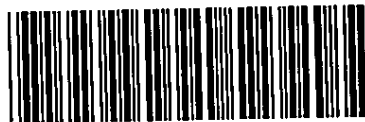


Registration number 00894934

OVE ARUP INCORPORATED
(an Unlimited Company having a Share Capital)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

THURSDAY



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OVE ARUP INCORPORATED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

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OVE ARUP INCORPORATED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report together with the audited financial statements of Ove Arup Incorporated (the "Company") for the year ended 31 March 2012 which were approved by the board of directors on 11 October 2012

The capital of the ultimate parent company is divided into equity shares, which are held in trust for the benefit of the employees (past and present) of the Arup Group of Companies (the "Group"), and voting shares that are held by the Ove Arup Partnership Charitable Trust

Principal activities

The Company is a property holding company for the Group

Review of the business and future developments

These are the results for the Company for the financial year ended 31 March 2012. The results show a loss after taxation of £874,582 (2011: loss £537,326)

During the year the Directors have changed the accounting policy in respect of the carrying value of freehold property. In prior years the freehold properties have been carried at their revalued amount from 1 April 2011, freehold properties are carried at cost less depreciation. The Directors believe that there is no material difference between cost and valuation, and thus the accounting policy is the most appropriate for the Group. The impact on prior year is a reversal of the £823,760 revaluation reserve.

The Company will continue to be a property holding company for the Group

Dividends

The directors do not recommend a dividend payment (2011: nil)

Directors

The directors of the Company during the year and up to the date of signing this report were as follows:

J C Miles (Resigned 01/01/2012)
M S Tweedie
D A Whittleton*

All directors marked with an * were also directors of Arup Group Limited at 31 March 2012

Directors' remuneration

Directors' salaries are borne by another group subsidiary

Directors' indemnities

As permitted by the Company's Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' Liability Insurance in respect of itself and its directors.

Independent auditors

The Company's auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office for another financial year.

Charitable donations

During the year the Company made no charitable donations (2011: nil)

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

OVE ARUP INCORPORATED
DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 31 MARCH 2012

Statement of directors' responsibilities (continued)

- select suitable accounting policies and then 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, 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.

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

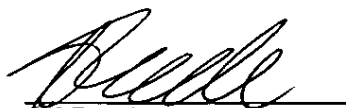
Post balance sheet events

There have been no post balance sheet events.

Disclosure of audit information

The directors confirm that, as at the date this report was approved, so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware and that he or she has taken all steps he or she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By Order of the Board


M S Tweedie
Company Secretary

11 October 2012
Registered Office 13 Fitzroy Street, London, W1T 4BQ

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OVE ARUP INCORPORATED
FOR THE YEAR ENDED 31 MARCH 2012

We have audited the financial statements of Ove Arup Incorporated for the year ended 31 March 2012 which comprise the profit and loss account, the balance sheet and the related notes numbered 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on pages 1 and 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2012 and of its loss 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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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



Craig Skelton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London
11 October 2012

OVE ARUP INCORPORATED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012

	<u>Note</u>	<u>2012</u> £	<u>2011</u> £
Depreciation	2 & 4	(874,661)	(537,326)
Other operating charges			
Communications and other overheads		<u>79</u>	<u>-</u>
Operating loss	2	(874,582)	(537,326)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
Loss for the financial year	8 & 10	<u><u>(874,582)</u></u>	<u><u>(537,326)</u></u>

All results derive from continuing operations

The profit and loss account contains all the gains and losses recognised in the current and preceding year

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historical cost equivalent


OVE ARUP INCORPORATED

BALANCE SHEET

AS AT 31 MARCH 2012

	<u>Note</u>	<u>2012</u> £	<u>2011</u> £ Restated
Fixed Assets			
Tangible assets	4	3,732,926	4,361,075
Financial assets	5	<u>131</u>	<u>131</u>
		3,733,057	4,361,206
Creditors			
Amounts falling due within one year	6	<u>(5,144,865)</u>	<u>(4,898,432)</u>
Net current liabilities		<u>(5,144,865)</u>	<u>(4,898,432)</u>
Total assets less current liabilities		<u>(1,411,808)</u>	<u>(537,226)</u>
Capital & reserves			
Share capital	7	100	100
Profit and loss account	8	<u>(1,411,908)</u>	<u>(537,326)</u>
Shareholders' funds	10	<u>(1,411,808)</u>	<u>(537,226)</u>

The financial statements on pages 4 to 8 were approved and authorised by the board of directors on 11 October 2012 and signed on its behalf by



D A Whittleton
Director

OVE ARUP INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

a) Basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards and on the going concern basis. The directors believe this basis to be applicable as Arup Group Limited has indicated its intention to provide sufficient financial support to enable the Company to continue to trade until at least 12 months from the date the accounts are signed. The directors have also estimated the Company's likely cash requirements until that date and believe Arup Group Limited has adequate resources to provide the necessary support.

The Company is a wholly-owned subsidiary of Arup Group Limited and is included in its consolidated financial statements which are publicly available. Consequently, the Company has taken advantage of the exemption from publishing a cash flow statement under the terms of FRS 1 (Revised 1996).

Having considered post year end trading and forecasts and the cash resources available to the Company, the directors are satisfied that it is appropriate to continue to use the going concern assumption.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

b) Change in accounting policy

During the year the Directors have changed the accounting policy in respect of the carrying value of freehold property. In prior years the freehold properties have been carried at their reduced amount from 1 April 2011, freehold properties are carried at cost less depreciation. The Directors believe that there is no material difference between cost and valuation, and thus the accounting policy is the most appropriate for the Group. The impact on prior year is a reversal of the £823,760 revaluation reserve.

c) Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost less accumulated depreciation and impairment. Cost comprises purchase price after discounts and rebates plus all directly attributable costs of bringing the asset to working condition for its intended use. Freehold property (buildings) are depreciated over 50 years, expenditure on leasehold properties is depreciated over the period of the lease and all other tangible fixed assets are depreciated over a 4 to 10 year period.

Fixed assets and investments are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and value in use.

d) Taxation

Current and deferred income tax are recognised in the profit and loss account for the period except where the taxation arises as a result of a transaction or event that is recognised in the statement of total recognised gains and losses or directly in equity. Income tax arising on transactions or events recognised in the statement of total recognised gains and losses or directly in equity is charged or credited to the statement of total recognised gains and losses or directly to equity respectively.

e) Deferred taxation

Full provision is made for timing differences at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date, in respect of timing differences which have arisen but not reversed at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the accounts, which are not permanent. Deferred tax is measured on a non-discounted basis.

No deferred tax has been provided for on any gain arising from the sales of any assets where the taxable gain has been, or will be, rolled over to replacement assets.

Deferred tax assets are only recognised where they arise from timing differences where the recoverability is foreseen with reasonable certainty.

f) Investment in subsidiaries

Investments in subsidiaries are stated at cost less impairments.

2 Operating loss

This is stated after charging/(crediting)

Profit on foreign exchange
 Depreciation

2012 £	2011 £
(79)	-
<u>874,661</u>	<u>537,326</u>

3 Tax on loss on ordinary activities

(a) Analysis of tax charge

The charge for taxation comprises
 UK corporation tax for the year at 26% (2011: 28%)
 Less: double tax relief

Total tax charge

2012 £	2011 £
-	-
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>

OVE ARUP INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2012

3 Tax on loss on ordinary activities (continued)

(b) Factors affecting the tax charge for the year

The tax assessed for the year is same as (2011 higher than) the standard rate of corporation tax in the UK 26% (2011 28%). The differences are explained below

	<u>2012</u> £	<u>2011</u> £
Loss before tax	<u>(874,582)</u>	<u>(537,326)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 28%)	(227,391)	(150,451)
Effects of Group relief	(21)	-
Permanent differences	<u>227,412</u>	<u>150,451</u>
Current tax charge	<u>-</u>	<u>-</u>

(c) Factors affecting current and future tax charges

Effective from 1 April 2011 the UK main corporation tax rate was 26%. Following the March 2012 Budget Statement, the main rate of corporation tax was further reduced from 26% to 24% from 1 April 2012, and the relevant deferred tax assets have been re-measured. Further reductions to the main rate are proposed to reduce the rate to 23% by 1 April 2014 but these later reductions had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The proposed reductions of the main rate of corporation tax by 1% per annum to 23% by 1 April 2014 are expected to be enacted separately each year.

4 Tangible fixed assets

	<u>Freehold property</u> £
Cost or valuation	
Balance at 1 April 2011	5,722,161
Accounting policy change (note 1b)	<u>(823,760)</u>
Restated balance at 1 April 2011	4,898,401
Additions during the year	<u>246,512</u>
Balance at 31 March 2012	<u>5,144,913</u>
Depreciation	
Balance at 1 April 2011	537,326
Charge for the year	<u>874,661</u>
Balance at 31 March 2012	<u>1,411,987</u>
Net book value at 31 March 2012	<u>3,732,926</u>
Net book value at 31 March 2011	<u>5,184,835</u>
Accounting policy change (note 1b)	<u>(823,760)</u>
Revised net book value at 31 March 2011	<u>4,361,075</u>

5 Financial assets

	<u>Country of incorporation</u>
100 (2011 100) Ordinary shares of £1 each in Arup Ireland Partner Limited	England & Wales
1 (2011 1) share of £1 in the The Arup Partnerships Trustees Limited	England & Wales
1 (2011 1) share of 2,000 Baht in Ove Arup (Thailand) Limited	Thailand
Movement of Investment	
Cost at 1 April 2011	£ 131
Cost at 31 March 2012	<u>131</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets

OVE ARUP INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2012

6 Creditors	2012	2011
Amounts falling due within one year	£	£
Amounts owed to group undertakings	<u>5 144 865</u>	<u>4,898,432</u>
7 Share capital	2012	2011
Issued, called up & fully paid	£	£
50 Voting Shares of £1 each	50	50
50 Equity Shares of £1 each	<u>50</u>	<u>50</u>
	<u>100</u>	<u>100</u>
8 Profit and loss account	2012	2011
	£	£
Balance at 1 April	(537,326)	-
Retained loss for the financial year	<u>(874,582)</u>	<u>(537,326)</u>
Balance at 31 March	<u>(1,411 908)</u>	<u>(537,326)</u>
9 Other reserves	2012	2011
	£	£
Balance at 1 April	-	823,760
Revaluation reversal (note 1b)	<u>-</u>	<u>(823,760)</u>
Balance at 31 March	<u>-</u>	<u>-</u>
10 Reconciliation of movements in shareholders' funds	2012	2011
	£	£
Balance at 1 April	(537,226)	823,860
Accounting policy change (note 1b)	-	(823 760)
Retained loss for the financial year	<u>(874,582)</u>	<u>(537,326)</u>
Balance at 31 March	<u>(1 411,808)</u>	<u>(537 226)</u>

11 Ultimate parent company

Ove Arup Incorporated's immediate parent company is Ove Arup Partnership Limited, a Company incorporated in England and Wales. The ultimate parent undertakings and controlling parties are the Ove Arup Partnership Employee Trust, the Ove Arup Partnership Charitable Trust and the Arup Service Trust. These are the owners of Arup Group Limited.

12 Related party transactions

The Company transacts with other group companies in the normal course of business. These transactions are, in accordance with FRS 8 paragraph 3, not disclosed as the company is a wholly owned subsidiary of Arup Group Limited whose consolidated financial statements in which the company is included are publicly available at 13 Fitzroy Street, London, W1T 4BQ.