Company number SC118271

URS Corporation Limited

Report and Financial Statements

30 September 2016

Company Information

Directors
IL MacFadyen
PJ Skinner

Auditors
Ernst & Young LLP
1 More London Place
London SE1 2AF

Registered Office
City Point 2
25 Tyndrum Street
Glasgow
G4 0JY
United Kingdom

Company number
SC118271

Strategic Report

For the year ended 30 September 2016

The Directors present their Strategic Report for the year ended 30 September 2016. The prior financial period of 11 months, commenced on 18 October 2014 and ended on 2 October 2015, in alignment with the AECOM year end; the current financial year commenced on 3 October 2015 and ended on 30 September 2016.

Business review

During the year, the Company transitioned from previously extant UK GAAP to FRS 101 – Reduced Disclosure Framework and has taken advantage of the disclosure exemptions allowed under this standard. The Company's parent undertaking, URS Europe Limited, was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions. Details of the recognition or measurement differences arising on the adoption of FRS 101 are included in note 14 to these financial statements.

On 17 October 2014, AECOM acquired URS Corp ("URS"). The vision of the combined group is to become the premier, fully integrated infrastructure firm in the world, with the ability to design, build, finance and operate infrastructure assets in all the end markets in which the group chooses to participate. In the United Kingdom the acquisition of URS has significantly increased the market presence of AECOM and the businesses are being rapidly integrated.

The Company's key financial and other performance indicators during the year were as follows:

	2016	*2015*	*Change*
	£000	*£000*	
Net finance income	243	233	+4%

The Company previously operated as part of the Europe and Middle East business unit of AECOM. As the final remaining project was completed during the prior period however, there has been no commercial trade during the current year. The Company has a sales organisation operating in Baku, Azerbaijan which is currently non-trading. The Company provides financing to group undertakings and earns interest income.

Net finance income relates to interest on amounts owed by group undertakings which bear interest at rates based on LIBOR plus 1.75%.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company relate to the impact of any economic, political and social risks that may impact on the ability of its fellow group undertakings and related parties to repay outstanding obligations. These risks are monitored by management in conjunction with the Directors as part of the wider group risk management activities.

The Company also faces credit risk. Credit risk arises from the potential failure of counterparties to the Company to honour their financial obligations.

On behalf of the Board

I L MacFadyen
Director
27 March 2017

Directors' Report

For the year ended 30 September 2016

The Directors present their report for the year ended 30 September 2016.

Results and dividends

The profit after taxation for the financial year amounted to £299,000 (2015: £158,000). The Directors do not recommend payment of a dividend (2015: £nil).

Principal activity

The Company is a subsidiary of AECOM. The principal activity of the AECOM group is to provide fully integrated design, build, finance and operate services to infrastructure assets for governments, businesses and organizations in more than 150 countries. AECOM provides planning, consulting, architectural and engineering design services to commercial and government clients worldwide in major end markets such as transportation, facilities, environmental, energy, water and government markets. The Group also provides construction services, including building construction and energy, infrastructure and industrial construction. In addition, AECOM provides program and facilities management and maintenance, training, logistics, consulting, technical assistance, and systems integration and information technology services, for national governments around the world.

The Company's principal activity during the year was that of holding investments and providing intra-group financing.

Directors

The Directors who served the Company during the year and up to the date of this report were as follows:

IL MacFadyen
PJ Skinner

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

Director indemnities

Directors and officers of the Company benefit from Directors and officers liability insurance cover in respect of legal actions brought against them. In addition, the Directors of the Company have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies' Act 2006. Such indemnity remains in force at the date of this report.

Going concern

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 the financial statements.

Directors' Report (Continued)

Disclosure of information to the auditor

The Directors who were members of the board at the time of approving the Directors' Report are listed on page 3. 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 he/she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board

I MacFadyen

IL MacFadyen
Director
27 March 2017

Statement of Directors' Responsibilities

For the year ended 30 September 2016

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 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:

- 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 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 auditors' report to the members of URS Corporation Limited

We have audited the financial statements of URS Corporation Limited for the year ended 30 September 2016 which comprise the Profit and Loss Account, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 14. 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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.

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 in the Reports and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 30 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

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.

Adrian Mulea (Senior statutory auditor)

for and on behalf of Ernst & Young LLP,

Statutory Auditor

London

29 March 2017

Profit and Loss Account

For the year ended 30 September 2016

	Notes	2016 £'000	Period ended 2 October 2015 £'000
Turnover	3	-	95
Cost of sales		-	-
Gross profit		-	95
Administrative expenses		-	(170)
Operating result / (loss)	4	-	(75)
Interest receivable and similar income	6	243	233
Profit on ordinary activities before taxation		243	158
Tax credit on profit on ordinary activities	7	56	-
Profit for the financial year/period	12	299	158

All amounts relate to continuing activities.

The Company has no other recognised Comprehensive Income and therefore no Statement of Comprehensive Income has been presented. Total Comprehensive Income for the financial year is £299,000 (2015: £158,000).

Statement of Changes in Equity

For the year ended 30 September 2016

	Share capital	*Share premium*	*Capital contribution*	*Retained earnings*	*Total Equity*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
At 17 October 2014	1,635	4,875	1,185	3,836	11,531
Total comprehensive income for the financial period	-	-	-	158	158
At 2 October 2015	1,635	4,875	1,185	3,994	11,689
Total comprehensive income for the financial year	-	-	-	299	299
At 30 September 2016	**1,635**	**4,875**	**1,185**	**4,293**	**11,988**

Balance Sheet

At 30 September 2016

	Notes	2016	2015
		£'000	*£'000*
Current assets			
Debtors	9	**12,029**	11,855
Investments	8	**-**	-
		12,029	11,855
Creditors: amounts falling due within one year	10	**(41)**	(166)
Net current assets		**11,988**	11,689
Total assets less current liabilities		**11,988**	11,689
Net assets		**11,988**	11,689
Capital and reserves			
Called up share capital	11	**1,635**	1,635
Share premium account	12	**4,875**	4,875
Capital contribution	12	**1,185**	1,185
Retained earnings	12	**4,293**	3,994
Total equity		**11,988**	11,689

IL MacFadyen
Director

27 March 2017

Notes to the financial statements

At 30 September 2016

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

The financial statements of URS Corporation Limited (the Company) for the year ended 30 September 2016 were authorised for issue on 27 March 2017 and the balance sheet was signed on the board's behalf by IL MacFadyen. URS Corporation Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling which is also the functional currency of the Company, and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Company has taken advantage of the exemption under s401 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of AECOM, a Company incorporated in the USA. Therefore, the financial statements present information about the Company as an individual undertaking and not about its group.

The results of the Company are included in the consolidated financial statements of AECOM which are available from 1999 Avenue of the Stars, Suite 2600, Los Angeles, CA 90067, USA. 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 (apart from those involving estimates) have had the most significant impact on amounts recognised in the financial statements

Investments and loan receivables

The Company has indefinite lived current assets in the form of an investment in and amounts due to fellow group undertakings. The Company must determine on an annual basis whether there are any conditions either internal or external to the Company that may indicate that the carrying value of any of these assets is impaired and accordingly an impairment exercise is required to be carried out.

Notes to the financial statements

At 30 September 2016

3. Significant accounting policies

3.1 Basis of preparation

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. The impact of the transition is disclosed in note 14 to the financial statements. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30 September 2016.

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

i. The requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share Based Payments, because the share based payment arrangements concern the instruments of AECOM;

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

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

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;

   iii.Paragraph 118(e) of IAS 38 Intangible Assets;

v. The requirements of paragraphs 10(d), 10(f), 39(c), 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 in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and

viii. 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.

3.2 Going concern

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 the financial statements.

3.3 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 profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

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 30 September 2016

3. Significant accounting policies (continued)

3.3 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 charged or credited direct to equity. Otherwise income tax is recognised in the profit and loss account.

3.4 Turnover

Turnover represents the amounts chargeable to customers for services provided during the financial period including expenses and disbursements on customer assignments but excluding value added tax. Turnover for the prior period was generated from services provided in Continental Europe. There is no turnover in the current financial period.

3.5 Other income

Interest

Interest income is recognised on an accruals basis 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.

3.6 Investments

The Company's investment in a subsidiary undertaking is carried at historical cost less accumulated impairment losses.

The carrying value of the investment is reviewed for impairment in periods when events or changes in circumstances indicate the carrying value may not be recoverable.

3.7 Foreign currencies

The Company's financial statements are presented in sterling which is also the Company's functional currency. Transactions in foreign currencies are initially recorded into the entity'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. All exchange differences are dealt with through the profit and loss account.

3.8 Financial instruments

i. Financial assets

The Company's financial assets represent loans to fellow group undertakings. Loan receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method (EIR), less impairment. The EIR amortisation is included within interest income in the profit and loss account.

ii. Financial liabilities – other obligations

Other obligations are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, these are subsequently measured at amortised cost using the effective interest method.

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Notes to the financial statements

At 30 September 2016

4. Operating result / (loss)

Fees of £3,000 (2015:£3,000) for audit services are not included as a cost within these financial statements as the amount is borne by another group company. Non-audit service fees were £1,000 (2015: £1,000) and were also borne by another group company.

5. Employees and Directors' remuneration

The Directors remuneration is borne by other companies within the AECOM group and not 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.

The Company has no employees (2015: none).

6. Interest receivable and similar income

		Period from *18 October 2014 to 2 October*
	2016	*2015*
	£'000	*£'000*
Interest receivable from group undertakings	**243**	233

Notes to the financial statements

At 30 September 2016

7. Taxation

(a) Tax charged in the profit and loss account

The tax credit for the financial year is made up as follows:

	2016 £'000	Period from 18 October 2014 to 2 October 2015 £'000
Current income tax:		
UK corporation tax	-	-
Adjustments in respect of prior periods	56	-
Total current income tax credit	56	-
Tax credit in the profit and loss account	56	-

(b) Reconciliation of the total tax charge

The tax expense in the profit and loss account for the year is different from the standard rate of corporation tax in the UK of 20% (2015: 20.47%). The differences are explained below:

	2016 £'000	Period from 18 October 2014 to 2 October 2015 £'000
Profit from continuing activities before tax	243	158
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.47%)	49	32
Effects of:		
Expenses not deductible for tax purposes	-	15
Group relief claimed	(49)	(47)
Adjustments in respect of prior periods	56	-
Total tax credit reported in the profit and loss account	56	-

(c) Change in Corporation Tax rate

The UK corporation tax rate reduced to 20% from April 2015. The UK government announced reductions in the main rate of UK corporation tax to 19%, from 1 April 2017, and to 17%, from 1 April 2020. These reduced tax rates were enacted at the balance sheet date and are reflected in these financial statements as appropriate.

Notes to the financial statements

At 30 September 2016

8. Investments

All investments are in unlisted entities

	Investments in subsidiaries
	£'000
Cost	
At 2 October 2015 and 30 September 2016	37
Provision for impairment	
At 2 October 2015 and 30 September 2016	(37)
Net book value	
At 2 October 2015 and 30 September 2016	**-**

Details of investments held in the year are as follows:

Investments in subsidiary

Name of Company	*Country of registration & incorporation*	*Principal activity*
URS Qatar LLC	Qatar	Dormant

URS Corporation Limited holds 49% of the voting rights and nominal value of issued ordinary shares in the above undertaking. The investment is classified as a subsidiary as the Company has ultimate control of the investment, and rights to the remaining shareholding at its discretion. The remaining 51% of the shareholding is currently held by a non-AECOM group company. There were no transactions with or balances owed/owing by/to the subsidiary undertaking in the current or prior accounting periods.

There were no transactions with or balances owed/owing by/to the subsidiary undertaking in the current or prior accounting periods.

9. Debtors

	2016	*2015*
	£'000	*£'000*
Amounts owed by group undertakings	**12,029**	11,855

Amounts owed by group undertakings bear interest based on LIBOR plus 1.75%. The amounts are unsecured and repayable on demand.

10. Creditors: amounts falling due within one year

Notes to the financial statements

At 30 September 2016

	2016	2015
	£'000	£'000
Amounts owed to group undertakings	**41**	166

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

11. Authorised, issued and called up share capital

	2016		*2015*	
	No.	*£'000*	No.	*£'000*
Authorised:				
Ordinary shares of £1 each	**1,635,000**	**1,635**	1,635,000	1,635
Allotted and fully paid:				
Ordinary shares of £1 each	**1,635,000**	**1,635**	1,635,000	1,635

12. Reserves

	Retained earnings	
	2016	*2015*
	£'000	*£'000*
At the start of the year	11,689	11,531
Profit for the financial year	299	158
At end of the year	11,988	11,689

13. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is URS Europe 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 is included within the consolidated financial statements of AECOM which are publicly available from the address given in note 1 to these financial statements.

Notes to the financial statements

At 30 September 2016

14. Transition to FRS 101

For all periods up to and including the period ended 2 October 2015, the Company prepared its financial statements in accordance with previously extant United Kingdom Generally Accepted Accounting Practice (UK GAAP). These financial statements for the year ended 30 September 2016, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 17 October 2014 and the significant accounting policies addressing those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 18 October 2014, the Company's transition date to FRS 101, and made those changes in accounting policies and any other restatements required for the first time adoption of FRS 101. As such, this note explains the principal adjustments performed by the Company in restating as appropriate its balance sheet as at 17 October 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the period ended 2 October 2015.

On transition, to FRS 101, the Company has applied the requirements of paragraphs 6-33 of IFRS 1 "First time adoption of International Financial Reporting Standards".

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the general requirements to apply IFRSs effective for 30 September 2016 year ends retrospectively. The Company has taken advantage of the following exemptions;

- Business combinations that occurred before the date of transition to IFRS have not been restated in accordance with IFRS 3 Business combinations.

Effect of transition to FRS 101

The policies adopted under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or reported profit and loss.