

**TETRA TECH UK HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**TETRA TECH UK HOLDINGS LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	R A Lemmon K Onslow B J Ward
<b>Company secretary</b>	P Hopson
<b>Registered number</b>	05909611
<b>Registered office</b>	1 Northfield Road Reading Berkshire RG1 8AH
<b>Independent auditor</b>	James Cowper Kreston Chartered Accountants and Statutory Auditor Reading Bridge House George Street Reading Berkshire RG1 8LS

**TETRA TECH UK HOLDINGS LIMITED**

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# TETRA TECH UK HOLDINGS LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

### Introduction

The directors present their Strategic Report for the year ended 30 September 2020.

### Strategic review

The company continues to act as an intermediate holding company of a group of companies. These accounts present the results of this holding company only and show a profit of £433,258 (2019 - £168,398) before tax arising from interest on intercompany loans.

We have continued to invest in maintaining and strengthening robust risk and compliance structures. Our compulsory training modules for all staff includes maintaining high standards in ethics, anti-bribery, safeguarding, modern slavery and cyber security.

We work hard with our clients to identify the best initiatives to achieve the objectives of existing and proposed projects, and how to work together to improve delivery across the sector. We collaborate with our suppliers to ensure we deliver our projects in the best way possible, and our expertise is also called upon to participate in workshops and discussions organised by clients. Our collaborative approach has been particularly helpful in agreeing rapid adjustments to project actions in order to pivot towards Covid-19 related objectives.

Our historically strong links with both the Department for International Development (DFID) and the Foreign and Commonwealth Office (FCO) lead us to believe that the merger of DFID into the FCO to create the Foreign and Commonwealth Development Office (FCDO) may increase short term uncertainty but should not mean too much negative impact on our existing projects. There has been some disruption in commissioning new projects, but this appears to be only temporary.

The revenue of our subsidiary in Warsaw continued to grow, strengthening our presence in the EU. Poland has been a good country to recruit technical delivery capability and the team also continues to work on existing projects and framework contracts.

The results of our subsidiaries are disclosed in their own accounts. Management are pleased with the results for the year, despite the impact of the Covid-19 outbreak.

### Future developments

We continue to offer a wider range of services to a broader client base and are actively growing our resources to manage the continued contract wins which will be reflected in the results of the coming years. The management of the international development business of the WYG Group acquired by our parent company last year is now fully integrated and has increased the services we can offer, and diversifies the client base.

Recent pronouncements regarding the temporary reduction of UK Government investment in international development from 0.7% to 0.5% of Gross National Income (GNI) per year, along with an expected reduction in GNI itself as a result of Covid-19, will bring further uncertainty on timing and value of future commissions. Nevertheless, we retain a substantial order book of existing projects and continue to actively pursue new opportunities as they arise. We believe the Company is well positioned to continue to provide services and to adapt to continually changing circumstances.

## TETRA TECH UK HOLDINGS LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

#### Financial risk management objectives and policies

The directors consider that there is limited exposure to financial risk as the majority of the Company's financial exposure is to other companies in the Tetra Tech Inc. group. The company's financial risk management objectives and policies are aligned to those of the Tetra Tech Inc. group of companies which are disclosed in the consolidated financial statements of the company's ultimate holding company, Tetra Tech Inc.

As part of the Tetra Tech group in the UK we subscribe to the tax policy shown on our website with the aim of conducting our tax affairs so as to comply with all relevant laws, rules, regulations, reporting and disclosure requirements, wherever we operate. Our commitment to fair taxation ensures that the countries where we have a permanent establishment benefit from substantial tax receipts withheld from our local employees and suppliers as well as sales taxes and income tax on profits made locally.

Other major business risks, together with systems and initiatives in place to address them, are discussed in the relevant financial reports of our subsidiaries.

#### Corporate Social Responsibility

As a responsible corporate citizen, the Group is committed to the highest standards of ethics, integrity and compliance in all respects of our business. The Group's corporate social responsibility practices are aligned to those of Tetra Tech, Inc. and the most recent Sustainability Report Card is publicly available at [www.tetratech.com](http://www.tetratech.com).

#### Section 172 (1) Statement

Section 172 of the Companies Act 2006 requires each Director of the Company to act in the way he or she considers would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing this, Section 172 requires a Director to have regard to: the likely consequences of any decision in the long term; the interests of the Company's employees; the need to foster the Company's business relationships with customers, suppliers, and others; the impact of the Company's operations on the community and environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the Company.

The Directors give careful consideration to the factors set out above in discharging their duties under Section 172. The stakeholders considered in this regard are the people who work for the Company, its branches and subsidiaries, and clients who require us to implement programs in Africa; the Middle-East; Asia; and Europe. The Directors recognise that building strong relationships with our stakeholders will help the Company deliver its strategy in line with its long-term values and operate the business in a sustainable way.

The Directors of the Company seek to understand the interests and views of the Company's stakeholders by engaging with them directly as appropriate. Some of the ways in which the Directors engaged directly with the stakeholders over the year are detailed below:

#### Customers

The Company's commitment to delivering a consistently high level of expertise and professionalism is a critical element of the Company's success and business strategy. The Company focuses on continually improving the overall client experience from inception to completion. Our strong reputation for delivering on work objectives and the excellent relationships that we have built within governments and aid agencies around the globe have positioned us well for any changes that may occur.

#### Employees

The Directors receive various metrics and feedback tools in relation to employees of the Company and its subsidiaries. The Company Directors and senior managers engage with employees in a number of ways. These include a weekly cascade meeting open to all staff with frequent project presentations from the business areas. In this way the Company also maintains a practice of keeping employees

informed of matters affecting them as employees and the financial and economic factors affecting the performance of the company. In return, the employees can raise any issues or suggestions direct with management, or via the recently established Employee engagement Forum. More informal communication and feedback is also performed through campaigns surrounding promotions such as Compliance and Ethics Week and mandatory Unconscious Bias

**TETRA TECH UK HOLDINGS LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

training.

The Company helps to support employees in a number of ways. This includes providing an annual personal development allowance and actively encouraging training to support personal and career development as well as general wellbeing initiatives.

**Suppliers**

The Company maintains ongoing relationships with suppliers and contractors both in the UK and at a country specific level that have been built up over many years. We have also strengthened our identity with the rebranding of our operations from Coffey International Development and WYG International to Tetra Tech International Development. In addition, the Company benefits from the knowledge sharing within the Tetra Tech, Inc. global network of Operating Units.

**Shareholders**

The Company is a wholly owned subsidiary of Tetra Tech International Development Europe Limited and the ultimate parent company is Tetra Tech Inc. The Company's Directors have day-to-day interaction with both the senior management of Tetra Tech International Development and regular dialogue with the senior executive management of Tetra Tech, Inc. Given this direct dialogue, the Directors have a comprehensive understanding of the needs and targets of its immediate shareholders.

This report was approved by the board and signed on its behalf.

.....  
**K Onslow**  
Director

Date: 28 June 2021

# TETRA TECH UK HOLDINGS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present their report and the financial statements for the year ended 30 September 2020.

### Results and dividends

The profit for the year, after taxation, amounted to £431,915 (2019 - £141,555).

The directors do not recommend a final dividend (2019 - £Nil).

### Future developments

Details of future developments can be found in the Strategic Report on page 1.

### Going concern

The directors expect the Company to continue to operate for a period of no less than 12 months from the date of the signing of the director's report. Thus they continue to adopt the going concern basis in preparing the financial statements.

### Financial risk management objectives and policies

Details of financial risk management objectives and policies can be found in the Strategic Report on page 1.

### Directors

The directors who served during the year were:

R A Lemmon  
K Onslow  
B J Ward

### Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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;
- 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 to 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.



**TETRA TECH UK HOLDINGS LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**Statement of disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditor**

The auditor, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

.....  
**K Onslow**  
Director  
Date: 28 June 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TETRA TECH UK HOLDINGS LIMITED**

**Opinion**

We have audited the financial statements of Tetra Tech UK Holdings Limited (the 'Company') for the year ended 30 September 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 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 United Kingdom, including the Financial Reporting Council'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.

**Other information**

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

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TETRA TECH UK HOLDINGS LIMITED (CONTINUED)**

We have nothing to report in this regard.

**Opinion on other matters 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 the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the 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 the 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 or the Directors' report.

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

- adequate accounting records have not been kept, 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 Directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TETRA TECH UK HOLDINGS LIMITED (CONTINUED)

**Use of our report**

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

Alexander Peal BSc(Hons) DChA (Senior Statutory Auditor)

for and on behalf of

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

Reading Bridge House  
George Street  
Reading  
Berkshire  
RG1 8LS

28 June 2021

**TETRA TECH UK HOLDINGS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	<b>Note</b>	<b>2020 £000</b>	2019 £000
Interest receivable and similar income	6	<b>780</b>	372
Interest payable and expenses	7	<b>(347)</b>	(203)
		<hr/>	<hr/>
<b>Profit before tax</b>		<b>433</b>	169
Tax on profit	8	<b>(1)</b>	(27)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<b><u>432</u></b>	<b><u>142</u></b>

There was no other comprehensive income for 2020 (2019: £NIL).

The notes on pages 12 to 20 form part of these financial statements.

**TETRA TECH UK HOLDINGS LIMITED**  
**REGISTERED NUMBER: 05909611**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2020**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Investments	9	51,640	54,123
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	10	6,261	5,993
Debtors: amounts falling due within one year	10	23,681	20,713
Cash at bank and in hand	11	157	962
		30,099	27,668
Creditors: amounts falling due within one year	12	(1,909)	(2,393)
<b>Net current assets</b>		<b>28,190</b>	25,275
<b>Total assets less current liabilities</b>		<b>79,830</b>	79,398
Creditors: amounts falling due after more than one year	13	(21,000)	(21,000)
<b>Net assets</b>		<b>58,830</b>	58,398
<b>Capital and reserves</b>			
Called up share capital	16	21,263	21,263
Share premium account	17	45,386	45,386
Profit and loss account	17	(7,819)	(8,251)
		<b>58,830</b>	58,398

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....  
**K Onslow**  
 Director  
 Date: 28 June 2021

The notes on pages 12 to 20 form part of these financial statements.

**TETRA TECH UK HOLDINGS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
<b>At 1 October 2018</b>	21,262	1,386	(8,393)	14,255
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	142	142
Shares issued during the year	1	44,000	-	44,001
<b>At 1 October 2019</b>	<u>21,263</u>	<u>45,386</u>	<u>(8,251)</u>	<u>58,398</u>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	432	432
<b>At 30 September 2020</b>	<u><u>21,263</u></u>	<u><u>45,386</u></u>	<u><u>(7,819)</u></u>	<u><u>58,830</u></u>

The notes on pages 12 to 20 form part of these financial statements.

## TETRA TECH UK HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

#### 1. General information

The Company is an intermediate holding company in the Tetra Tech Inc. group of companies. The Company is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and principal activities are given in the Strategic Report and the Directors' Report.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The directors have a reasonable expectation that the Company has adequate resource to continue in operational existence for at least 12 months from the date of approval of the financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Tetra Tech, Inc. as at 27 September 2020 and these financial statements may be obtained from their website at [www.tetratech.com](http://www.tetratech.com).

##### 2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

##### 2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020

**2. Accounting policies (continued)**

**2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**2.6 Creditors**

Short term creditors are measured at the transaction price.

**2.7 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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

**2.8 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**3. Critical accounting judgements and key sources of estimation uncertainty**

The directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. During the year there were no critical accounting judgements made by the directors.

**Key sources of estimation uncertainty****Impairment of investments**

The directors deemed it necessary to determine whether there are indicators of impairment of the Company's fixed asset investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset. No impairment provision has been recognised as a consequence of this review as at 30 September 2020.

**Recoverability of the amounts owed by group undertakings**

The directors deemed it necessary to determine whether there are indicators of impairment of the Company's amounts receivable from group undertakings. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the debtor company and the current and forecast financial position of the debtor company. The directors have concluded that all such amounts are expected to be fully recoverable so no allowance for bad debts has been made during the reporting period.

**4. Auditor's remuneration**

	<b>2020</b>	2019
	<b>£000</b>	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>2</u>	<u>2</u>
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Taxation compliance services	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

**5. Director's emoluments and employees**

The directors received no emoluments in respect of their services to the Company during the year (2019 - £Nil).

The average monthly number of directors during the year was 3 (2019 - 4). There were no employees during the year (2019 - Nil).

**TETRA TECH UK HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**6. Interest receivable**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Interest receivable from group companies	<u>780</u>	<u>372</u>

**7. Interest payable and similar expenses**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Loans from group undertakings	-	114
Bank loans	<u>347</u>	<u>89</u>
	<u><b>347</b></u>	<u><b>203</b></u>

**8. Taxation**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>1</u>	<u>27</u>
<b>Total deferred tax</b>	<u><b>1</b></u>	<u><b>27</b></u>
<b>Taxation on profit on ordinary activities</b>	<u><b>1</b></u>	<u><b>27</b></u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before tax	<u>433</u>	<u>168</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	82	32
<b>Effects of:</b>		
Use of losses from prior years	(81)	(5)
Change in rate on deferred tax balances	-	-
<b>Total tax charge for the year</b>	<u><b>1</b></u>	<u><b>27</b></u>

**TETRA TECH UK HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**8. Taxation (continued)**

**Factors that may affect future tax charges**

There are no factors effecting future tax charges.

**9. Fixed asset investments**

	<b>Investments in subsidiary companies £000</b>
<b>Cost or valuation</b>	
At 1 October 2019	60,878
Disposals	(2,483)
	58,395
At 30 September 2020	58,395
<b>Impairment</b>	
At 1 October 2019	6,755
	6,755
At 30 September 2020	6,755
<b>Net book value</b>	
At 30 September 2020	51,640
<b>At 30 September 2019</b>	54,123

During the prior year, on 1 July 2019, the company acquired WYG Limited by virtue of acquiring 100% of the share capital for the consideration of £43,468,025.

In view of the growing size of the UK operations, in October 2019 a new holding company "Tetra Tech UK Limited" was formed to begin to centralise some of the common administrative and support activities for the UK as a whole. The single share in the new company is owned by Tetra Tech UK Holdings Limited, and during September 2020 the company's investment in Tetra Tech International Development Europe was sold to the new entity at cost.

**TETRA TECH UK HOLDINGS LIMITED**

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**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Tetra Tech UK Limited	1 Northfield Road, Reading, Berkshire, RG1 8AH	Holding company	Ordinary	100 %
Coffey Geotechnics Limited	1 Northfield Road, Reading, Berkshire, RG1 8AH	Specialist consultancy	Ordinary	100 %
NDY Consulting Limited	4 Chiswell Street, London, EC1Y 4UP	Specialist consultancy	Ordinary	100 %
WYG Limited	3 Sovereign Square, Sovereign Street, Leeds, LS1 4ER	Specialist consultancy	Ordinary	100 %

**10. Debtors**

	<b>2020</b>	2019
	<b>£000</b>	£000
<b>Due after more than one year</b>		
Amounts owed by group undertakings	<u><b>6,261</b></u>	<u>5,993</u>

Amounts owed by group undertakings due in more than one year are unsecured, bear interest at 4.5% per annum and are repayable on 30 September 2021.

	<b>2020</b>	2019
	<b>£000</b>	£000
<b>Due within one year</b>		
Amounts owed by group undertakings	<b>23,607</b>	20,639
Deferred taxation	<b>74</b>	74
	<u><b>23,681</b></u>	<u>20,713</u>

**11. Cash and cash equivalents**

	<b>2020</b>	2019
	<b>£000</b>	£000
Cash at bank and in hand	<u><b>157</b></u>	<u>962</u>

TETRA TECH UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020

12. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Amounts owed to group undertakings	1,905	2,374
Corporation tax	2	-
Accruals and deferred income	2	19
	<u>1,909</u>	<u>2,393</u>

13. Creditors: Amounts falling due after more than one year

	2020 £000	2019 £000
Bank loans	<u>21,000</u>	<u>21,000</u>

14. Loans

Analysis of the maturity of loans is given below:

	2020 £000	2019 £000
<b>Amounts falling due 2-5 years</b>		
Bank loans	<u>21,000</u>	<u>21,000</u>

15. Deferred taxation

	2020 £000
At beginning of year	74
Utilised in year	-
<b>At end of year</b>	<u>74</u>

The deferred tax asset is made up as follows:

	2020 £000	2019 £000
Timing differences on losses and other deductions	74	74
	<u>74</u>	<u>74</u>

TETRA TECH UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020

16. Share capital

	2020	2019
	£000	£000
<b>Allotted, called up and fully paid</b>		
2019 - 2,126,271,879 (2019 - 2,126,227,879) Ordinary shares of £0.01 each	<u>21,263</u>	<u>21,263</u>

17. Reserves

**Share premium account**

The share premium reserve relates to amounts paid for share capital in excess of nominal value.

**Profit and loss account**

The profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

18. Related party transactions

The Company has taken advantage of the exemption conferred by FRS 102 s.33.1A not to disclose transactions with other wholly owned members of the group.

There were no other related party transactions in the year to disclose.

19. Ultimate parent undertaking and controlling party

The Company is a subsidiary undertaking of Tetra Tech, Inc., a company incorporated in the USA. The ultimate controlling party is Tetra Tech, Inc., by virtue of its 100% ownership of the Company.

The largest group in which the results of the Company are consolidated is that headed by Tetra Tech, Inc., which is incorporated in the United States of America and registered on NASDAQ. The financial statements of Tetra Tech Inc., are publicly available at [www.tetratech.com](http://www.tetratech.com).



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