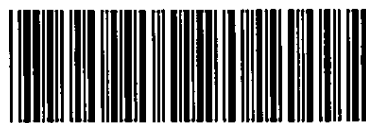


OVE ARUP & PARTNERS JAPAN LIMITED

FINANCIAL STATEMENTS

31 MARCH 2007

FRIDAY



A2S4PUI9

A48

09/11/2007

133

COMPANIES HOUSE

OVE ARUP & PARTNERS JAPAN LIMITED**DIRECTORS' REPORT****FOR THE YEAR ENDED 31 MARCH 2007**

The directors present their report together with the financial statements for the year ended 31 March 2007 which were approved by the Board of Directors on 3 September 2007

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

PRINCIPAL ACTIVITY

The Company undertakes consulting engineering services, principally in Japan

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

During the year Ove Arup & Partners Japan Limited made a total profit after taxation of £35,092 (2006 loss £345,511)
The directors do not recommend a dividend payment (2006 nil)

The performance developments of the company are in line with the expectations of the directors

DIRECTORS AND THEIR INTERESTS

The directors of Ove Arup & Partners Japan Limited during the year were as follows -

A K C Chan*
P G Dilley*
L M Lui

No director has an interest in the shares of the Company (or any other member of the group) other than through his interest as an employee of the group in the employee trusts which own the equity shares of the ultimate parent company
All directors marked with an * are also directors of Arup Group Limited at 31 March 2007

AUDITORS

KPMG LLP were first appointed as auditors of the company with effect from 1 March 2007 upon the retirement of Horwath Clark Whitehill LLP

KPMG LLP retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

NOTIFIABLE POLITICAL AND CHARITABLE DONATIONS

During the year the Company made no notifiable political donations (2006 £NIL). There were no charitable donations during the year (2006 £NIL)

OVE ARUP & PARTNERS JAPAN LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2007

EMPLOYEES

The maintenance of a highly skilled workforce is a key to the future of the Company. Health and Safety matters are regularly reviewed by the directors and it is their policy to ensure that

- ♦ full and fair consideration is given to all applications for employment made by disabled persons, having regard to their capabilities,
- ♦ when existing employees become disabled (whether from illness or accident) every reasonable effort is made to continue to provide suitable employment either in the same, or by training, in an alternative job,
- ♦ disabled persons are given equal consideration for training, career development and opportunities for promotion within the Company

The Company is active in the field of employee communications and due regard is paid to employees' interests when reaching major management decisions. Employees are also provided with an Annual Report that includes financial data.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 then apply them consistently,
- make judgments and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

OVE ARUP & PARTNERS JAPAN LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2007

AUDIT

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware and the directors have taken all steps, that ought to have been taken as directors, in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

By Order of the Board



M S Tweedie
Company Secretary

Dated
Registered Office

3 September 2007
13 Fitzroy Stret, London, W1T 4BQ

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**OVE ARUP & PARTNERS JAPAN LIMITED****FOR THE YEAR ENDED 31 MARCH 2007**

We have audited the financial statements of Ove Arup & Partners Japan Limited for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective Responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OVE ARUP & PARTNERS JAPAN LIMITED (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 MARCH 2007 and of the profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information provided in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP
Chartered Accountants
and Registered Auditors
London

8 Salisbury Square
London EC4Y 8BB

3 September 2007

OVE ARUP & PARTNERS JAPAN LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2007

	<u>Notes</u>	<u>2007</u>	<u>2007</u>	<u>2006</u>
		£	£	£
TURNOVER	1(b)		<u>3,387,254</u>	<u>2,397,085</u>
STAFF COSTS	2		(1,871,622)	(1,668,841)
OTHER OPERATING CHARGES				
Charges from sub-consultants and other direct project costs		(845,582)		(459,761)
Accommodation		(121,663)		(121,422)
Depreciation		(37,586)		(35,563)
Communications and other overheads		<u>(481,936)</u>		<u>(461,133)</u>
			<u>(1,486,767)</u>	<u>(1,077,879)</u>
			<u>(3,358,389)</u>	<u>(2,746,720)</u>
OPERATING PROFIT / (LOSS)	3		28,865	(349,635)
Interest receivable			451	3
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			<u>29,316</u>	<u>(349,632)</u>
Taxation on ordinary activities	4		5,776	4,121
PROFIT / (LOSS) FOR THE FINANCIAL YEAR	9 & 10		<u><u>35,092</u></u>	<u><u>(345,511)</u></u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 2007

		<u>2007</u>	<u>2006</u>
		£	£
PROFIT / (LOSS) FOR THE FINANCIAL YEAR	9	35,092	(345,511)
Exchange translation gains	10	157,450	35,035
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u>192,542</u>	<u>(310,476)</u>
TOTAL GAINS/(LOSSES) RECOGNISED SINCE LAST ANNUAL REPORT		<u><u>192,542</u></u>	<u><u>(310,476)</u></u>

The notes on pages 8 to 12 form part of these financial statements


OVE ARUP & PARTNERS JAPAN LIMITED

BALANCE SHEET

AS AT 31 MARCH 2007

	<u>Notes</u>	<u>2007</u>	<u>2006</u>
		£	£
FIXED ASSETS			
Tangible assets	5	60,143	66,328
CURRENT ASSETS			
Debtors	6	2,028,133	1,345,718
Cash at bank and in hand		<u>635,294</u>	<u>296,885</u>
		2,663,427	1,642,603
CREDITORS			
Amounts falling due within one year	7	<u>(3,849,273)</u>	<u>(3,027,176)</u>
NET CURRENT LIABILITIES		<u>(1,185,846)</u>	<u>(1,384,573)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,125,703)</u>	<u>(1,318,245)</u>
NET LIABILITIES		<u>(1,125,703)</u>	<u>(1,318,245)</u>
SHARE CAPITAL	8	100	100
RESERVES			
Profit and loss account	9	<u>(1,125,803)</u>	<u>(1,318,345)</u>
SHAREHOLDERS' FUNDS	10	<u>(1,125,703)</u>	<u>(1,318,245)</u>

Approved by the Board of Directors on 3 September 2007 and
signed on its behalf



Lup-Moon Lui
Director

The notes on pages 8 to 12 form part of these financial statements

OVE ARUP & PARTNERS JAPAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

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 Ltd 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 Ltd has adequate resources to provide the necessary support.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

b) Turnover

Turnover represents the value of work performed on contracts in the year.

For contracts on which turnover exceeds fees rendered, the excess is included as amounts recoverable on contracts, within debtors. For contracts on which fees rendered exceed turnover, the excess is included as fees in advance within creditors.

c) Depreciation

Fixed assets are written off over their estimated useful lives on a straight line basis. Provision for depreciation is made on all assets at a rate of 25% per annum on a straight line basis.

d) Deferred Taxation

In accordance with Financial Reporting Standard 19 full provision is made, 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.

In accordance with Financial Reporting Standard 19, no deferred tax has been provided for on revalued amounts, as no binding agreement to sell any property have been entered into prior to the balance sheet date or to the extent that any gain on any property contracted to be sold will be rolled over on to replacement assets.

Deferred tax assets are only recognised where they arise from timing differences where their recoverability in the foreseeable future is regarded as more likely than not.

e) Exchange Rates

Fixed assets in foreign currencies have been translated into sterling at the rate applicable at the end of the financial year in which they were purchased. Other assets and liabilities have been translated at the year end rate. The trading results of operations accounted in currencies other than Sterling have been translated using an average rate.

Exchange differences arising on the translation of the results of operations accounted in currencies other than Sterling are taken directly to reserves. Other exchange differences are included in the profit and loss account.

f) Long Term Contracts

The value of long term contracts is based on recoverable costs plus attributable profit. Cost is defined as technical staff costs and related overheads plus project expenses.

As projects reach stages where it is considered that their outcome can be reasonably foreseen, proportions of the expected total profit are brought into the financial statements. Provision is made for all known and anticipated losses.

For contracts on which turnover exceeds fees rendered, the excess is included as amounts recoverable on contracts on lump sum projects, and as accrued income, on time basis projects, within debtors. For contracts on which fees rendered exceeds turnover, the excess is included as fees in advance, within creditors.

g) Other Contracts

Other contracts are mostly time basis contracts which are valued at external charging rates. Profits are taken as services are performed.

h) Leased Assets

Rentals payable under operating leases are charged to the profit and loss account as incurred.

OVE ARUP & PARTNERS JAPAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2007

2 STAFF COSTS

	<u>2007</u> £	<u>2006</u> £
Salaries	1,458,161	1,288,527
Staff profit sharing	75,308	50,147
Social security	101,584	88,412
Pension contributions	146,892	130,113
Other staff costs	89,677	111,642
	<u>1,871,622</u>	<u>1,668,841</u>

An analysis of the average number of persons employed by the Company is set out below -

	<u>2007</u> Number	<u>2006</u> Number
Technical	43	35
Support services	7	5
	<u>50</u>	<u>40</u>

3 OPERATING PROFIT / (LOSS)

	<u>2007</u> £	<u>2006</u> £
This is stated after charging		
Auditors' remuneration - audit of these financial statements	12,318	9,673
Loss on disposal of fixed assets	349	372
Operating leases - land & buildings	<u>100,067</u>	<u>109,936</u>

OVE ARUP & PARTNERS JAPAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2007

4 TAXATION	<u>2007</u>	<u>2006</u>
	£	£
(a) Analysis of tax charge		
The charge for taxation comprises		
Corporation tax for the year at 30% (2006 30%)	-	-
Less double tax relief	-	-
	-	-
Foreign taxation for the current year	-	347
	-	347
Deferred taxation for the current year	(5,776)	(4,468)
	<u>(5,776)</u>	<u>(4,121)</u>
(b) Factors affecting the tax charge for the year		
The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30%) The differences are explained below		
	<u>2007</u>	<u>2006</u>
	£	£
Profit / (Loss) On Ordinary Activities Before Taxation	<u>29,316</u>	<u>(349,632)</u>
Profit on ordinary items activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	8,795	(104,890)
Effects of		
Group Relief	(23,618)	96,454
Permanent differences	7,893	2,656
Timing adjustments	6,930	5,780
Foreign tax expensed	-	347
Current tax charge	<u>-</u>	<u>347</u>

OVE ARUP & PARTNERS JAPAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2007

	<u>Fixt, Fitt, Computing & other equipment</u> £	
5 TANGIBLE FIXED ASSETS		
Cost		
Balance at 1 April 2006		175,185
Additions during the year		39,533
Disposals during the year		(9,101)
Adjustment for exchange differences		(21,699)
Balance at 31 March 2007		<u>183,918</u>
Depreciation		
Balance at 1 April 2006		108,857
Charge for the year		37,586
Eliminated in respect of disposals		(8,752)
Adjustment for exchange differences		(13,916)
Balance at 31 March 2007		<u>123,775</u>
Net book value at 31 March 2007		<u>60,143</u>
Net book value at 31 March 2006		<u>66,328</u>
6 DEBTORS	<u>2007</u> £	<u>2006</u> £
Amounts recoverable on contracts	210,805	262,636
Trade debtors	656,439	500,245
Amounts owed by group undertakings	1,015,748	419,471
Deferred tax asset	52,640	46,864
Other debtors	76,024	101,128
Prepayments and accrued income	16,477	15,374
	<u>2,028,133</u>	<u>1,345,718</u>
7 CREDITORS	<u>2007</u> £	<u>2006</u> £
Amounts falling due within one year		
Fees in advance	1,010,727	420,986
Amounts owed to group undertakings	2,175,287	2,169,777
Provision for foreign tax	-	342
Taxation and social security costs	40,930	204
Accruals and deferred income	622,329	435,867
	<u>3,849,273</u>	<u>3,027,176</u>

OVE ARUP & PARTNERS JAPAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2007

8 SHARE CAPITAL	2007	2006
	£	£
Authorised		
1000 Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up & fully paid		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
9 PROFIT AND LOSS ACCOUNT	2007	2006
	£	£
Balance at 1 April	(1,318,345)	(1,007,869)
Retained profit / (loss) for the financial year	35,092	(345,511)
Adjustment for exchange differences	<u>157,450</u>	<u>35,035</u>
Balance at 31 March	<u>(1,125,803)</u>	<u>(1,318,345)</u>
10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2007	2006
	£	£
Opening shareholders' funds	(1,318,245)	(1,007,769)
Retained profit / (loss) for the financial year	35,092	(345,511)
Adjustment for exchange differences	<u>157,450</u>	<u>35,035</u>
Closing shareholders' funds	<u>(1,125,703)</u>	<u>(1,318,245)</u>

11 OTHER FINANCIAL COMMITMENTS

The Company has the following operating leasing commitments in the year to 31 March 2008 in respect of leases expiring in the years ending 31 March

2008	-
2009	124,194
2010 - 2012	-
2013 onwards	<u>-</u>

12 ULTIMATE PARENT COMPANY

The Company's ultimate parent company is Arup Group Limited, a company incorporated in Great Britain. Arup Group Limited is owned by the Ove Arup Partnership Employee Trust, the Ove Arup Partnership Charitable Trust and the Arup Service Trust.

13 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 publically available.