Registered number: 07902679

AECOM Russia CSD Limited

Report and Financial Statements

2 October 2020

Company Information

Directors	PS Ribeiro-Carvalho-Vieira DJ Price R Cialone
Secretary	B Taiwo
Auditors	Ernst & Young LLP 1 More London Place London United Kingdom SE1 2AF
Registered office	Aldgate Tower 2 Leman Street London United Kingdom E1 8FA
Bankers	AO RaiffeisenBank Troitskaya Street 17, bld. 1 Moscow 129090, Russia BNP PARIBAS BANK JSC Lesnaya street 5, Building B Moscow 125047, Russia

Strategic Report
For the Year Ended 2 October 2020

The Directors present their Strategic Report for the year ended 2 October 2020.

The prior period of 12 months commenced on 29 September 2018 and ceased on 27 September 2019. The current period of 12 months commenced on 28 September 2019 and ceased on 2 October 2020.

Business review and future developments
The Company's principal activity during the year continued to be that of a provider of project solutions in the construction industry through branches based in Russia.

The Company’s turnover for the year has reduced as a result of reduced project activity. The Company's performance continued to be strong as a result of the successful execution of existing projects and a strong management of costs which combined to deliver a pre-tax profit in the financial year of RUB 191,028,000 (2019: RUB 135,439,000), and an increase year on year in operating profit from RUB 100,934,000 in 2019 to RUB 154,322,000 in 2020.

The Company continues to benefit from AECOM's global reach and reputation, which together with a continued focus on the successful execution of projects and strong management of costs, is expected to contribute to another successful year in 2021.

Principal risks and uncertainties
The principal risks and uncertainties for the Company are broadly classed as liquidity risk, credit risk, competitive and market risk, performance/delivery risk and foreign currency risk. The Company’s financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company’s businesses whilst managing its risks.

- **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities, in the normal course of business and as heightened due to COVID-19. The Company aims to mitigate liquidity risk by managing cash generation from its operations and applying cash collection targets, and also by recourse to inter-company funding where appropriate.

- **Credit risk**

Credit risk arises from the potential failure of counter-parties to the Company honouring their financial obligations. The Company's policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

- **Competitive and market risk**

The Company operates in a highly competitive industry which can impact upon its ability to win new work and also dilute its margins. The Company mitigates these risks by effective cost management thereby allowing it to remain competitive and to deliver the required results. Management also monitors bid tendering processes to ensure forecast bid margins remain satisfactory.

- **Performance/delivery risk**

Performance risk arises with the nature of the environment in which the Company operates. Failure to deliver to time and agreed scope can lead to the Company sustaining losses through cost overruns and client claims. Management monitors performance on significant contracts rigorously and takes appropriate action when considered necessary to address performance and delivery issues.

Strategic Report (continued)
For the Year Ended 2 October 2020

Principal risks and uncertainties (continued)

- **Climate change risk**

Climate change risk is the risk of disruption to the business due to increased severity and frequency of extreme weather events, such as rising temperatures or flooding. Climate change risk is a strategic consideration for AECOM globally, and a key aspect of AECOM's Sustainability Strategy. For project sites, climate risks are addressed in risk assessments and method statements, or in construction phase project plans for larger projects. All employees are encouraged to report significant weather events which affect our offices or sites via online safety, health and environment reporting tools.

- **Foreign currency risk**

Foreign currency risk is the risk in functional currency terms that the value of a financial commitment or a recognised asset or liability, will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risks primarily from foreign currency earnings and transactions settled in a foreign currency. The Company mitigates these risks by monitoring its exposure to foreign currency transactions.

Section 172 statement

The Board of Directors confirm, both individually and in aggregate that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in points (a) to (f) of section 172(1) of The Companies Act 2006).

The Board fulfils its duties partly through a governance framework that delegates day to day decision making to senior management, further details of which can be found within the Directors' Report.

The following section summarises how the Directors consider they have fulfilled their duties in regard of the above:

Investors
As a 100% owned subsidiary of the AECOM group, the Board regularly and openly engages with AECOM, recognising the importance of effective dialogue and the alignment of our strategy with that of the wider AECOM group.

Through both structured and ad hoc regular and open dialogue with AECOM, we have ensured that our Russian strategy is aligned with that of the wider AECOM group. The FY20- 21 plan and strategy form the basis for financial budgets, resource plans and investment decisions, and also the future strategic direction of the Company.

Suppliers
We have a wide pool of suppliers, including sub-contractors, whose performance is critical to enable us to deliver a high quality service to our customers. We strive to ensure that our suppliers operate at the same high standards of conduct that we set ourselves. We work with our suppliers to ensure that they have effective controls in place to enable this.

Strategic Report (continued)
For the Year Ended 2 October 2020

Section 172 statement (continued)

Suppliers (continued)

We engage with suppliers throughout the procurement process using a variety of methods including competency and compliance checks, collaborative working groups and supplier surveys/ feedback.

Key topics of engagement include compliance processes and data protection, AECOM's supplier code of conduct, health and safety initiatives and policies, responsible procurement, trust and ethics, and the current market and economic environment. These communications enable us to improve our processes and to confirm that our suppliers have complied with AECOM's supplier code of conduct. We also maintain a data base/ register of our local suppliers and operate a rigorous procurement process when selecting suppliers, making sure that we accurately record feedback on their performance, which can be used during future engagements.

Employees

We are a professional services business. Our employees are at the heart of everything we do and are central to the long-term success of the Company.

We engage with our workforce to ensure that we are fostering a positive employee experience and are providing an inclusive environment where our workforce feel that they can bring their best selves to work, whilst engaging in meaningful work that enhances career and professional development.

Workforce engagement is enabled through a variety of employee forums including town halls, leadership briefings, team meetings, company newsletters, management development programmes, mentoring and coaching initiatives, and the AECOM Freedom to Grow Culture that embraces flexibility, freedom and inclusiveness for all.

Clients

We aim to deliver truly outstanding service to our clients, ensuring a positive project outcome. Our corporate strategy involves driving profitable growth, advancing a culture of quality, technical excellence and innovation, and committing to our clients and the communities they serve. In order to achieve this, we need to develop and maintain strong client relationships.

During the year the senior regional management team received updates on key client issues through client service performance updates, focus groups, client listening, surveys, as well as regular business reviews. These updates are supported by senior management meeting with current and new clients, in order to gain an insight into current and prospective issues and challenges.

Topics discussed during such engagement include health and safety, AECOM's global offer, new initiatives (such as environmental, social and governance (ESG), for instance), contracts and pricing, delivery, innovation, quality, technical excellence and professionalism.

As a result, new initiatives are being introduced at the regional level, including 'The AECOM Way', with a mission to design and execute a consistent, principle-driven approach to winning and delivering work at AECOM.

Government

The Government implements social policies, legislation and regulations, and sets the frameworks within which we are required to operate. Successful relationships with Government and regulators are vital to our long-term success.

Strategic Report (continued)
For the Year Ended 2 October 2020

Section 172 statement (continued)

Government (continued)

Although we have not engaged extensively with national and local Government stakeholders in Russia, we interact with a number of the Government agencies, whose main focus is to drive innovation and best practice in the industry of design and construction. Engagement has taken place through construction industry forums, via one to one meetings and through our representation on a wide number of trade bodies and organisations.

Community and the environment

The communities and the environment are directly impacted by our business. Through our role as a global multidisciplinary consultancy we help clients maximise the social, economic and environmental wellbeing of the communities we serve.

Our social value policy is part of our Leadership Team governance. We uphold the accountability for delivery of our social value policy through our regional Social Value Champions, who operate across Russia. Reviewed on an annual basis, we use independent tools to ensure that local needs are understood and actioned via our local offices. This allows us to review processes and progress to continuously improve our standards, efficiency and effectiveness, and to introduce communication campaigns to inform our employees and other stakeholders of our social value policy.

Our social value themes include promoting local skills and employment, protecting and improving our environment, driving healthier and resilient communities, and supporting growth of the local economy. On an ad hoc basis we also take part in extra-mural initiatives such as supporting orphanages, and volunteering in and promoting our clients' initiatives, such as Earth day initiatives and charity runs (for example).

Principal decisions

The section summarises how regard for the above stakeholders has influenced the principal decisions taken by the Directors during the year:

Response to COVID-19

The global outbreak of COVID-19 and the subsequent public health emergency has adversely impacted commercial activity and contributed to significant volatility in debt and equity markets.

The impact on the construction industry has been profound. Despite this, AECOM has managed the impact on its project delivery and has not experienced any material project cancellations to date.

The Board considered the impact on clients, the workforce and the supply chain and adjusted capacity to meet the current environment. The Board worked quickly to ensure that the workforce was well placed to allow a seamless transition to remote working.

Strategic Report (continued)
For the Year Ended 2 October 2020

Section 172 statement (continued)

Response to COVID-19 (continued)

In response to the impact of COVID-19, a number of initiatives were also introduced during the year to better meet the demands of our markets and help us continue to provide the best services for our clients. These included a voluntary temporary pay reduction and a redundancy program.

Consultations were held with office leaders and impacted employees to ensure concerns were addressed and plans amended where appropriate.

On behalf of the Board

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DJ Price
Director
11 June 2021

Directors' Report
For the year ended 2 October 2020

Registered No: 07902679

The Directors present their report for the year ended 2 October 2020.

Results and dividends
The profit for the year after taxation amounted to RUB 166,601,000 (2019: profit of RUB 99,827,000). The Directors do not recommend the payment of a dividend (2019: RUB nil).

Principal activity
The Company is a subsidiary of AECOM. AECOM is the world's premier infrastructure consulting firm, delivering professional services throughout the project lifecycle – from planning, design and engineering to program and construction management. On projects spanning transportation, buildings, water, energy and the environment, our public and private sector clients trust us to solve their more complex challenges. Our teams are driven by a common purpose to deliver a better world through our unrivalled technical expertise and innovation, a culture of equity, diversity and inclusion, and a commitment to environmental, social and governance priorities.

The Company's principal activity during the year continued to be that of a provider of project solutions in the construction industry through branches based in Russia.

Financial instruments
The Company finances its activities through a combination of reinvestment of profits and, where necessary, borrowings provided by fellow group undertakings. Financial instruments such as trade debtors and trade creditors arise directly from the Company's operating activities. Any risks associated with financial instruments are managed and reviewed at an AECOM group level.

Future developments
The Directors anticipate that the year ahead will continue to provide opportunities to grow and strengthen the Group's business. The Directors do not expect any change to the principal activity of the Company in the foreseeable future.

Directors of the company
The Directors, who held office during the year and up to the date of this report, were as follows:

M Barone (resigned 2 November 2020)
PS Ribeiro-Carvalho-Vieira
DJ Price (appointed 14 September 2020)
R Cialone (appointed 14 September 2020)

No Director has any interest in the shares of the Company or other interests that require disclosure under the Companies Act 2006.

Directors' indemnity insurance is in place for all Directors, subject to the conditions set out in section 234 of the Companies Act 2006. Such indemnity insurance remains in force as at the date of approving the Directors' report.

Directors' Report (continued)
For the year ended 2 October 2020

Going concern
The Directors have received written confirmation of financial support, from the ultimate parent undertaking, AECOM, for a period of 12 months from the date of approval of these financial statements.

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to risks and uncertainties are described in the Strategic Report on page 2. The Company has access to the considerable financial resources of the AECOM Group. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Disclosure of information to the auditors
The Directors who were members of the board at the time of approving the Directors' Report are listed on page 1. Having made enquiries of fellow Directors and the Company's auditors, each of these Directors confirms that:

· So far as each person who was a Director at the date of approving this report is aware, there is no information (that is information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and

· Each Director has taken all the steps that they are obliged to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board

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DJ Price
Director

11 June 2021

Statement of Directors' Responsibilities

For the year ended 2 October 2020

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Member of AECOM Russia CSD Limited

Opinion

We have audited the financial statements of AECOM Russia CSD Limited (the 'Company') for the year ended 2 October 2020, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 2 October 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report to the Member of AECOM Russia CSD Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report to the Member of AECOM Russia CSD Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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

Ernst & Young LLP

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Oxana Dorrington (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 11 June 2021

Profit and Loss Account
For the year ended 2 October 2020

	Notes	2020 RUB 000	2019 RUB 000
Turnover	4	**586,308**	764,240
Cost of sales		**(349,105)**	(459,632)
Gross profit		**237,203**	304,608
Administrative expenses		**(82,881)**	(203,674)
Operating profit	5	**154,322**	100,934
Interest receivable and similar income	8	**36,706**	34,505
Profit on ordinary activities before taxation		**191,028**	135,439
Tax expense on profit on ordinary activities	9	**(24,427)**	(35,612)
Profit for the financial year		**166,601**	99,827

All amounts relate to continuing operations.

The Company has no other recognised Comprehensive Income and therefore no separate Statement of Comprehensive Income has been presented. Total Comprehensive Income for the financial year is RUB 166,601,000 (2019: RUB 99,827,000).

Statement of Changes in Equity
For the year ended 2 October 2020

	Share capital RUB 000	Retained earnings RUB 000	Total equity RUB 000
At 29 September 2018	101,185	623,547	724,732
Total comprehensive income for the year	-	99,827	99,827
At 27 September 2019	101,185	723,374	824,559

	Share capital RUB 000	Retained earnings RUB 000	Total equity RUB 000
At 28 September 2019	101,185	723,374	824,559
Total comprehensive income for the year	-	166,601	166,601
At 2 October 2020	101,185	889,975	991,160

The notes on pages 16 to 31 form an integral part of these financial statements.

Balance Sheet
At 2 October 2020

	Notes	2 October 2020 RUB 000	27 September 2019 RUB 000
Fixed assets			
Property, plant and equipment	10	**3,443**	3,740
Current assets			
Debtors: amounts falling due within one year	11	**43,935**	76,919
Debtors: amounts falling due after one year	12	**1,053,851**	873,542
Cash at bank and in hand		**14,356**	112,879
		1,112,142	1,063,340
Creditors: amounts falling due within one year	13	**(124,425)**	(242,521)
Net current assets		**987,717**	820,819
Total assets less current liabilities		**991,160**	824,559
Net assets		**991,160**	824,559
Capital and reserves			
Called up share capital	14	**101,185**	101,185
Retained earnings		**889,975**	723,374
Total equity		**991,160**	824,559

These financial statements were approved by the Board on 11 June 2021 and signed on its behalf by:

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DJ Price

Director

Notes to the Financial Statements
At 2 October 2020

1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of AECOM Russia CSD Limited (the Company) for the year ended 2 October 2020 were authorised for issue by the Board on 11 June 2021 and the balance sheet was signed on the Board's behalf by DJ Price. The Company is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

The Company's financial statements are presented in Russian Rubles (RUB), which is also the Company's functional currency, and all values are rounded to the nearest thousand rubles (RUB'000) except when otherwise indicated.

The results of the Company are included in the consolidated financial statements of AECOM which are available from 300 South Grand Avenue, 9th Floor, Los Angeles, California, 90071, United States of America. This is the smallest and largest group of which the Company is a member and for which consolidated financial statements are prepared.

The principal accounting policies adopted by the Company are set out in note 3.

2 Judgements and key sources of estimation uncertainty

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

The following judgments and estimates have had the most significant impact on amounts recognised in the financial statements:

(a) Revenue recognition

The percentage of completion method and the determination of revenues to recognise on claims and variations to contracts are reliant on estimates, in particular in respect of future expected costs and revenues. Furthermore, the assessment of what is a performance obligation and of when the Company recognises revenue as a performance obligation is satisfied, is considered a key judgement by management. The Company reviews the appropriateness of assumptions made on a regular basis.

Notes to the Financial Statements
At 2 October 2020 (continued)

2 Judgements and key sources of estimation uncertainty (continued)

(b) **Impairment of other receivables and amounts owed by group undertakings**

The Company makes an estimate of the recoverable value of other receivables. When assessing impairment of other receivables, management considers factors including the credit rating of the receivable (where applicable), the aging profile of receivables and historical experience.

For amounts owed by group undertakings, the Company assesses recoverability at each reporting period end date using historical experience and depending on whether those receivables are due on demand (12 month expected loss allowance), or where not due on demand, whether a significant increase in credit risk has occurred since original recognition of the instrument (lifetime expected loss allowance).

3 Significant accounting policies

3.1 Basis of preparation

These financial statements were prepared in accordance with FRS 101 and under historical cost accounting rules for all years presented, unless otherwise stated.

The accounts have been prepared on a going concern basis. Note 3.4 sets out the Directors' considerations on the potential impact of Coronavirus (COVID-19) and why, as a result of those considerations, they continue to adopt the going concern basis in preparing these financial statements.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 2 October 2020.

Notes to the Financial Statements
At 2 October 2020 (continued)

3 Significant accounting policies (continued)

3.2 Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

i. The requirements of IFRS 7 Financial Instruments: Disclosures;

ii. The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;

iii. 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;

iv. The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of :

i. Paragraph 79(a)(iv) of IAS 1;
ii. Paragraph 73(e) of IAS 16 Property, Plant and Equipment;

v. The requirements of paragraphs 10(d), 16, 111 and 134-136 of IAS 1 Presentation of Financial Statements;

vi. The requirements of IAS 7 Statement of Cash Flows;

vii. The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;

viii. The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;

ix. The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is a wholly owned by such a member; and

x. The requirements of paragraphs 130(f)(ii) and 130(f)(iii) of IAS 36 Impairment of Assets.

3.3 New standards, amendments and IFRIC interpretations

IFRS 16 supersedes IAS 17 Leases. IFRS 16 Leases is a new accounting standard that is effective for the year ended 2 October 2020. IFRS 16 has not had an impact on the Company given that it has no leases. There are no other amendments to accounting standards or IFRIC interpretations that are effective for the year ended 2 October 2020 which have had a material impact on the Company.

Notes to the Financial Statements
At 2 October 2020 (continued)

3 Significant accounting policies (continued)

3.4 Going concern

The Directors have received written confirmation of financial support, from the ultimate parent undertaking, AECOM, for a period of 12 months from the date of approval of the financial statements. The Board is required to consider the availability of resources to meet the Company's liabilities for a period of twelve months from the date of approval of these financial statements. When performing the going concern assessment, the Board have considered that there has been a global outbreak of COVID-19 which the World Health Organization declared a "Public Health Emergency of International Concern". The impact associated with this public health emergency, has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. Across the globe, the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and is having a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries. The impact of COVID-19 has led to significant volatility and declines in the global public equity markets and it is uncertain how long this volatility will continue. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.

For the AECOM Group, the most significant potential impact on financial results and cashflows resulting from COVID-19 is in relation to project delivery, however the Group has not experienced any material project cancellations to date, with most of its projects having been deemed essential and therefore continuing to progress.

In preparing a cash flow forecast to support the going concern assessment, considering the Company is part of a Group-wide treasury function, the Board has assessed whether the Company will be able to meet its liabilities as and when they fall due for a period of at least twelve months from the date of approval of the Company's financial statements. The Board acknowledges the general uncertainty provided by COVID-19 and as such has obtained a written confirmation of financial support from its ultimate parent undertaking, AECOM for a period of 12 months from the date of approval of these financial statements. The Directors, having made the relevant enquiries and having reviewed the AECOM's publicly available financial position in its latest Q2 2021 filings, indicating that the AECOM Group is in a strong financial position with significant amounts of liquid assets available, are therefore satisfied that the ultimate parent undertaking has adequate resources to provide any support to the Company if it is needed. As at 31 March 2021, AECOM, as per its Form 10Q for the half year ended 31 March 2021, had $935 million of cash and cash equivalents, and $1.1 billion of undrawn revolving credit facility.

As a result the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Notes to the Financial Statements
At 2 October 2020 (continued)

3 Significant accounting policies (continued)

3.5 Turnover and contracts

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Recognition of revenue and profit is dependent upon a number of factors, including the accuracy of a variety of estimates made at the balance sheet date (e.g. engineering progress, material quantities, the achievement of milestones, penalty provisions, labour productivity and cost estimates). Ultimately, the Company recognises revenue when performance obligations have been satisfied, over time. Where contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the standalone selling prices. Where these are not directly observable, they are based on expected cost plus margin.

The timing of satisfaction of performance obligations does not always directly correspond with the timing of receipt of payment from customers, which could be paid in advance, paid in arrears, or be based on milestone achievements.

Additionally, the Company is required to make estimates for the amount of consideration to be received, including bonuses, awards, incentive fees, claims, unpriced change orders, penalties and liquidated damages. Variable consideration is included in the estimate of the transaction price only to the extent that a significant reversal would not be highly probable.

Turnover relates to the provision of services. The main types of service contracts are:

(a) **Fixed price contracts**

Fixed price contracts principally relate to lump sum contracts. Under lump sum contracts, the Company performs all of the work under the contract for a specified fee. Lump sum contracts are typically subject to price adjustments if the scope of the project changes or unforeseen conditions arise.

Turnover is recognised over time using the percentage completion method, as the customer receives and consumes the benefits of the service simultaneously. Percentage of completion is measured by reference to total costs incurred to date to fulfil performance obligations as a percentage of the total costs expected to be incurred over the life of the contract. If the estimated total costs on a contract indicate a loss on a project, the loss is recognised as soon as it is foreseen.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Notes to the Financial Statements
At 2 October 2020 (continued)

3 Significant accounting policies (continued)

3.5 Turnover and contracts (continued)

(b) **Cost reimbursable contracts**

Cost reimbursable contracts include cost-plus fixed fee, cost plus fixed rate, and time and materials price contracts. Under cost plus contracts, the Company charges clients for its costs, including both direct and indirect costs, plus a negotiated fee or rate. The Company recognises revenue over time based on actual direct costs incurred to fulfil performance obligations and the applicable fixed rate or portion of the fixed fee earned as of the balance sheet date. Turnover is recognised over time using the percentage completion method, unless the contract is a pure service contract whereby revenue is recognised over time equal to the amounts billed to the client, commensurate with the Company's performance completed and invoiced to date.

Under time and materials price contracts, the Company negotiates hourly billing rates and charges its clients based on the actual time that it expends on a project. In addition, clients reimburse the Company for materials and other direct incidental expenditures incurred in connection with its performance under the contract.

Provision is made for contract losses in full as soon as they are foreseen.

Contract modifications
Contract modifications such as those related to additional orders or changes in price or scope (or both), are common. A contract modification is treated as a separate contract when the scope of the contract increases due to the addition of promised goods or services which are distinct and where the price of the contract is raised by an amount reflecting the Company’s stand-alone selling price for the additional goods or services promised. In most cases the added goods or services are not distinct and therefore form part of a single performance obligation that is partially met at the time of the contract modification. As a result, this is reported as being a part of the existing contract.

Contract assets and liabilities
Where turnover, on a contract by contract basis, exceeds amounts invoiced or where goods or services are transferred to the customer before the customer pays consideration (or before payment is due), the excess is classified as amounts recoverable on contracts and included in debtors (contract asset). Where amounts invoiced, on a contract by contract basis, exceed turnover or where the Company has received consideration but still has an obligation to deliver products and meet performance obligations for that consideration, the excess is classified as contract liabilities and included in creditors.

3.6 Other income and expenses

(a) **Interest receivable and payable**

Interest income and expense is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

When a loan or receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

Notes to the Financial Statements
At 2 October 2020 (continued)

3 Significant accounting policies (continued)

3.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost comprises the aggregate amount paid and includes costs directly attributable to making the asset capable of operating as intended. Depreciation is calculated to write down the cost or valuation less estimated residual value of all property, plant and equipment over their expected useful lives. The rates and periods used are:

Furniture and equipment - 20% straight-line per annum
Computer equipment - 33% straight-line per annum

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required, these are made prospectively.

3.8 Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. Refer to note 3.11.

3.9 Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply when the related asset or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the Financial Statements
At 2 October 2020 (continued)

3 Significant accounting policies (continued)

3.9 Income taxes (continued)

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited to equity if it relates to items that are charged or credited direct to equity. Otherwise income tax is recognised in the profit and loss account.

3.10 Foreign currencies

The Company's financial statements are presented in Russian Rubles (RUB) which is also the Company's functional currency. Transactions in foreign currencies are initially recorded into the Company's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date with exchange gains and losses dealt with through the profit and loss account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

3.11 Trade debtors, other receivables and amounts owed by group undertakings

Trade and other debtors are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is not material, receivables are carried at amortised cost. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and days past due. The contract assets relate to amounts recoverable on contracts and have substantially the same risk characteristics as trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

Amounts owed by group undertakings are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is not material, receivables are carried at amortised cost. To measure the expected credit losses, the Company assesses recoverability at each reporting period end date using historical experience and depending on whether those receivables are due on demand (12 month expected loss allowance), or where not due on demand, whether a significant increase in credit risk has occurred since original recognition of the instrument (lifetime expected loss allowance).

Notes to the Financial Statements
At 2 October 2020 (continued)

3 Significant accounting policies (continued)

3.12 Financial instruments

(a) **Financial assets**

Recognition and measurement
Financial assets within the scope of IFRS 9 are classified as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, or financial assets at amortised cost. The classification depends on the purpose for which the financial assets were acquired. The Company recognises financial assets in the Balance Sheet when, and only when, it becomes party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

The Company's financial assets include trade debtors, amounts recoverable on contracts, cash and amounts owed by group undertakings. All financial assets are recognised initially at fair value plus directly attributable transaction costs, then subsequently measured at amortised cost using the effective interest (EIR) method, less any impairment, or at fair value.

As the Company's financial assets are all held within a business model whose objective is to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest, all are classified as financial assets at amortised cost.

Derecognition
The Company derecognises a financial asset when:
- the contractual rights to the cash flows from the asset expire;
- it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the asset are transferred; or
- the Company neither retains nor transfers substantially all of the risks and rewards of ownership and it does not retain control of the asset.

(b) **Financial liabilities**

Recognition and measurement
Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost. The Company recognises financial liabilities in the Balance Sheet when, and only when, it becomes party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

The Company's financial liabilities include trade creditors and amounts owed to group undertakings. All financial liabilities are recognised initially at fair value, plus directly attributable transaction costs, then subsequently measured at amortised cost using the effective interest method.

Derecognition
The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Notes to the Financial Statements
At 2 October 2020 (continued)

3 Significant accounting policies (continued)

3.12 Financial instruments (continued)

(c) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the Balance Sheet if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.13 Cash and cash equivalents

Cash comprises cash on hand and on demand deposits.

4 Turnover

Turnover recognised in the profit and loss account, net of value added tax, for both 2020 and 2019, relates entirely to the rendering of services. Turnover is derived predominantly from Russia, with a small amount also derived from activities performed in Kazakhstan.

The Company recognised revenue in the period of RUB 127,955,000 (2019: RUB 207,146,000) that was included in the payments on account (contract liabilities) balance at the beginning of the period.

Revenue recognised in the period from performance obligations satisfied (or partially satisfied) in previous periods was not material.

5 Operating profit

This is stated after charging / (crediting):

	2020 RUB 000	2019 RUB 000
Depreciation of property, plant and equipment	1,988	1,685
Loss on sale or disposal of property, plant and equipment	117	-
Net foreign currency (gains)/losses	(123,062)	15,993

The Company has not capitalised any development expenditure in the current or preceding period.

6 Auditors' remuneration

Auditors’ remuneration for the audit of the financial statements of the Company of RUB 3,844,000 (2019: RUB 2,576,000) has been borne by a fellow group undertaking in the year.

There were no fees payable to the auditor for non-audit services during the year (2019: RUB nil).

Notes to the Financial Statements
At 2 October 2020 (continued)

7 Staff costs and directors' remuneration

(a) Staff costs

	2020 RUB 000	2019 RUB 000
Wages and salaries	256,338	315,966
Social security costs	1,759	2,416
Other pension costs	35,020	42,932
	293,117	361,314

In the current and prior year, other pension cost consists entirely of costs in respect of contributions to defined contribution plans.

The average monthly number of employees during the year was made up as follows:

	2020 No.	2019 No.
Engineering and technical	61	89
Administration and finance	10	9
	71	98

(b) Directors' remuneration

Directors’ remuneration is borne by other companies within the AECOM group and not specifically recharged. The Directors do not consider it is practicable to allocate remuneration received between qualifying services provided to the Company and other services provided to the AECOM group of companies.

8 Interest receivable and similar income

	2020 RUB 000	2019 RUB 000
Interest receivable from group undertakings	33,963	28,477
Other interest income	2,743	6,028
	36,706	34,505

Notes to the Financial Statements
At 2 October 2020 (continued)

9 Taxation

(a) Tax charged or credited in the profit and loss account

The tax charge is made up as follows:

	2020 RUB 000	2019 RUB 000
Current income tax:		
UK corporation tax	-	-
Foreign tax	8,660	35,995
Total current income tax	8,660	35,995
Deferred tax:		
Origination and reversal of temporary differences	15,767	(383)
Total deferred tax	15,767	(383)
Tax expense in the profit and loss account	24,427	35,612

(b) Reconciliation of the total tax charge / (credit)

The tax charge on the profit for the year differs from the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 RUB 000	2019 RUB 000
Profit from continuing activities before tax	191,028	135,439
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	36,295	25,733
Effects of:		
Deferred tax movement	15,767	(383)
Foreign tax	(27,635)	10,262
Total tax expense reported in the profit and loss account	24,427	35,612

Notes to the Financial Statements
At 2 October 2020 (continued)

9 Taxation (continued)

(c) Factors affecting future tax charges

In the prior year the UK Government had announced and enacted a reduction in the main rate of UK corporation tax from 19% to 17%, to take effect from 1 April 2020. In March 2020, the UK Government announced that the rate reduction would not go ahead and the rate would remain at 19%. This change was enacted before the balance sheet date, and the impact has been reflected in these financial statements.

On 3 March 2021 the UK Government announced an increase in the main rate of UK corporation tax from 19% to 25%, to take effect from 1 April 2023. This change was not enacted before the balance sheet date.

(d) Deferred tax

Deferred tax is provided at 20% (2019: 17%) in the financial statements as follows:

	2020 RUB 000	2019 RUB 000
Other temporary differences	12,145	27,912
Deferred tax asset	12,145	27,912

Movement in deferred tax balance during the year

	28 September 2019 RUB 000	Recognised in profit and loss RUB 000	2 October 2020 RUB 000
Other temporary differences	27,912	(15,767)	12,145
	27,912	(15,767)	12,145

Movement in deferred tax balance during the prior year

	29 September 2018 RUB 000	Recognised in profit and loss RUB 000	27 September 2019 RUB 000
Other temporary differences	27,529	383	27,912
	27,529	383	27,912

Notes to the Financial Statements
At 2 October 2020 (continued)

10 Property, plant and equipment

	Fixtures, fittings, tools and equipment RUB 000	Computer equipment RUB 000	Total RUB 000
Cost:			
At 28 September 2019	1,134	13,387	14,521
Additions	-	1,808	1,808
Disposals	(247)	(3,087)	(3,334)
At 2 October 2020	887	12,108	12,995
Depreciation:			
At 28 September 2019	1,028	9,753	10,781
Charged during the year	63	1,925	1,988
Eliminated on disposal	(247)	(2,970)	(3,217)
At 2 October 2020	844	8,708	9,552
Net book value:			
At 2 October 2020	43	3,400	3,443
At 28 September 2019	106	3,634	3,740

No property, plant and equipment have been pledged as security.

11 Debtors amounts falling due within one year

	2 October 2020 RUB 000	27 September 2019 RUB 000
Trade debtors	19,256	-
Amounts owed by group undertakings	-	34,518
Amounts recoverable on contracts (contract assets)	4,788	7,702
Other debtors	779	-
Prepayments and accrued income	685	6,787
Corporation tax receivable	6,282	-
Deferred tax (see note 9)	12,145	27,912
	43,935	76,919

Trade debtors are stated after provisions for impairment of RUB 12,845,000 (2019: RUB 12,845,000, fully provided).

Notes to the Financial Statements
At 2 October 2020 (continued)

11 Debtors amounts falling due within one year (continued)

There are no provisions for impairment on amounts owed by group undertakings in the prior year.

There are no provisions for impairment on amounts recoverable on contracts (contract assets) (2019: RUB nil).

All debtors are due within one year with the exception of deferred tax of RUB 13,542,000 (2019: RUB 25,259,000) due in more than one year.

Amounts owed by group undertakings are unsecured, interest free and are repayable in line with standard accounts payable terms.

Amounts owed by group undertakings above represent balances owed by fellow AECOM entities that are wholly owned subsidiaries of the ultimate parent undertaking.

12 Debtors amounts falling due after one year

	2 October 2020 RUB 000	27 September 2019 RUB 000
Amounts owed by group undertakings	1,053,851	873,542
	1,053,851	873,542

There are no provisions for impairment on amounts owed by group undertakings (2019: RUB nil).

Amounts owed by group undertakings attract interest at LIBOR plus a margin. All amounts owed by group undertakings are unsecured and repayable on demand. As the Company has no immediate plans in place to recover these amounts owed by group undertakings within 12 months of the balance sheet date, they have been classified as current assets due after one year as at 2 October 2020.

Amounts owed by group undertakings above represent balances owed by fellow AECOM entities that are wholly owned subsidiaries of the ultimate parent undertaking.

13 Creditors: amounts falling due within one year

	2 October 2020 RUB 000	27 September 2019 RUB 000
Trade creditors	734	612
Payments on account (contract liabilities)	62,217	127,959
Amounts owed to group undertakings	13,116	15,591
Other creditors	711	-
Other taxes and social security costs	15,796	33,659
Accruals and deferred income	31,851	54,256
Income tax liability	-	10,444
	124,425	242,521

Payments on account (contract liabilities) have decreased year on year due to major projects nearing completion.

Notes to the Financial Statements
At 2 October 2020 (continued)

13 Creditors: amounts falling due within one year (continued)

Amounts owed to group undertakings are unsecured, interest free and are repayable in line with standard accounts payable terms.

Amounts owed to group undertakings above represent balances owed to fellow AECOM entities that are wholly owned subsidiaries of the ultimate parent undertaking.

14 Called up share capital

	2020		2019	
	No.	RUB 000	No.	RUB 000
Allotted, called up and fully paid				
Ordinary shares of RUB 49 each	2,065,001	101,185	2,065,001	101,185

The Ordinary shares rank equally in terms of rights to vote, dividend entitlement, and rights on winding up.

There are no restrictions on the distribution of dividends or the repayment of capital. Any dividends declared are at the discretion of the Directors.

15 Related party transactions

During the year the Company entered into transactions in the ordinary course of business, with related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

16 Ultimate parent undertaking and controlling party

The Company's immediate parent is AECOM Europe Holdings Limited, incorporated in England and Wales.

The Company's ultimate parent undertaking is AECOM which is incorporated in the United States of America. The Company's results are included within the consolidated financial statements of AECOM which are publicly available from 300 South Grand Avenue, 9th Floor, Los Angeles, California, 90071, United States of America.