<u>(430.6)</u>	<u>(78.8)</u>	<u>(19.2)</u>	<u>(32.0)</u>	<u>(63.3)</u>	<u>(48.8)</u>	<u>(52.3)</u>	<u>(725.0)</u>

¹Comparative amounts were restated. The impact is explained in note 2.1.

ii) Interest rate risk

There is no material exposure to interest rate risk. Therefore, no interest hedging is currently undertaken by the Group.

b) Credit risk

Credit risk is the risk that the Group will suffer financial loss as a result of counterparties defaulting on their contractual obligations.

For contract assets and trade and other receivables, concentration of credit risk is very limited due to the Group's broad customer base. An assessment of credit quality of the customer is made where appropriate using a combination of external rating agencies, past experience and other factors. In circumstances where credit information is unavailable or poor, the risk is mitigated primarily by the use of advance payments resulting in positive cash flows. Exposure and payment performance are monitored closely both at individual project and client level, with a series of escalating debt recovery actions taken where necessary. In view of current economic circumstances, additional management attention is focused on the recovery of debtors.

For cash and cash equivalents, cash investments are held with banks with a minimum credit rating of A3 / P2.

c) Liquidity risk

The Group funds its activities primarily through cash generated from its operations and also maintains committed bank facilities. The liquidity risk is managed with reference to short-term and long-term cash flow forecasts and the maturity of the bank facilities. These facilities contain financial covenants. Throughout the year the Group maintained robust headroom against its covenants and is expected to do so into the foreseeable future.

Surplus cash is invested by Group Treasury in interest bearing current accounts, term deposits and money market deposits through instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

The table below analyses the Group's non-derivative financial liabilities and net settled derivative financial liabilities by relevant maturity groupings based on the remaining period between the balance sheet date and the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	On demand or within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cashflows	Carrying amount of liability
As at 31 March 2025	£'m	£'m	£'m	£'m	£'m	£'m
Bank loan	-	-	39.9	-	39.9	39.9
Bank overdraft	110.9	-	-	-	110.9	110.9
Loan from related party	1.2	-	-	-	1.2	1.2
Trade and other payables excluding non-financial liabilities	222.9	-	-	-	222.9	222.9
Lease liabilities	56.9	55.4	134.2	197.1	443.6	376.7

	Restated					
	On demand or within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cashflows	Carrying amount of liability
As at 31 March 2024	£'m	£'m	£'m	£'m	£'m	£'m
Bank loan ¹	-	-	30.0	-	30.0	30.0
Bank overdraft ²	119.2	-	-	-	119.2	119.2
Loan from related party	1.1	-	-	-	1.1	1.1
Trade and other payables excluding non-financial liabilities	185.9	-	-	-	185.9	185.9
Lease liabilities	64.9	62.5	165.6	256.9	549.9	388.8

¹Comparative amount for the bank loan has been reclassified to between 2 and 5 years to reflect the correct maturity date as at 31 March 2024. The reclassification did not result in a restatement of the previously reported figure.

²Comparative amounts were restated. The impact is explained in note 2.1.

3.2 Capital risk management

The Group is a long-term business, held in trust for the principal benefit of its employees. This ownership model means that it is not readily able to raise equity externally. The Group's objectives when managing capital (defined as net debt plus equity) are to safeguard its ability to continue as a going concern, provide returns for its employees and to avoid debt funding.

3.3 Fair value estimation

The fair value hierarchy prioritises the inputs used to measure fair value into three broad levels. These have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair value at the balance sheet date.

	2025			2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets	£'m	£'m	£'m	£'m	£'m	£'m
Financial assets at FVPL						
US listed securities	18.7	0.0	0.0	19.3	-	-
Unlisted securities	-	-	1.6	-	-	-
Total assets	18.7	0.0	1.6	19.3	-	-

The Group has no financial liabilities that are measured at fair value at 31 March 2025 (2024: nil).

Level 1 financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date and yield curves derived from quoted interest rates matching the maturities of the foreign exchange contracts.

Level 3 financial instruments

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- quoted market prices or dealer quotes for similar instruments;
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to the present value; and
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

4 Critical accounting estimates and judgements

The Group and Company make 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.

Group

Contract accounting (estimates and judgements)

The Group's revenue accounting policy (note 2) is central to how the Group values the work it has carried out in each financial year. This policy requires forecasts to be made on the current percentages complete and the projected outcomes of projects. The key estimates and judgements in determining the revenue and profitability of projects within the Group'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 Group engages with another joint operator to provide a service to a client, there are additional risks regarding work outside of the Group'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 £21.2m (2024: £24.9m) 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 have estimated a range of outcomes from £15.7m (2024: £19.3m) up to a maximum of £30.4m (2024: £34.0m) 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. Fees from modifications are only recognised once they have been agreed with the client.

Measuring the outcome of the performance obligations can take time due to the multi-year lifespan of the Group's contracts. Where the project is forecasted to make a profit, the Group recognises revenue only to the extent of the costs incurred until the project reaches 20% complete on a standard risk project and 95% complete on a high risk project. Management have reviewed projects across the 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 Group 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 Group 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 20 and 21 for the net carrying amounts of contract assets and trade receivables and their associated impairment provisions.

Defined benefit pension schemes (estimates and judgements)

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

An estimate of the sensitivity to changes in key assumptions is disclosed in note 26.

Legal claims (estimates and judgements)

From time to time the Group receives claims from clients with regards to work performed on projects. The Group has professional indemnity insurance in place for such situations. Significant judgement is required to determine whether a provision should be put in place for these claims. 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 Group 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 seriously prejudice the position of the Group.

Lease accounting (judgements)

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). In light of the impact COVID-19 has had on office occupancy as a result of employees working from home, where a lease has the option to extend, management have made the judgement that it will not be extended unless there is evidence otherwise.

As at 31 March 2025, potential future cash outflows of £358.9m (2024: £340.9m) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). As at 31 March 2025, potential future cash savings of £35.7m (2024: £32.2m) (undiscounted) have been excluded from the lease liability because it is not reasonably certain that the leases will be terminated.

Company**Investment in subsidiaries (estimates and judgements)**

The Company holds investments in subsidiaries at cost. On an annual basis management of the Company uses judgement to assess whether there is objective evidence that the carrying value of the investments needs to be considered for impairment. When a triggering event occurs, estimation is used to project the future returns from the investment and an impairment is made if this falls below the carrying value of the asset.

Impairment of trade and other receivables (judgements)

Due to the nature of the Company, it has a significant receivable due from 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.

5 Revenue**Group**

The total revenue recognised in the year that was included in contract liabilities at the beginning of the year was £234.4m (2024: £247.7m).

The total revenue recognised in the year from performance obligations satisfied (or partially satisfied) in previous years was £1,665.6m (2024: £1,750.9m).

The aggregate amount of the transaction price allocated to long-term contracts that are partially or fully unsatisfied at the balance sheet date is £1,576.2m (2024: £1,561.5m). The Group expects that this will be recognised over the next 1 to 10 years.

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

	2025	2024
	£'m	£'m
Revenue by destination		
United Kingdom	652.2	688.4
Asia	455.0	389.1
Americas	441.6	487.3
Europe	274.7	237.1
Australasia	272.6	349.5
Middle East & Africa	63.1	50.8
	<u>2,159.2</u>	<u>2,202.2</u>

Comparative amounts of disaggregated revenue by destination have been reclassified to correct a prior period classification error. These reclassifications did not result in any restatement of previously reported totals.

6 Other income**Group**

	2025	2024
	£'m	£'m
Research and development credit	7.9	7.0
Service income	1.7	-
Government grants	0.1	0.4
	<u>9.7</u>	<u>7.4</u>

7 Employee benefit expense

Group

	2025	2024
	£'m	£'m
Wages and salaries	967.3	1,013.7
Global profit-share scheme	95.9	27.3
Social security costs	100.4	99.9
Pension contributions	84.6	84.7
Headcount reduction costs	19.8	23.6
Other staff costs	69.6	87.5
	<u>1,337.6</u>	<u>1,336.7</u>
Average monthly number of people employed	Number	Number
Engineering and technical staff	14,210	14,807
Administrative staff	2,720	2,933
	<u>16,930</u>	<u>17,740</u>

The average monthly number of Hong Kong government site staff employed by the Group during the year was 998 (2024: 857). The terms of employment contracts for these staff are as per the Hong Kong government regulation and fully rechargeable. The total employee benefit expenses including the salaries and other allowances, in respect of these site staff amounting to £89.8m (2024: £74.5m) are included under 'charges from sub-consultants and other direct project expenses' in the income statement.

Company

The Company had no employees (2024: nil).

8 Directors' remuneration

Group

Directors' remuneration was as follows:

	2025	2024
	£'m	£'m
Aggregate remuneration	5.4	6.5
Aggregate contributions paid to defined contribution schemes	<u>0.2</u>	<u>0.2</u>

The above remuneration includes an amount of £0.5m related to director loss of office (2024: nil). As at 31 March 2025, £0.9m of the aggregate remuneration was accrued and not paid (2024: £0.6m).

Number of directors accruing pension benefits under:	Number	Number
Defined benefit schemes	<u>2</u>	<u>2</u>
	£'m	£'m
The highest paid director:		
Remuneration excluding contributions paid to pension schemes	0.8	0.7
Contributions paid to defined contribution schemes	0.1	0.1
	<u>0.9</u>	<u>0.8</u>

Company

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

9 Operating profit

Group

	2025	2024
	£'m	£'m
This is stated after charging:		
During the year, the Group obtained the following services from the Company's auditors:		
– Audit of Company and consolidated financial statements	0.9	0.8
Fees payable for other services:		
– Audit of the Company's subsidiaries, pursuant to legislation	2.9	2.7
– Other audit related assurance services	0.0	0.0
– Tax compliance services	0.2	0.1
– Tax advisory services	-	0.0
– Other advisory services	-	0.0
Loss on disposal of property, plant and equipment	0.3	0.3
Loss on disposal of intangible assets	0.1	0.0
Loss on exchange from trading activities	3.0	8.9
Research and development costs	39.1	35.0
Amortisation of intangible assets	2.1	1.3
Amortisation of fulfilment costs	0.0	0.1
Depreciation of property, plant and equipment	31.8	29.3
Depreciation of right-of-use assets	52.1	55.5

10 Exceptional items

	2025	2024
	£'m	£'m
Headcount reduction costs	(19.8)	(23.6)
Fraud incident and associated costs	-	(25.4)
Government grants	-	0.4
	<u>(19.8)</u>	<u>(48.6)</u>

Exceptional items in financial year to 31 March 2025

Headcount reduction costs:

During the year ended 31 March 2025, the Group undertook a reshaping programme to reflect anticipated forward workload, business size, shape and skillsets. This has been recognised in 'employee benefit expense' in the income statement.

Exceptional items in financial year to 31 March 2024*Fraud incident and associated costs:*

During the year ending 31 March 2024, an incident of fraud occurred, committed by an external third party which management believe was a social engineering led attack. On discovering it, management reported the incident and the loss to the police and took steps to investigate and respond to the incident. This included engaging third-party experts to perform a detailed independent investigation and reviewing the facts surrounding the incident, the financial control environment and financial records. Following completion of this review, management are satisfied that this was an isolated incident. Management also took steps to confirm the integrity of the Company's systems and they believe these were not compromised, nor was any personal or project information disclosed or accessed. This has been recognised in 'communications and other overheads'.

Headcount reduction costs:

During the year ended 31 March 2024, the Group undertook a reshaping programme to reflect anticipated forward workload, business size, shape and skillsets. This has been recognised in 'employee benefit expense' in the income statement.

Government grants:

Arup Singapore Private Limited (£0.2m) and Arup International Consultants (Shanghai) Co. Limited (£0.2m) received government subsidies during the year ended 31 March 2024. This has been presented within 'other income' in the income statement.

11 Net finance costs**Group**

	2025	2024
	£'m	£'m
Interest expense on borrowings	(7.0)	(12.0)
Lease liabilities	(14.3)	(12.2)
Net finance costs on net post-employment benefit liabilities	(2.9)	(2.3)
Other finance costs	(0.6)	(0.3)
Total finance costs	<u>(24.8)</u>	<u>(26.8)</u>
Interest receivable on short-term bank deposits	11.9	13.7
Fair value gains on financial instruments	0.2	-
Net finance income on net post-employment benefit liabilities	0.0	0.0
Other interest receivable	0.1	0.1
Total finance income	<u>12.2</u>	<u>13.8</u>
Net finance costs	<u>(12.6)</u>	<u>(13.0)</u>

12 Income tax charge

Group

(a) Analysis of total income tax charge

	2025	2024
	£'m	£'m
Current income tax		
– Current income tax on profits for the year	23.9	35.6
– Adjustment in respect of prior years	(5.0)	(7.0)
Total current income tax	<u>18.9</u>	<u>28.6</u>
Deferred income tax (note 28)		
– Origination and reversal of temporary differences	(3.6)	(19.4)
– Effect of changes in tax rates	1.1	(0.5)
– Under provision of deferred income tax in respect of prior years	2.2	10.8
Total deferred income tax	<u>(0.3)</u>	<u>(9.1)</u>
Total income tax charge	<u>18.6</u>	<u>19.5</u>

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

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

	2025	2024
	£'m	£'m
Profit before income tax	<u>44.7</u>	<u>43.9</u>
Profit before income tax multiplied by the standard rate of corporation tax in the UK	11.2	11.1
Effects of:		
Income not subject to tax	(3.7)	(0.3)
Expenses not deductible for tax purposes	6.3	8.3
Research and development tax credits	-	(0.8)
Impact of non-UK tax	4.4	(2.2)
Tax decrease arising from non-UK tax suffered	(0.6)	(0.5)
Utilisation of tax losses for which no deferred income tax asset was recognised	(0.6)	(1.0)
Remeasurement of deferred income tax - change in tax rates	1.1	(0.5)
Adjustment in respect of prior years	(2.8)	3.8
Unrelieved losses carried forward on which no deferred income tax is recognised	1.8	1.3
Other	1.5	0.3
Total tax charge	<u>18.6</u>	<u>19.5</u>

(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.

For the year ending 31 March 2025, local tax rates have been used to calculate deferred income tax assets and liabilities.

(d) OECD Pillar 2 Global Minimum Tax

The OECD's Pillar 2 Global Anti-Base Erosion (GloBE) rules introduce a global minimum tax of 15% for large multinational enterprise (MNE) groups with consolidated revenue exceeding €750 million. The rules are designed to ensure that such groups pay a minimum level of tax on profits in each jurisdiction in which they operate.

The UK enacted legislation implementing the Pillar 2 rules through the Finance (No. 2) Act 2023, which was substantively enacted for IFRS purposes on 20 June 2023. The legislation is effective for the Group from 1 April 2024. In accordance with the amendments to IAS 12 Income Taxes, the Group has applied the mandatory temporary exception from recognising and disclosing deferred tax assets and liabilities related to Pillar 2 top-up taxes.

For the year ended 31 March 2025, the Group has assessed its exposure to Pillar 2 top-up taxes. As this is the first year in which the Group is within the scope of the Pillar 2 rules, a transitional safe harbour analysis has been performed at the Group level using the Country-by-Country Reporting (CbCR) framework, in line with OECD guidance.

The Group qualifies for the transitional CbCR safe harbour in the majority of jurisdictions in which it operates. In three jurisdictions, the safe harbour thresholds were not met; however, the resulting top-up taxes calculated under the GloBE rules are not material to the Group's consolidated financial statements.

The Group continues to monitor developments in Pillar 2 legislation and guidance in all relevant jurisdictions to support future compliance and reporting obligations under the GloBE rules.

13 Property, plant and equipment

Group	Freehold land & property	Leasehold property & improvements	Furniture, fittings & IT hardware	Motor vehicles	Total
	£'m	£'m	£'m	£'m	£'m
Cost					
Balance as at 1 April 2023	224.6	117.1	116.7	0.9	459.3
Additions	-	29.6	18.7	0.0	48.3
Disposals	-	(1.5)	(11.3)	(0.0)	(12.8)
Adjustment for exchange differences	(0.5)	(1.8)	(2.7)	(0.1)	(5.1)
Balance at 31 March 2024	224.1	143.4	121.4	0.8	489.7
Additions	-	13.4	7.6	-	21.0
Disposals	-	(6.1)	(4.7)	(0.0)	(10.8)
Adjustment for exchange differences	(0.3)	(2.6)	(2.5)	(0.0)	(5.4)
Balance at 31 March 2025	223.8	148.1	121.8	0.8	494.5
Accumulated depreciation					
Balance as at 1 April 2023	26.0	52.5	78.6	0.6	157.7
Charge for the year	4.3	9.9	15.0	0.1	29.3
Disposals	-	(1.5)	(10.7)	(0.0)	(12.2)
Adjustment for exchange differences	0.0	(0.6)	(1.7)	(0.0)	(2.3)
Balance at 31 March 2024	30.3	60.3	81.2	0.7	172.5
Charge for the year	4.4	11.9	15.4	0.1	31.8
Disposals	-	(6.0)	(4.3)	(0.0)	(10.3)
Adjustment for exchange differences	(0.1)	(1.0)	(1.5)	(0.0)	(2.6)
Balance at 31 March 2025	34.6	65.2	90.8	0.8	191.4
Net book value at 31 March 2025	189.2	82.9	31.0	(0.0)	303.1
Net book value at 31 March 2024	193.8	83.1	40.2	0.1	317.2

Included within freehold land & property are investment properties that have a net book value at 31 March 2025 of £2.2m (2024: £2.9m).

Company

The Company had no property, plant and equipment (2024: nil).

14 Leases

Group

(i) Amounts recognised in the balance sheet

	2025	2024
	£'m	£'m
Right-of-use assets		
Buildings	313.4	331.9
Equipment	0.6	1.4
Vehicles	0.4	0.4
Other	0.1	0.0
	<u>314.5</u>	<u>333.7</u>
Lease liabilities		
Current	42.5	43.4
Non-current	334.2	345.4
	<u>376.7</u>	<u>388.8</u>

Additions to the right-of-use assets during the financial year to 31 March 2025 were £35.6m (2024: £69.1m). The movement in right-of-use assets is further impacted by depreciation (disclosed below), adjustments for exchange differences and disposals.

(ii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2025	2024
	£'m	£'m
Depreciation charge of right-of-use assets		
Buildings	51.1	54.7
Equipment	0.5	0.4
Vehicles	0.3	0.3
Other	0.2	0.1
	<u>52.1</u>	<u>55.5</u>
Interest expense (included in 'finance costs')	14.3	12.2
Expense relating to short-term leases (included in 'communications and other overheads')	2.5	2.6
Expense relating to leases of low-value assets (included in 'communications and other overheads')	0.1	0.2
	<u>16.9</u>	<u>15.0</u>

The total cash outflow for leases in the year ended 31 March 2025 was £55.2m (2024: £53.8m) accrued lease payments of £2.5m (2024: nil) are included in the movement in lease liabilities. As at 31 March 2025, future cash outflows (undiscounted) for leases not yet commenced but which the Group was committed to were £11.2m (2024: £67.1m).

Company

The Company had no leases (2024: nil).

15 Intangible assets

Group	Customer contracts	Intellectual property	Development costs	Goodwill	Computer software	Total
	£'m	£'m	£'m	£'m	£'m	£'m
Cost						
Balance at 1 April 2023	1.2	0.6	3.7	3.5	8.6	17.6
Additions	-	-	4.7	-	0.3	5.0
Disposals	-	-	-	-	(0.7)	(0.7)
Adjustment for exchange differences	(0.1)	(0.0)	(0.0)	(0.1)	(0.3)	(0.5)
Balance at 31 March 2024	<u>1.1</u>	<u>0.6</u>	<u>8.4</u>	<u>3.4</u>	<u>7.9</u>	<u>21.4</u>
Additions	-	-	4.7	-	0.3	5.0
Disposals	-	-	-	-	(0.2)	(0.2)
Adjustment for exchange differences	-	(0.0)	(0.0)	(0.1)	(0.2)	(0.3)
Balance at 31 March 2025	<u>1.1</u>	<u>0.6</u>	<u>13.1</u>	<u>3.3</u>	<u>7.8</u>	<u>25.9</u>
Accumulated amortisation						
Balance at 1 April 2023	1.2	0.1	-	-	7.4	8.7
Charge for the year	0.0	0.0	0.7	-	0.5	1.2
Disposals	-	-	-	-	(0.7)	(0.7)
Adjustment for exchange differences	(0.1)	(0.0)	(0.0)	-	(0.1)	(0.2)
Balance at 31 March 2024	<u>1.1</u>	<u>0.1</u>	<u>0.7</u>	<u>-</u>	<u>7.1</u>	<u>9.0</u>
Charge for the year	-	0.0	1.7	-	0.4	2.1
Disposals	-	-	-	-	(0.2)	(0.2)
Adjustment for exchange differences	-	(0.0)	(0.0)	-	(0.1)	(0.1)
Balance at 31 March 2025	<u>1.1</u>	<u>0.1</u>	<u>2.4</u>	<u>-</u>	<u>7.2</u>	<u>10.8</u>
Net book value at 31 March 2025	<u>-</u>	<u>0.5</u>	<u>10.7</u>	<u>3.3</u>	<u>0.6</u>	<u>15.1</u>
Net book value at 31 March 2024	0.0	0.5	7.7	3.4	0.8	12.4

An impairment assessment has been performed on goodwill. For the year ended 31 March 2025 no impairment was required (2024: no impairment).

Company

The Company had no intangible assets (2024: nil).

16 Investments in subsidiaries

Company

The Company owns ordinary and preference shares in the companies noted below. These companies were all wholly owned subsidiary undertakings of the Group at 31 March 2025 and 2024 (unless otherwise stated), and their results are consolidated into the Group financial statements.

A listing of registered addresses and principal activities can be found in note 35.

Direct holdings	Country / countries of incorporation		
Arup Americas Inc.	United States	Arup Australia Pty Ltd	Australia
Arup Partner Pty Limited	Australia	Arup Australia Services Pty Ltd	Australia
Arup (Pty) Ltd (70% holding)	South Africa	Arup Business Services HK Limited	Hong Kong
Broomco (141) GmbH	Germany	Arup B.V.	Netherlands
Broomco (92854) Limited	Ireland	Arup (Cambodia) Limited	Cambodia
Ove Arup Holdings B.V.	Netherlands	Arup Canada, Inc.	Canada
Ove Arup Holdings IP Limited	England and Wales	Arup China Limited	Hong Kong
Ove Arup Holdings Limited	England and Wales	Arup Colombia S.A.S.	Colombia
Ove Arup Holdings Private Limited	Singapore	Arup Consultores Internacionales México S. de R.L. de C.V.	Mexico
Ove Arup International (Holdings) Limited	Hong Kong	Arup Corporate Finance Limited	England and Wales
Ove Arup International Holdings Private Limited	Singapore	Arup Digital Products Group Limited (incorporated: 07/01/2025)	England and Wales
Ove Arup Limited	England and Wales	Arup Digital Products (UK) Limited (incorporated: 09/01/2025)	England and Wales
Ove Arup Ventures Limited	England and Wales	Arup Digital Products US Inc. (incorporated: 10/01/2025)	United States
Indirect holdings	Country / countries of incorporation	Arup Deutschland GmbH	Germany
AAC, Inc. (49% holding)	Canada	Arup d.o.o. Beograd (Savski venac)	Serbia
Acorn Technology Systems Inc.	United States	Arup East Africa Limited	Kenya
Arup Advisory HK Limited	Hong Kong	Arup GCC Limited (incorporated: 05/07/2024)	England and Wales
Arup Advisory JV IEN Consultants JV RNF Perunding PLT (incorporated: 11/11/2024)	Malaysia	Arup Gulf Limited	England and Wales
Arup Advisory Sdn. Bhd. (30% holding)	Malaysia	Arup Hong Kong Limited	Hong Kong
Arup Advisory, Inc.	United States	Arup India Private Limited	India
Arup Architecture US, Inc.	United States	Arup Ingeniería y Consultoría México, S. de R.L. de C.V.	Mexico
Arup Associates Limited	England and Wales	Arup International Consultants (Shanghai) Co. Limited	China
Arup Australia Advisory and Technical Services Pty Ltd	Australia	Arup International Projects Limited	England and Wales
Arup Australia Projects Pty Ltd	Australia		

Arup IP Limited	England and Wales	Class 3 Technologies, Inc. (incorporated: 24/04/2024)	United States
Arup IP Management Limited	England and Wales	eFleet Integrated Service Limited	England and Wales
Arup Ireland Partner Limited	Ireland	Energy Future Inc.	United States
Arup Ireland Properties Limited	Ireland	Fitzroy Comp, Inc.	United States
Arup Italia S.r.l.	Italy	Fitzroy Insurance Services Limited	Guernsey
Arup Jururunding Sdn. Bhd. (30% holding)	Malaysia	Fitzroy Property Limited	England and Wales
Arup Latin America, S.A.	Spain	Oasys Limited	England and Wales
Arup Limited	England and Wales	OASYS Software Technology (Shanghai) Limited	China
Arup Macau Limited	China	Ovarpart Nominee Limited	England and Wales
Arup Maldives Limited	England and Wales	Ove Arup India Holdings Limited	England and Wales
Arup (Mauritius) Ltd (30% holding)	Mauritius	Ove Arup & Partners Danmark A/S	Denmark
Arup Mühendislik ve Müşavirlik Limited Şirketi	Türkiye	Ove Arup & Partners Hong Kong Limited	England and Wales
Arup New Zealand Limited	New Zealand	Ove Arup & Partners International Limited	England and Wales
Arup North America Limited	England and Wales	Ove Arup & Partners Ireland Limited	Ireland
Arup Peru Limited	England and Wales	Ove Arup & Partners Japan Limited	England & Wales
Arup Philippines Limited	England and Wales	Ove Arup & Partners Korea Limited	South Korea
Arup Polska sp. z o.o.	Poland	Ove Arup & Partners Limited	England and Wales
Arup Pty Limited	Australia	Ove Arup & Partners Scotland Limited	Scotland
Arup QLD Pty Ltd	Australia	Ove Arup & Partners, P.C. (0% holding)	United States
Arup Riyadh Metro Limited	England and Wales	Ove Arup & Partners, S.A.U	Spain
Arup Services B.V.	Netherlands	Ove Arup (Thailand) Limited	Thailand
Arup Services New York Limited	England and Wales	PT Arup Indonesia	Indonesia
Arup Singapore Private Limited	Singapore	PT Arup Kinematika Indonesia (67% holding)	Indonesia
Arup Taiwan Limited	Taiwan	Redcliffe Wharf Limited	England and Wales
Arup Technology Solutions US, Inc.	United States	Scotstoun Property Limited	England and Wales
Arup Texas, Inc.	United States	Shelbourne Plaza (Block C) Management Company Limited (78% holding)	Ireland
Arup Treasury Limited	England and Wales	Williamsburg Investment Unlimited Company (dissolved: 20/01/2025)	Ireland
Arup USA, Inc.	United States		
Arup US, Inc.	United States		
Arup Vietnam Limited	Vietnam		
Babylon Investment Unlimited Company (dissolved: 20/01/2025)	Ireland		

Movement of investment	Cost	Investment impairment	Net book value
	£'m	£'m	£'m
Balance as at 1 April 2023	306.1	(146.3)	159.8
Additions / recapitalisations	14.0	-	14.0
Balance as at 31 March 2024	<u>320.1</u>	<u>(146.3)</u>	<u>173.8</u>
Additions / recapitalisations	15.1	-	15.1
Balance as at 31 March 2025	<u>335.2</u>	<u>(146.3)</u>	<u>188.9</u>

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

The following companies are exempt, in accordance with section 479A of the Companies Act 2006, from the requirements of the Companies Act 2006 relating to the audit of individual statutory accounts; in each case the parent company of the subsidiary has agreed to provide a guarantee under section 479C of the Act for the year ended 31 March 2025.

Subsidiary undertaking (immediate parent)	Company Registration Number
Arup IP Limited (Arup IP Holdings Limited)	11856134
Arup IP Management Limited (Arup IP Holdings Limited)	11855973
Ovarpart Nominee Limited (Ove Arup Limited)	1289370
Ove Arup Limited (Arup Group Limited)	9938540
Ove Arup Ventures Limited (Arup Group Limited)	4212232
Scotstoun Property Limited (Ove Arup Limited)	894934

17 Investments accounted for using the equity method

Group

	2025	2024
	£'m	£'m
Balance at the beginning of the financial year	1.1	3.3
Additions	0.7	-
Share of loss	(1.2)	(2.2)
Balance at the end of the financial year	<u>0.6</u>	<u>1.1</u>

Company

The Company had no investments accounted for using the equity method (2024: nil).

18 Financial assets at fair value through profit or loss

Group	2025	2024
	£'m	£'m
Balance at the beginning of the financial year	19.8	16.6
Additions	1.0	0.9
Disposals	(1.9)	(1.0)
Change in fair value	1.1	3.6
Adjustment for exchange differences	0.3	(0.3)
Balance at the end of the financial year	20.3	19.8

An indirect subsidiary of the Company has a non-qualified deferred compensation arrangement (note 26). At 31 March 2025 this was valued at £18.7m (2024: £19.3m).

Company

The Company had no financial assets at fair value through profit or loss (2024: nil).

19 Financial instruments

Group

Financial instruments by category:	2025		Total	Financial assets at amortised cost	Restated	Total
	Financial assets at amortised cost	Financial assets at FVPL			2024	
Assets as per balance sheet	£'m	£'m	£'m	£'m	£'m	£'m
Financial assets at FVPL	-	20.3	20.3	-	19.8	19.8
Trade and other receivables excluding prepayments and corporation tax	344.9	-	344.9	329.4	-	329.4
Cash and cash equivalents ¹	371.3	-	371.3	301.7	-	301.7
	<u>716.2</u>	<u>20.3</u>	<u>736.5</u>	<u>631.1</u>	<u>19.8</u>	<u>650.9</u>

	2025			Restated 2024		
	Other financial liabilities at amortised cost	Financial liabilities at FVPL	Total	Other financial liabilities at amortised cost	Financial liabilities at FVPL	Total
Liabilities as per balance sheet	£'m	£'m	£'m	£'m	£'m	£'m
Borrowings ¹	(152.0)	-	(152.0)	(150.3)	-	(150.3)
Lease liabilities	(376.7)	-	(376.7)	(388.8)	-	(388.8)
Trade and other payables excluding non-financial liabilities	(222.9)	-	(222.9)	(185.9)	-	(185.9)
	<u>(751.6)</u>	<u>-</u>	<u>(751.6)</u>	<u>(725.0)</u>	<u>-</u>	<u>(725.0)</u>

¹Comparative amounts were restated. The impact is explained in note 2.1.

The directors consider that the carrying value of the financial instruments approximates to their fair value.

20 Contract assets and liabilities

Group

Contract assets	2025	2024
	£'m	£'m
Contract assets	209.5	221.1
Loss allowance	(2.5)	(6.7)
	<u>207.0</u>	<u>214.4</u>

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

Movement in loss allowance	2025	2024
	£'m	£'m
Balance at the beginning of the financial year	6.7	3.1
Increase in allowance for expected credit losses	1.4	4.8
Decrease in allowance for expected credit losses	(5.1)	(1.0)
Written off as uncollectable	(0.4)	-
Adjustment for exchange differences	(0.1)	(0.2)
Balance at the end of the financial year	<u>2.5</u>	<u>6.7</u>

The average expected loss rate for contract assets was 1.2% (2024: 3.1%).

Contract liabilities	2025	2024
	£'m	£'m
	<u>292.2</u>	<u>280.1</u>

Fulfilment contract assets	2025	2024
	£'m	£'m
Non-current asset recognised for costs incurred to fulfil a contract	1.4	1.5
Accumulated amortisation of costs incurred to fulfil a contract	(0.8)	(0.8)
Adjustment for exchange differences	(0.0)	(0.1)
Net non-current asset recognised for costs incurred to fulfil a contract	0.6	0.6

Company

The Company had no contract assets and liabilities (2024: nil).

21 Trade and other receivables

Group	2025	2024
	£'m	£'m
Trade receivables - net	315.7	298.3
Other receivables	29.2	31.1
Prepayments	30.9	38.9
	375.8	368.3

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

Trade receivables	2025	2024
	£'m	£'m
Trade receivables	335.6	318.6
Loss allowance	(19.9)	(20.3)
	315.7	298.3

Ageing analysis

	2025			2024		
	Cost	Impairment	Expected loss rate	Cost	Impairment	Expected loss rate
	£'m	£'m	%	£'m	£'m	%
Current	183.9	(0.8)	0.4	177.8	(2.4)	1.3
Past due less than 3 months	110.8	(0.7)	0.6	104.7	(1.0)	1.0
3 months to 6 months	15.4	(2.7)	17.7	12.3	(1.3)	10.6
Greater than 6 months	25.5	(15.7)	61.5	23.8	(15.6)	65.5
	335.6	(19.9)		318.6	(20.3)	

Movement in loss allowance	2025	2024
	£'m	£'m
Balance at the beginning of the financial year	20.3	15.7
Increase in allowance for expected credit losses	5.1	8.3
Unused amounts reversed	(3.8)	(2.3)
Written off as uncollectable	(1.3)	(0.5)
Adjustment for exchange differences	(0.4)	(0.9)
Balance at the end of the financial year	19.9	20.3

Company

	2025	2024
	£'m	£'m
Amounts due from Arup Group undertakings	166.0	163.9
Other receivables	-	0.2
	166.0	164.1

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

Amounts due from Arup Group undertakings

Amounts due from Arup Group undertakings are unsecured, have no date of repayment and are repayable on demand. 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 Group 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).

22 Cash and cash equivalents

Group

	2025	Restated 2024
	£'m	£'m
Cash at bank and in hand ¹	197.1	197.1
Short-term bank deposits	174.2	104.6
	<u>371.3</u>	<u>301.7</u>

¹Comparative amounts were restated. The impact is explained in note 2.1.

Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	2025	2024
	£'m	£'m
Balance as above	371.3	301.7
Bank overdrafts included in current borrowings	(110.9)	(119.2)
	<u>260.4</u>	<u>182.5</u>

Company

	2025	2024
	£'m	£'m
Cash at bank and in hand	4.0	0.1
	<u>4.0</u>	<u>0.1</u>

The Group operates a cash pooling arrangement to centralise funds and enable optimal cash management. The Company is part of this multiple unit group and recognises its own cash pooling in its financial statements. The cash pooling arrangement is managed by a related party within the Group and balances are settled periodically.

23 Assets classified as held for sale

The Group and Company owned leasehold land with a net book value of £3.0m as at 31 March 2024. During the year ended 31 March 2025, the Company disposed of this asset.

The Group owned freehold property with a net book value of £1.0m as at 31 March 2024. During the year ended 31 March 2025, the Group disposed of this asset.

24 Borrowings

Group

	2025	Restated 2024
	£'m	£'m
Current		
Loan with related party	1.2	1.1
Bank overdraft ¹	110.9	119.2
	<u>112.1</u>	<u>120.3</u>
Non-current		
Bank loan	39.9	30.0
	<u>39.9</u>	<u>30.0</u>

¹Comparative amounts were restated. The impact is explained in note 2.1.

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

The Group has borrowed £1.2m (2024: £1.1m) in one loan (2024: one loan) from Bidgreat Limited, a company owned by a controlling party (note 33). The loans bear a market rate of interest based on the UK Base Rate. The loan is repayable on demand.

Company

	2025	2024
	£'m	£'m
Current		
Bank overdraft	-	0.2
	<u>-</u>	<u>0.2</u>
Non-current		
Bank loan	39.9	30.0
	<u>39.9</u>	<u>30.0</u>

On 24 June 2020, the Company extended its £100m Revolving Credit Facility for five years. The facility was reduced by £25m in two instalments, £12.5m in June 2022 and £12.5m in June 2023.

The facility includes options, subject to lender approval, to extend for an additional two years. During the year ended 31 March 2024, the Group took up its first option to extend the facility to June 2026.

During the year ended 31 March 2025, the Group exercised its second extension option. As a result, at the date these financial statements were approved, the facility matures in June 2027.

At the reporting date, the facility bears a floating interest rate based on SONIA. The amount drawn at 31 March 2025 was £39.9m (2024: £30.0m).

25 Trade and other payables

Group

	2025	2024
	£'m	£'m
Trade payables	33.8	31.6
Accrued expenses	178.7	144.8
Other payables	10.4	9.5
Tax & social security costs	38.3	36.0
	<u>261.2</u>	<u>221.9</u>

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

Company

	2025	2024
	£'m	£'m
Amounts owed to Arup Group undertakings	285.2	259.1
Accrued expenses	1.1	1.9
	<u>286.3</u>	<u>261.0</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.

26 Employee benefit liabilities

Group

2025	Service milestones	Long service leave	Deferred compensation	Defined benefit pensions	Total
	£'m	£'m	£'m	£'m	£'m
Current	2.7	5.8	-	-	8.5
Non-current	10.8	5.4	18.7	56.8	91.7
	<u>13.5</u>	<u>11.2</u>	<u>18.7</u>	<u>56.8</u>	<u>100.2</u>
2024	Service milestones	Long service leave	Deferred compensation	Defined benefit pensions	Total
	£'m	£'m	£'m	£'m	£'m
Current	6.7	7.0	-	-	13.7
Non-current	9.3	4.1	19.3	76.9	109.6
	<u>16.0</u>	<u>11.1</u>	<u>19.3</u>	<u>76.9</u>	<u>123.3</u>

26.1 Service milestones

	2025	2024
	£'m	£'m
Reconciliation of movement		
Balance at the beginning of the financial year	16.0	-
Employee benefits charged to the income statement	7.0	16.0
Employee benefits released to the income statement	(1.8)	-
Employee benefits utilised	(7.3)	-
Adjustment for exchange differences	(0.4)	-
Balance at the end of the financial year	<u>13.5</u>	<u>16.0</u>

26.2 Long service leave

	2025	2024
	£'m	£'m
Reconciliation of movement		
Balance at the beginning of the financial year	11.1	10.8
Employee benefits charged to the income statement	2.6	2.4
Employee benefits released to the income statement	-	(0.1)
Employee benefits utilised	(2.2)	(1.7)
Adjustment for exchange differences	(0.3)	(0.3)
Balance at the end of the financial year	<u>11.2</u>	<u>11.1</u>

26.3 Defined benefit pension plan

The table below outlines where the Group's post-employment amounts and activity are included in the financial statements.

	2025	2024
	£'m	£'m
Balance sheet obligations for:		
– Defined pension benefits	(56.8)	(76.9)
Liability in the balance sheet	<u>(56.8)</u>	<u>(76.9)</u>
Income statement charge for:		
– Defined pension benefits	(3.8)	(3.0)
Remeasurement gains / (losses) for:		
– Defined pension benefits	2.7	(33.3)

The income statement charge included within operating profit includes interest cost, administration expenses and past service costs.

The amounts recognised in the balance sheet are determined as follows:

	2025	2024
	£'m	£'m
Balance sheet obligations for:		
Present value of funded obligations	(682.9)	(758.5)
Fair value of plan assets	632.8	688.0
Deficit of funded plans	<u>(50.1)</u>	<u>(70.5)</u>
Present value of unfunded obligations	(6.7)	(6.4)
Total deficit of defined benefit pension plans	<u>(56.8)</u>	<u>(76.9)</u>

The Group includes one material defined benefit retirement scheme that is registered in the UK (the "Scheme") and managed by the Scheme trustees – see below for further details. The valuation position of the Scheme was assessed at 31 March 2025 by qualified independent actuaries for the purposes of IAS 19, 'Employee Benefits'.

The Group also has an immaterial funded scheme in Philippines and immaterial unfunded schemes in Japan, Mauritius, India, Ireland, Dubai and Indonesia. As these schemes are not material to the Group, no additional disclosures are included within these consolidated financial statements apart from the summaries below.

26.4 Defined benefit retirement schemes

Funded schemes

UK registered scheme

Ove Arup & Partners International Limited (“OAPIL”) operated a UK registered contributory pension scheme (“the Scheme”), which had a defined benefit and a defined contribution section, for employees. On 31 March 2010, the Scheme was closed to new members. With effect from 30 June 2010 the future accrual of benefits for existing members ceased. OAPIL replaced this Scheme with a personal pension plan for employees with effect from 1 July 2010. All contributions for the new plan are held and managed by Scottish Equitable plc (a subsidiary of Aegon). OAPIL has no ongoing liability to the funds held by Aegon in respect of the employees.

For the Scheme, which closed on 30 June 2010, contributions have been made in accordance with the rules of the Scheme and the advice of independent qualified actuaries on the basis of triennial valuations. The most recent valuation was at 31 March 2022 using the projected unit credit method. The actuarial valuation at 31 March 2022 showed a funding level of 84.5% on an ongoing basis based on a market value of assets of £964.0m at that date. The most significant assumptions made by the actuary in carrying out this valuation were the assumption for the discount rate of the gilt curve plus 1.6% per annum (net of investment management expenses) at 31 March 2022 reducing linearly to an assumed return over the gilt curve of 0.5% per annum by 31 March 2038. A special employer’s contribution of £21.5m was made during the year to 31 March 2025 (2024: £21.7m). OAPIL is expected to make a contribution of £21.3m by 31 March 2026. The weighted average duration of the defined benefit obligation is around 12 years (2024: 13 years).

The next triennial actuarial valuation will be carried out as at 31 March 2025 but the results will not be available at the date of signing these financial statements. The valuation position of this Scheme was reassessed at 31 March 2025 by a qualified independent actuary for the purposes of IAS 19 ‘Employee Benefits’. The Scheme holds no assets that are issued or owned by OAPIL. Management assessed the expected return on Scheme assets based on a review of past returns and professional advice on the level of future returns.

Following the High Court judgment on 16 June 2023 and the subsequent Court of Appeal decision on 25 July 2024 in the case of Virgin Media Ltd v NTL Pension Trustees II, uncertainties have arisen regarding the validity of historic benefit amendments made without section 37 certification under the Pension Schemes Act 1993. On 5 June 2025, the government announced its intention to introduce legislation permitting Schemes to obtain retrospective actuarial confirmation of such changes.

The legal advisers to the Scheme have reviewed the June 2010 closure deed and other applicable documentation from that time and concluded that this closure to new members and future accrual was effective.

The trustees of the Scheme await the enactment of the new legislation before reviewing prior historic deeds and will pursue retrospective certification if required. It is anticipated that there will be no material financial effects from this exercise.

Philippines funded scheme

Ove Arup & Partners Hong Kong Limited - Philippines branch operates a retirement benefit scheme in the Philippines which requires a yearly actuarial valuation. As at 31 March 2025 the net scheme assets were valued at £0.01m (2024: £0.01m) which is held within other non-current assets. The actuarial loss for the year on this scheme was £0.1m (2024: £0.2m) which has been recorded in the statement of comprehensive income.

Unfunded schemes

Japan unfunded scheme

Ove Arup & Partners Japan Limited provides a retirement allowance to employees. Provision is made in accordance with the advice of independent qualified actuaries. The most recent valuation was at 31 March 2025 using the projected unit credit method. The most significant assumptions made by the actuary in carrying out this valuation were that the discount rate would be 2.2% (2024: 1.5%) per annum and that salary inflation would be 5.5% (2024: 5.5%) per annum. There was a benefit payment for the year to 31 March 2025 of £0.2m (2024: £0.2m). The pension liability recognised in the financial statements was £3.5m (2024: £3.5m).

Ireland unfunded scheme

Ove Arup & Partners Ireland Limited is providing a retirement allowance to 20 retired employees for their lifetime. The pension liability recognised in the financial statements was £0.6m (2024: £0.7m).

Mauritius unfunded scheme

Arup (Mauritius) Ltd provides a retirement allowance to its employees. Provision is made in accordance with the advice of independent qualified actuaries. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at 31 March 2025. The pension liability recognised in the financial statements was £0.4m (2024: £0.2m).

India unfunded scheme

Arup India Private Limited (“AIPL”) provides a retirement allowance ‘gratuity’ to its employees. Gratuity is payable to all eligible employees of AIPL in terms of provisions of the Payment of Gratuity Act. Valuations in respect of gratuity have been carried out by an

independent actuary, as at the balance sheet date, under the projected unit credit method. The pension liability recognised in the financial statements was £0.4m (2024: £0.2m).

Dubai unfunded scheme

Arup Gulf Limited operates an end of service benefit plan. Provision is made in accordance with the advice of independent qualified actuaries. The most recent valuation was at 31 March 2025 using the projected unit credit method. The most significant assumptions made by the actuary in carrying out this valuation were that the discount rate would be 4.9% (2024: 5.1%) per annum and that salary inflation would be 4.0% (2024: 4.0%) per annum. There was a benefit payment for the year to 31 March 2025 of £0.07m (2024: £0.03m). The pension liability recognised in the financial statements was £1.5m (2024: £1.3m).

Indonesia unfunded scheme

PT Arup Indonesia provides a retirement allowance to its employees. Provision is made in accordance with the advice of independent qualified actuaries. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at 31 March 2025. The pension liability recognised in the financial statements was £0.1m (2024: £0.01m).

26.5 Further disclosure on the Scheme (UK)

The amounts recognised in the balance sheet are determined as follows:

	2025	2024
	£'m	£'m
Present value of funded obligations	(682.9)	(758.5)
Fair value of plan assets	632.8	688.0
Deficit of funded plans	(50.1)	(70.5)

The movement in the defined benefit liability over the year is as follows:

	Present value of obligation	Fair value of plan assets	Total
	£'m	£'m	£'m
At 1 April 2023	(760.6)	704.7	(55.9)
Administration expenses	-	(0.8)	(0.8)
Interest (expense) / income	(36.4)	34.2	(2.2)
	<u>(797.0)</u>	<u>738.1</u>	<u>(58.9)</u>
Remeasurements:			
- Return on plan assets, excluding amounts included in interest income	-	(37.1)	(37.1)
- Gain from change in demographic assumptions	10.5	-	10.5
- Gain from change in financial assumptions	3.8	-	3.8
- Experience losses	(10.5)	-	(10.5)
	<u>3.8</u>	<u>(37.1)</u>	<u>(33.3)</u>
Contributions:			
- Employers	-	21.7	21.7
Payment from plans:			
- Benefit payments	34.7	(34.7)	-
At 31 March 2024	<u>(758.5)</u>	<u>688.0</u>	<u>(70.5)</u>
Administration expenses	-	(0.9)	(0.9)
Interest (expense) / income	(36.2)	33.3	(2.9)
	<u>(794.7)</u>	<u>720.4</u>	<u>(74.3)</u>
Remeasurements:			
- Return on plan assets, excluding amounts included in interest income	-	(71.4)	(71.4)
- Gain from change in demographic assumptions	-	-	-
- Gain from change in financial assumptions	77.2	-	77.2
- Experience losses	(3.1)	-	(3.1)
	<u>74.1</u>	<u>(71.4)</u>	<u>2.7</u>
Contributions:			
- Employer	-	21.5	21.5
Payment from plans:			
- Benefit payments	37.7	(37.7)	-
At 31 March 2025	<u>(682.9)</u>	<u>632.8</u>	<u>(50.1)</u>

The significant actuarial assumptions were as follows:

	2025	2024
	%	%
Discount rate	5.8	4.9
Salary growth rate	N/A	N/A
Retail Price Index inflation	3.2	3.3
Consumer Price Index inflation	2.6	2.7
Pension growth rate:		
– Post 88 Guaranteed Minimum Pension	2.1	2.2
NGMP accrued before 1 October 2006 (5%LPI)	3.0	3.1
Pension accrued after 30 September 2006 (2.5%LPI)	2.1	2.1

Mortality %

For 31 March 2025 and 31 March 2024, 98% (males) and 98% (females) S3NA table using core CMI 2023 projections with S=7.0 and A=0.0 allowing for LTR of 1.00% per annum and 20% weight to W2022 and W2023 parameters.

Cash commutation

20% (2024: 20%) of members' pensions assumed to be taken as cash on current terms.

Assumed life expectations on retirement

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience.

These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65.

	2025	2024
	Years	Years
Retiring at the end of the financial year:		
Male	21.6	21.6
Female	24.3	24.2
Retiring 20 years after the end of the financial year:		
Male	22.6	22.5
Female	25.3	25.5

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption are:

2025	Increase in assumption	Decrease in assumption
	%	%
Impact on defined benefit obligation of a 50 basis point change:		
Discount rate	(5.3)	5.8
Inflation rate	4.0	(4.0)

2024	Increase in assumption	Decrease in assumption
Impact on defined benefit obligation of a 50 basis point change:	%	%
Discount rate	(5.8)	6.5
Inflation rate	4.4	(4.4)
	2025	2024
	%	%
Mortality assumption with a LTR of 1.25% per annum	0.5	0.5

The above sensitivity analyses are based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the balance sheet.

The assets in the Scheme at 31 March were:	2025	2024
	£'m	£'m
Global equities	89.1	129.8
DGF / hedge funds	65.0	64.5
Gilts and corporate bonds	134.1	107.7
Alternate credit	70.8	62.5
Liability driven investment	188.3	246.2
Property investments	33.7	34.0
Cash and net current assets	9.9	34.1
Debt instruments	41.9	9.2
	<u>632.8</u>	<u>688.0</u>

The Scheme invests in pooled funds which are not quoted on an active market and are rated as level 2 in the fair value hierarchy.

Defined benefit membership data	2025	2024
	Number	Number
Deferred pensioners	3,081	3,181
Pensioners / dependents	1,763	1,693
	<u>4,844</u>	<u>4,874</u>

IFRIC 14 is not applicable to the Scheme and there are no minimum funding levels.

26.6 Post-employment benefit liabilities – risks

Through its defined benefit pension scheme the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The retirement benefit liabilities of the scheme are calculated using a discount rate set with reference to corporate bond yields. If the scheme's assets underperform this yield, this will create a deficit. The scheme hold a significant proportion of equities, which are expected to outperform corporate bonds in the long term while exposing the Group to greater volatility and valuation risk in the short term.

Changes in bond yields

A decrease in corporate bond yields will increase the scheme's liabilities. This would be partially offset by an increase in the value of the scheme's bond holdings.

Inflation risk

Some of the Group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the scheme against extreme inflation). Whilst some of the scheme's assets are real in nature and so loosely correlated with inflation (e.g. equities, index-linked gilts), some of the scheme's assets are not expected to move in line with inflation (e.g. corporate bonds) and therefore an increase in inflation is likely to also increase the deficit.

Life expectancy

The majority of the scheme's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the scheme's liabilities.

Credit risk

The scheme invests in pooled investment vehicles and are therefore exposed to direct credit risk in relation to the solvency of the investment manager and custodian of those funds.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled funds being ring-fenced from the investment managers, the regulatory environments in which the pooled fund managers operate and diversification of the scheme's investments across a number of pooled funds. The scheme's trustees, with the help of their advisers, carry out due diligence checks prior to the appointment of any new investment manager or fund, and monitor for changes to the operating environment of the existing investments either through reports from the investment consultants or questioning in meetings with the managers. Due to their nature pooled funds are unrated.

Currency risk

The scheme is also subject to currency risk indirectly because they invest in overseas investments. This is particularly the case in the global equity funds which has approximately 50% of the currency risk hedged. If the hedged / unhedged allocation lies more than 5% away from the 50% / 50% split, on a weekly basis the investment manager will be required to rebalance the split for that region. The managers of the bond funds, diversified growth funds and hedge funds will vary the degree to which they hedge currency risk. Currency risk is accepted where this facilitates overseas investments, taking into account the risks and expected reward.

Counterparty risk

The scheme is exposed to collateral management and counterparty risk in relation to the derivative instruments used within its investment arrangements. The collateral requirement and counterparty exposure will be managed by the scheme's investment manager and regularly monitored by the relevant trustees.

27 Provisions for other liabilities and charges

Group

2025	Property	Employee benefits	Legal claims	Onerous contracts	Other	Total
	£'m	£'m	£'m	£'m	£'m	£'m
Current	4.0	-	16.2	17.3	-	37.5
Later than one year and no later than two years	1.4	-	-	7.6	0.0	9.0
Later than two years and no later than five years	3.0	-	-	2.7	-	5.7
Later than five years	13.5	-	-	0.2	-	13.7
Non-current	<u>17.9</u>	<u>-</u>	<u>-</u>	<u>10.5</u>	<u>0.0</u>	<u>28.4</u>
Reconciliation of movement						
Balance at the beginning of the financial year	23.2	-	18.2	18.9	0.0	60.3
Reclassification from trade and other payables	-	-	-	0.2	-	0.2
Provisions charged to the income statement	0.5	-	14.0	16.6	-	31.1
Provisions released to the income statement	(2.5)	-	(0.7)	(7.1)	(0.0)	(10.3)
Additional provision charged to right-of-use asset	1.4	-	-	-	-	1.4
Provisions utilised	(0.5)	-	(15.0)	(0.0)	-	(15.5)
Adjustment for exchange differences	(0.2)	-	(0.3)	(0.8)	-	(1.3)
Balance at the end of the financial year	<u>21.9</u>	<u>-</u>	<u>16.2</u>	<u>27.8</u>	<u>0.0</u>	<u>65.9</u>

2024	Property	Employee benefits	Legal claims	Onerous contracts	Other	Total
	£'m	£'m	£'m	£'m	£'m	£'m
Current	5.0	-	18.2	11.1	-	34.3
Later than one year and no later than two years	2.3	-	-	5.1	-	7.4
Later than two years and no later than five years	3.0	-	-	2.6	-	5.6
Later than five years	12.9	-	-	0.1	-	13.0
Non-current	<u>18.2</u>	<u>-</u>	<u>-</u>	<u>7.8</u>	<u>-</u>	<u>26.0</u>
Reconciliation of movement						
Balance at the beginning of the financial year	16.1	10.8	30.8	19.1	-	76.8
Reclassification from trade and other payables	-	-	0.1	(0.2)	-	(0.1)
Reclassification to employee benefit liabilities	-	(10.8)	-	-	-	(10.8)
Provisions charged to the income statement	-	-	18.2	5.0	0.0	23.2
Provisions released to the income statement	(2.9)	-	(1.5)	(3.8)	-	(8.2)
Provisions utilised	(0.2)	-	(28.8)	-	-	(29.0)
Additional provision charged to right-of-use asset	10.7	-	-	-	-	10.7
Adjustment for exchange differences	(0.5)	-	(0.6)	(1.2)	(0.0)	(2.3)
Balance at the end of the financial year	<u>23.2</u>	<u>-</u>	<u>18.2</u>	<u>18.9</u>	<u>0.0</u>	<u>60.3</u>

Company

The Company had no provisions for other liabilities and charges (2024: nil).

28 Deferred income tax

Group

Arup Group Limited and its subsidiaries operate tax groups in some jurisdictions, meaning groups of entities are taxed as a single entity. As a consequence, the deferred tax assets and liabilities of these entities have been offset in the consolidated financial statements.

The offset amounts are as follows:

	2025	2024
	£'m	£'m
Deferred income tax assets		
– Gross deferred income tax assets	102.3	106.3
– Offsetting through operation of tax groups	(12.6)	(15.1)
Deferred income tax assets in the balance sheet	<u>89.7</u>	<u>91.2</u>
Deferred income tax liabilities		
– Gross deferred income tax assets	(21.6)	(22.1)
– Offsetting through operation of tax groups	12.6	15.1
Deferred income tax liabilities in the balance sheet	<u>(9.0)</u>	<u>(7.0)</u>
	2025	2024
	£'m	£'m
Deferred income tax assets		
– deferred income tax assets to be recovered after more than 12 months	78.1	78.4
– deferred income tax assets to be recovered within 12 months	24.2	27.9
	<u>102.3</u>	<u>106.3</u>
Deferred income tax liabilities		
– deferred income tax liabilities to be recovered after more than 12 months	(21.5)	(21.2)
– deferred income tax liabilities to be recovered within 12 months	(0.1)	(0.9)
	<u>(21.6)</u>	<u>(22.1)</u>
Deferred income tax assets - net	<u>80.7</u>	<u>84.2</u>

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

	2025	2024
	£'m	£'m
Balance at the beginning of the financial year	84.2	68.0
Under provision of deferred income tax in respect of prior years	(3.3)	(10.3)
Transfers between current and deferred income tax	(1.1)	0.5
Deferred income tax credited to the income statement	3.6	19.5
Deferred income tax (charge) / credit relating to components of other comprehensive income	(0.7)	8.4
Adjustment for exchange differences	(2.0)	(1.9)
Balance at the end of the financial year	<u>80.7</u>	<u>84.2</u>

Deferred income tax liabilities	Impact of change in accounting standards	Rollover relief	Accelerated tax depreciation	Temporary differences on leases	Other	Total
	£'m	£'m	£'m	£'m	£'m	£'m
At 1 April 2023	0.2	7.5	8.3	0.6	3.6	20.2
(Credited) / charged to the income statement	(0.1)	-	1.1	0.9	0.2	2.1
Adjustment for exchange differences	(0.0)	0.1	(0.2)	(0.0)	(0.1)	(0.2)
At 31 March 2024	<u>0.1</u>	<u>7.6</u>	<u>9.2</u>	<u>1.5</u>	<u>3.7</u>	<u>22.1</u>
(Credited) / charged to the income statement	(0.1)	-	0.4	1.0	(1.7)	(0.4)
Adjustment for exchange differences	(0.0)	-	(0.1)	(0.0)	0.0	(0.1)
At 31 March 2025	<u>0.0</u>	<u>7.6</u>	<u>9.5</u>	<u>2.5</u>	<u>2.0</u>	<u>21.6</u>

Deferred income tax assets	Impact of change in accounting standards	Unutilised tax depreciation	Retirement benefit obligations	Provisions	Tax losses	Temporary differences on leases	Other	Total
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
At 1 April 2023	-	3.2	15.6	17.7	19.8	8.7	23.2	88.2
Transfers between current and deferred tax	-	-	-	-	-	-	-	-
(Charged) / credited to the income statement	-	(0.9)	(4.6)	4.9	10.0	1.1	0.8	11.3
Credited / (charged) to other comprehensive income	-	-	8.9	(0.5)	-	-	-	8.4
Adjustment for exchange differences	-	(0.0)	(0.3)	(0.8)	(0.7)	(0.1)	0.3	(1.6)
At 31 March 2024	-	2.3	19.6	21.3	29.1	9.7	24.3	106.3
Transfers between current and deferred tax	-	-	-	-	(1.1)	(0.0)	-	(1.1)
Credited / (charged) to the income statement	-	1.3	(4.4)	1.1	(3.2)	1.0	4.3	0.1
Charged to other comprehensive income	-	-	(0.7)	-	-	-	-	(0.7)
Adjustment for exchange differences	0.0	(0.1)	(0.0)	(0.8)	(0.4)	(0.2)	(0.8)	(2.3)
At 31 March 2025	(0.0)	3.5	14.5	21.6	24.4	10.5	27.8	102.3

Company

	2025	2024
	£'m	£'m
Deferred income tax assets		
– deferred income tax assets to be recovered within 12 months	-	0.7
	<u>-</u>	<u>0.7</u>
Deferred income tax liabilities		
– deferred income tax liabilities to be recovered within 12 months	-	(0.8)
	<u>-</u>	<u>(0.8)</u>
Deferred income tax liabilities - net	<u>-</u>	<u>(0.1)</u>

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

	2025	2024
	£'m	£'m
Balance at the beginning of the financial year	(0.1)	-
Over provision of deferred income tax in respect of prior years	0.1	-
Deferred income tax charged to the income statement	0.0	(0.1)
Balance at the end of the financial year	<u>-</u>	<u>(0.1)</u>

Deferred income tax liabilities

	Other	Total
	£'m	£'m
At 1 April 2023	-	-
Charged to the income statement	0.8	0.8
At 31 March 2024	<u>0.8</u>	<u>0.8</u>
Credited to the income statement	(0.8)	(0.8)
At 31 March 2025	<u>-</u>	<u>-</u>

Deferred income tax assets

	Unutilised tax depreciation	Tax losses	Total
	£'m	£'m	£'m
At 1 April 2023	-	-	-
Credited to the income statement	0.0	0.7	0.7
At 31 March 2024	<u>0.0</u>	<u>0.7</u>	<u>0.7</u>
Charged to the income statement	(0.0)	(0.7)	(0.7)
At 31 March 2025	<u>-</u>	<u>-</u>	<u>-</u>

29 Share capital

Group and Company

	2025	2024
	£'m	£'m
Issued, called up and fully paid:		
65 (2024: 65) voting shares of £1 each	0.0	0.0
120,000 (2024: 120,000) equity shares of £1 each	0.1	0.1
	<u>0.1</u>	<u>0.1</u>

30 Cash generated from operations

Group	2025	2024
	£'m	£'m
Profit after income tax	26.1	24.4
Adjustments for:		
Exceptional items	19.8	48.6
Income tax expense	18.6	19.5
Depreciation of property, plant and equipment	31.8	29.3
Depreciation of right-of-use assets	52.1	55.5
Amortisation of intangible assets	2.1	1.3
Amortisation of fulfilment contract assets	0.0	0.1
Loss on disposal of property, plant and equipment	0.3	0.3
Loss on disposal of intangible assets	0.1	0.0
Fair value gains on financial assets at FVPL	(1.1)	(3.6)
Finance costs – net	12.6	13.0
Share of loss of investments accounted for using the equity method	1.2	2.2
Other non-cash items	6.1	13.7
Unrealised currency translation loss / (gain)	2.5	(1.8)
Non-cash employee benefit expense	7.8	16.0
Net (reversal of impairment losses) / impairment losses on financial and contract assets	(4.1)	9.6
Changes in working capital:		
– Contract assets	11.6	(13.5)
– Trade and other receivables	(18.6)	(37.3)
– Contract liabilities	12.1	15.0
– Trade and other payables	39.3	(55.1)
– Employee benefit liabilities	(9.4)	0.1
– Pension deficit funding	(21.6)	(21.7)
	<u>189.3</u>	<u>115.6</u>

Net debt

	2025	Restated 2024
	£'m	£'m
Cash and cash equivalents	371.3	301.7
Overdrafts (included within borrowings)	(110.9)	(119.2)
Borrowings (excluding overdrafts)	(41.1)	(31.1)
Lease liabilities	(376.7)	(388.8)
	<u>(157.4)</u>	<u>(237.4)</u>

Net debt reconciliation	Restated					
	Cash and cash equivalents					
	Borrowings	Lease liabilities	Subtotal	Bank overdrafts	Cash at bank	Total
	£'m	£'m	£'m	£'m	£'m	£'m
Net debt as at 1 April 2023 ¹	(41.0)	(365.2)	(406.2)	(192.5)	427.6	(171.1)
Financing cash flows ¹	9.9	41.7	51.6	73.3	(125.1)	(0.2)
Interest expense ¹	(1.2)	(12.2)	(13.4)	(10.8)	-	(24.2)
Interest payments ¹	1.2	12.2	13.4	10.8	-	24.2
New leases	-	(59.0)	(59.0)	-	-	(59.0)
Adjustments for exchange differences	-	(6.3)	(6.3)	-	(0.8)	(7.1)
Net debt as at 31 March 2024 ¹	<u>(31.1)</u>	<u>(388.8)</u>	<u>(419.9)</u>	<u>(119.2)</u>	<u>301.7</u>	<u>(237.4)</u>
Financing cash flows	(9.9)	40.1	30.2	8.3	68.4	106.9
Interest expense	(0.5)	(14.3)	(14.8)	(6.5)	-	(21.3)
Interest payments	0.4	14.3	14.7	6.5	-	21.2
New leases	-	(33.4)	(33.4)	-	-	(33.4)
Lease accrual	-	2.5	2.5	-	-	2.5
Adjustments for exchange differences	-	2.9	2.9	-	1.2	4.1
Net debt as at 31 March 2025	<u>(41.1)</u>	<u>(376.7)</u>	<u>(417.8)</u>	<u>(110.9)</u>	<u>371.3</u>	<u>(157.4)</u>

¹Comparative amounts were restated. The impact is explained in note 2.1.

31 Contingent liabilities

As part of the ordinary business activities of the Group, claims may arise in relation to work undertaken by the Group.

The Arup Group operates an internal arrangement akin to a professional indemnity insurance 'club' to co-ordinate the professional indemnity insurance arrangements of all entities in the Arup Group. It charges each entity annually to cover its share of the costs of the external professional indemnity insurance cover and the liability for any deductible applying to claims made against that insurance policy.

At the end of any financial year the costs charged to an individual entity are fixed at the annual charge for that year. The individual entities have no further liabilities for claims notified unless they exceed the external insurance cover.

The Company has bank bond facilities for the issuance of performance and contractual related bonds for subsidiary undertakings. The facilities are supported by a corporate guarantee.

32 Related parties

Group

The following transactions and year-end balances were carried out with other entities in the Group:

The Group has a loan from Bidgreat Limited, a related party associated with one of the trustee companies (see note 33), of £1.2m (2024: £1.1m). There were no repayments made during the year ended 31 March 2025 (2024: nil).

The Group has a loan to a joint venture, Artus Air Limited, of £0.5m (2024: £0.5m). There were no repayments received during the year ended 31 March 2025 (2024: nil). There was an interest income of £0.03m (2024: £0.01m).

The Group has non-current liabilities to Oaserv Pty Limited, a related party associated with one of the trustee companies (see note 33), of £2.0m (2024: £2.0m). There were no repayments during the year ended 31 March 2025 (2024: nil).

Key management compensation

Key management includes the directors, the company secretary and the officers of the board. The compensation paid or payable to key management for employee services is shown below:

	2025	2024
	£'m	£'m
Aggregate remuneration	8.1	9.1
Aggregate contributions paid to defined contribution schemes	0.3	0.3
	8.4	9.4

As at 31 March 2025, £1.2m of the aggregate remuneration was accrued and not paid (2024: £0.7m).

Company

The Company had no transactions with related parties (2024: nil).

33 Controlling party

The Company is owned by Ove Arup Partnership Employee Trust, Ove Arup Partnership Charitable Trust and The Arup Service Trust. The controlling party is Ove Arup Partnership Charitable Trust.

34 Dividends

As at the date of the financial statements the directors do not recommend a dividend for the year ended 31 March 2025 (2024: nil).

35 Registered addresses of investments in subsidiaries and joint arrangements

Name of investment	Registered address	Principal activities
AAC, Inc.	121 Bloor Street East, Suite 900, Toronto ON M4W 3M5, Canada	Architecture services
Acorn Technology Systems Inc.	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	Transportation industry technology solutions
Arup Advisory HK Limited	Level 5, Festival Walk, 80 Tat Chee Avenue, Kowloon Tong, Kowloon, Hong Kong	Design and consulting engineering services, in architecture and other related professional skills
Arup Advisory JV IEN Consultants JV RNF Perunding PLT	Level 26, 1Powerhouse, No. 1, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor, Malaysia	Dormant company
Arup Advisory Sdn. Bhd.	Level 26, 1Powerhouse, No. 1, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor, Malaysia	Design and consulting engineering services, in architecture and other related professional skills
Arup Advisory, Inc.	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801, United States	Design and consulting engineering services, in architecture and other related professional skills
Arup Americas Inc.	28 Liberty Street, New York, NY10005, United States	Intermediate holding company
Arup Architecture US, Inc.	28 Liberty Street, New York, NY 10005, United States	Architecture services
Arup Associates Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Dormant company
Arup Australia Advisory and Technical Services Pty Ltd	C/- Boroughs, Level 6, 77 Castlereagh Street, Sydney NSW 2000, Australia	Design and consulting engineering services, in architecture and other related professional skills
Arup Australia Projects Pty Ltd	C/- Boroughs, Level 6, 77 Castlereagh Street, Sydney NSW 2000, Australia	Design and consulting engineering services, in architecture and other related professional skills
Arup Australia Pty Ltd	C/- Boroughs, Level 6, 77 Castlereagh Street, Sydney NSW 2000, Australia	Design and consulting engineering services, in architecture and other related professional skills
Arup Australia Services Pty Ltd	C/- Boroughs, Level 6, 77 Castlereagh Street, Sydney NSW 2000, Australia	Design and consulting engineering services, in architecture and other related professional skills
Arup Business Services HK Limited	Level 5, Festival Walk, 80 Tat Chee Avenue, Kowloon Tong, Kowloon, Hong Kong	Provision of corporate support services
Arup B.V.	Naritaweg 118, Beta Building, 1043 CA, Amsterdam, Netherlands	Design and consulting engineering services, in architecture and other related professional skills
Arup (Cambodia) Limited	#C-7, Floor 8th, Vimean Ahha Street, Kien Klaing Village, Sangkat Chroy Chongva, Khan Chroy Chongva, Phnom Penh, Cambodia	Design and consulting engineering services, in architecture and other related professional skills
Arup Canada, Inc.	121 Bloor Street East, Suite 900, Toronto ON M4W 3M5, Canada	Design and consulting engineering services, in architecture and other related professional skills

Arup China Limited	Level 5, Festival Walk, 80 Tat Chee Avenue, Kowloon Tong, Kowloon, Hong Kong	Design and consulting engineering services, in architecture and other related professional skills
Arup Colombia S.A.S.	Calle 72 No 10-07 Oficina 1106, Bogota, 11-01-11, Colombia	Design and consulting engineering services, in architecture and other related professional skills
Arup Consultores Internacionales México S. de R.L. de C.V.	Calle Presidente Masarik 111, Piso 1, Col. Polanco V Sección Miguel Hidalgo, Distrito Federal, C.P.11560, Mexico	Design and consulting engineering services, in architecture and other related professional skills
Arup Corporate Finance Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Transaction advice services and consulting engineering services
Arup Digital Products Group Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Holding company
Arup Digital Products (UK) Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Dormant company
Arup Digital Products US Inc.	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	Dormant company
Arup Deutschland GmbH	Joachimstaler Straße 41, 10623, Berlin, Germany	Design and consulting engineering services, in architecture and other related professional skills
Arup d.o.o. Beograd (Savski venac)	Kneginje Zorke 77/4, Belgrade, 11000, Serbia	Design and consulting engineering services, in architecture and other related professional skills
Arup East Africa Limited	9th Floor, Williamson House, 4th Ngong Avenue, PO Box 40111 - 00100, Nairobi, Kenya	Design and consulting engineering services, in architecture and other related professional skills
Arup GCC Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Design and consulting engineering services, in architecture and other related professional skills
Arup Gulf Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Design and consulting engineering services, in architecture and other related professional skills
Arup Hong Kong Limited	Level 5, Festival Walk, 80 Tat Chee Avenue, Kowloon Tong, Kowloon, Hong Kong	Design and consulting engineering services, in architecture and other related professional skills
Arup International Consultants (Shanghai) Co. Limited	Units 3001-20, Floor 30, Tower A, THREE itc, No. 183 Hongqiao Road, Xuhui, Shanghai Municipality, China	Design and consulting engineering services, in architecture and other related professional skills
Arup India Private Limited	Jet Prime, 5th Floor, Suren Road, Off Western Express Highway, Andheri (East), Mumbai, 400093, India	Design and consulting engineering services, in architecture and other related professional skills
Arup Ingeniería y Consultoría México, S. de R.L. de C.V.	Calle Presidente Masarik 111, Piso 1, Col. Polanco V Sección Miguel Hidalgo, Distrito Federal, C.P.11560, Mexico	Design and consulting engineering services, in architecture and other related professional skills
Arup International Projects Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Design and consulting engineering services, in architecture and other related professional skills
Arup IP Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Intellectual property
Arup IP Management Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Intellectual property

Arup Ireland Partner Limited	50 Ringsend Road, Dublin 4, D04 T6X0, Ireland	Dormant company
Arup Ireland Properties Limited	50 Ringsend Road, Dublin 4, D04 T6X0, Ireland	Property holdings
Arup Italia S.r.l.	Corso Italia 1, 20122, Milano, Italy	Design and consulting engineering services, in architecture and other related professional skills
Arup Jururunding Sdn. Bhd.	Level 26, 1Powerhouse, No. 1, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya , Selangor, Malaysia	Design and consulting engineering services, in architecture and other related professional skills
Arup Latin America, S.A.	Calle Alfonso XI, 12, 28014, Madrid, Spain	Design and consulting engineering services, in architecture and other related professional skills
Arup Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Design and consulting engineering services, in architecture and other related professional skills
Arup Macau Limited	Avenida Dr. Mario Soares, Finance and IT Center of Macau, 10-C & D, Macau, China	Design and consulting engineering services, in architecture and other related professional skills
Arup Maldives Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Design and consulting engineering services, in architecture and other related professional skills
Arup (Mauritius) Ltd	Bagatelle Office Park, Bagatelle, Moka, Mauritius	Design and consulting engineering services, in architecture and other related professional skills
Arup Mühendislik ve Müşavirlik Limited Şirketi	Nispetiye Mah. Baslık Sok. , MM Plaza Apt. No. 3/4, Besiktas, Istanbul, Turkey	Design and consulting engineering services, in architecture and other related professional skills
Arup New Zealand Limited	RSM New Zealand , RSM House, Level 2, 62 Highbrook Drive, Highbrook, Auckland, 1010, New Zealand	Design and consulting engineering services, in architecture and other related professional skills
Arup North America Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Design and consulting engineering services, in architecture and other related professional skills
Arup Partner Pty Limited	C/- Boroughs, Level 6, 77 Castlereagh Street, Sydney NSW 2000, Australia	Dormant company
Arup Peru Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Design and consulting engineering services, in architecture and other related professional skills
Arup Philippines Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Design and consulting engineering services, in architecture and other related professional skills
Arup Polska sp. z o.o.	ul. Inflancka 4, 00-189, Warszawa, Poland	Design and consulting engineering services, in architecture and other related professional skills
Arup Projects A Pty Ltd	C/- Boroughs, Level 6, 77 Castlereagh Street, Sydney NSW 2000, Australia	Dissolved 28/05/2024
Arup Pty Limited	C/- Boroughs, Level 6, 77 Castlereagh Street, Sydney NSW 2000, Australia	Design and consulting engineering services, in architecture and other related professional skills

Arup (Pty) Ltd	5 Parks Boulevard, Oxford Parks, Dunkeld, Johannesburg, 2196, South Africa	Design and consulting engineering services, in architecture and other related professional skills
Arup QLD Pty Ltd	Level 4, 108 Wickham Street, Fortitude Valley, Brisbane QLD 4006, Australia	Design and consulting engineering services, in architecture and other related professional skills
Arup Riyadh Metro Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Design and consulting engineering services, in architecture and other related professional skills
Arup Services B.V.	Naritaweg 118, Beta Building, 1043 CA, Amsterdam, Netherlands	Design and consulting engineering services, in architecture and other related professional skills
Arup Services New York Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Design and consulting engineering services, in architecture and other related professional skills
Arup Singapore Private Limited	182 Cecil Street, #06-01 Frasers Tower, Singapore, 069547, Singapore	Design and consulting engineering services, in architecture and other related professional skills
Arup Taiwan Limited	4F.-1, No. 1, Songgao Rd., Xinyi Dist., Taipei City, 110404, Taiwan	Design and consulting engineering services, in architecture and other related professional skills
Arup Technology Solutions US, Inc.	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	Technology host
Arup Texas, Inc.	1999 Bryan Street, Suite 900, Dallas TX 75201, United States	Design and consulting engineering services, in architecture and other related professional skills
Arup Treasury Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Group treasury
Arup USA, Inc.	155 Federal Street, Suite 700 Boston MA 02109, United States	Design and consulting engineering services, in architecture and other related professional skills
Arup US, Inc.	C T Corporation, 28 Liberty Street, New York NY 10005, United States	Design and consulting engineering services, in architecture and other related professional skills
Arup Vietnam Limited	F/17, Etown Central, No.11, Doan Van Bo Street, Ward 13, District 4, Ho Chi Minh City, Vietnam	Design and consulting engineering services, in architecture and other related professional skills
Babylon Investment Unlimited Company	50 Ringsend Road, Dublin 4, D04 T6X0, Ireland	Dissolved 27/01/2025
Broomco (141) GmbH	Joachimstaler Straße 41, 10623, Berlin, Germany	Design and consulting engineering services, in architecture and other related professional skills
Broomco (92854) Limited	50 Ringsend Road, Dublin 4, D04 T6X0, Ireland	Dormant company
Broomco (148355) Ltd.	7, Avenue Gaston Diderich, Luxembourg, L - 1420, Luxembourg	Dissolved 05/07/2023
Class 3 Technologies, Inc.	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	Provider of digital software
eFleet Integrated Service Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Lessor of electric busses
Energy Future Inc.	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	Energy storage

Fitzroy Comp, Inc.	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	Holding company
Fitzroy Insurance Services Limited	PO Box 230, Heritage Hall, Le Marchant Street, St Peter Port, Guernsey, GY1 4HY, Channel Islands	Insurance services
Fitzroy Property Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Property holdings
Neuron Digital Limited	Room 512, 5/F, New Mandarin Plaza Tower B, 14 Science Museum Road, Tsim Sha Tsui East, Hong Kong	Provider of digital software
Oasys Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Dormant company
OASYS Software Technology (Shanghai) Limited	3rd Floor Southwest Section, No. 2123 Pudong Avenue, China (Shanghai) Pilot Free Trade Zone, 200135, China	Provider of computer software
Ovarpart Nominee Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Investment holding company
Ove Arup Holdings B.V.	Naritaweg 118, Beta Building, 1043 CA, Amsterdam, Netherlands	Intermediate holding company
Ove Arup Holdings IP Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Intermediate holding company
Ove Arup Holdings Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Intermediate holding company
Ove Arup Holdings Private Limited	9 Raffles Place, #26-01 Republic Plaza, 048619, Singapore	Intermediate holding company
Ove Arup India Holdings Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Intermediate holding company
Ove Arup International (Holdings) Limited	Level 5, Festival Walk, 80 Tat Chee Avenue, Kowloon Tong, Kowloon, Hong Kong	Intermediate holding company
Ove Arup International Holdings Private Limited	9 Raffles Place, #26-01 Republic Plaza, 048619, Singapore	Intermediate holding company
Ove Arup Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Intermediate holding company
Ove Arup & Partners Danmark A/S	Axeltorv 2 K, 1609 , København V, Denmark	Design and consulting engineering services, in architecture and other related professional skills
Ove Arup & Partners Hong Kong Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Design and consulting engineering services, in architecture and other related professional skills
Ove Arup & Partners International Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Design and consulting engineering services, in architecture and other related professional skills
Ove Arup & Partners Ireland Limited	50 Ringsend Road, Dublin 4, D04 T6X0, Ireland	Design and consulting engineering services, in architecture and other related professional skills
Ove Arup & Partners Japan Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Design and consulting engineering services, in architecture and other related professional skills

Ove Arup & Partners Korea Limited	9F, B-Dong, Pine Avenue Building, 100 Eulji-Ro, Jung-Gu, Seoul, 04551, South Korea	Design and consulting engineering services, in architecture and other related professional skills
Ove Arup & Partners Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Design and consulting engineering services, in architecture and other related professional skills
Ove Arup & Partners Scotland Limited	10 George Street, Edinburgh, Scotland, EH2 2PF, United Kingdom	Design and consulting engineering services, in architecture and other related professional skills
Ove Arup & Partners, P.C.	600 N 2nd St, North 2nd Street, Suite 401, Harrisburg, Dauphin County PA 17101, United States	Engineering and consultancy services
Ove Arup & Partners, S.A.U	Calle Alfonso XI, 12 , 28014, Madrid, Spain	Design and consulting engineering services, in architecture and other related professional skills
Ove Arup (Thailand) Limited	No. 88 The PARQ Building, 7th Floor, Unit 7W14-16, Ratchadaphisek Road, Khlong Toei Sub-District, Khlong Toei District, Bangkok, 10110, Thailand	Design and consulting engineering services, in architecture and other related professional skills
Ove Arup Ventures Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Investment holding company
PT Arup Indonesia	19th Floor, #03-05 Talavera Office Park, Jl. Letjen TB Simatupang Kav. 22-26, South Jakarta, DKI Jakarta, 12430, Indonesia	Design and consulting engineering services, in architecture and other related professional skills
PT Rekacipta Kinematika	19th Floor, #03-05 Talavera Office Park, Jl. TB Simatupang Kav. 22 - 26, Cilandak, Jakarta Selatan, 12430, Indonesia	Design and consulting engineering services
Redcliffe Wharf Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Property holdings
Scotstoun Property Limited	8 Fitzroy Street, London, W1T 4BJ, United Kingdom	Property holdings
Shelbourne Plaza (Block C) Management Company Limited	50 Ringsend Road, Dublin 4, D04 T6X0, Ireland	Dormant company
Williamsburg Investment Unlimited Company	50 Ringsend Road, Dublin 4, D04 T6X0, Ireland	Dissolved 27/01/2025