

Registered Number. 07289421

Universe Holdco Limited

Directors' report and financial statements for the year ended 31 December 2012

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Universe Holdco Limited

Directors' report and financial statements for the year ended 31 December 2012

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Universe Holdco Limited

Directors, Advisors and Statutory Information

Directors

JL Harris

HT Hicks

Company Secretary

J Baughman

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

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Lower Mosley Street

Manchester

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United Kingdom

Registered Office

Washington House

Birchwood Park Avenue

Birchwood

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Cheshire

WA3 6GR

United Kingdom

Registered Number

07289421

Universe Holdco Limited

Directors' report for the year ended 31 December 2012

The directors present their annual report and the audited financial statements of Universe Holdco Limited

Registered Number

The registered number of the company is 07289421

Principal activities

The company's principal activity is a holding company. The principal activity of the ultimate parent company, URS Corporation (a Delaware company listed on the New York Stock Exchange) and its subsidiary undertakings (collectively referred to as "URS" throughout these financial statements), is to provide engineering, construction, and technical services in the United States and around the world.

Review of business and future developments

Universe Holdco Limited is the immediate parent company of Universe Bidco Limited. In 2010, Universe Bidco Limited completed the acquisition of Scott Wilson Group Limited, an infrastructure engineering and design business group based in the UK. This acquisition expanded the capabilities of URS group in the UK infrastructure market and in other key regions around the world. During 2012, the business has been further integrated into the wider Infrastructure and Environment division of URS group and there are an increasing number of collaborative projects across all URS divisions.

On 14 May 2012, the company's immediate parent undertaking, URS Global Holdings UK Limited, changed its local functional currency to US Dollars. As the company operates entirely as an intermediate holding company, it assumes the local functional currency of its immediate parent undertaking. With effect from 14 May 2012, the company therefore, changed its local functional currency to US Dollars. The comparatives in the financial statements have been re-stated accordingly.

On 17 September 2012 the variable-rate redeemable preference share capital of Universe Bidco Limited was reduced by the cancelling and extinguishing of 2,958,883 variable-rate redeemable preference shares of \$1 each registered in the name of Universe Holdco Limited.

On 28 December 2012, URS Corporation completed a reorganization of its international operations. As part of this group reorganization, the following transactions took place:

- Universe Holdco Limited acquired 2% of URS Corporation Bolivia S A for \$28,000 from its immediate parent company, URS Global Holdings UK Limited. Consideration was in the form of one £1 ordinary share in the company.
- Universe Holdco Limited then sold 50% of its investment in URS Corporation Bolivia S A to its subsidiary Universe Bidco Limited at cost for \$14,000 (£8,688), in exchange for one £1 ordinary share in Universe Bidco Limited. No profit or loss arose on this transaction.
- The company retains its remaining 1% investment in URS Corporation Bolivia S A.

Principal risks and uncertainties

As the company is a holding company, the principal risks and uncertainties it faces are any economic, political and social risks that may impact on the ability of its subsidiary to remit dividends in the future. These risks are monitored by URS Corporation management in conjunction with the Directors as part of the wider URS Corporation risk management activities. Steps, such as direct management of subsidiaries, are taken to mitigate risk when deemed appropriate.

Going concern

The company is financed by a loan from a fellow subsidiary undertaking of URS Corporation. This loan was put in place at the instigation of URS Corporation management to enable the company to acquire the shares of the company's subsidiary, Universe Bidco Limited. As a result, the directors are confident that, should the company's subsidiary be unable to remit dividends and enable the company to repay the loan as currently scheduled, group management will extend the term of the existing facility. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Universe Holdco Limited

Directors' report for the year ended 31 December 2012 (continued)

Charitable donations

The company has made no charitable donations in the year (2011, \$nil)

Results and dividends

No dividends were proposed in the year ended 31 December 2012 (2011, \$nil) The loss for the year of \$13,429,000 (2011, \$13,567,000) has been transferred to reserves

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below

JL Harris

HT Hicks

Statement of directors' responsibilities

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 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

- 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 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

Statement of disclosure of information to auditors

Each person who is a director at the date of approval of this report confirms that

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (b) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

On behalf of the Board



JL Harris
Director

23 September 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNIVERSE HOLDCO LIMITED

We have audited the financial statements of Universe Holdco Limited for the year ended 31 December 2012 which comprise the Profit and loss Account, the Statement of Total Recognised Gains and Losses, the Balance sheet and the related notes. 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 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. 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 the 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 in the Directors' report and financial statements 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 December 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 matter 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.



Nicholas Gower (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

23 September 2013

Universe Holdco Limited

Profit and loss account for the year ended 31 December 2012

	Note	2012 \$'000	2011 Re-presented \$'000
Administrative expenses		(50)	(48)
Operating loss	3	(50)	(48)
Interest payable and similar charges	5	(13,793)	(13,519)
Interest receivable and similar income	6	414	-
Loss on ordinary activities before taxation		(13,429)	(13,567)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year	13	(13,429)	(13,567)

All of the results included in the profit and loss account are from continuing activities

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents

Notes 1 to 17 form part of these financial statements

Statement of Total Recognised Gains and Losses for the year ended 31 December 2012

	Note	2012 \$'000	2011 \$'000 Re-presented
Loss for the financial year		(13,429)	(13,567)
Net foreign currency movements	14	253	509
Total recognised gains and losses relating to the year		(13,176)	(13,058)

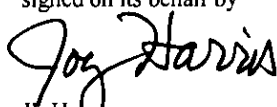
Universe Holdco Limited

Balance sheet as at 31 December 2012

	Note	2012 \$'000	2011 Re-presented \$'000
Fixed assets – investments			
Shares in group undertakings	8	349,033	351,461
Creditors amounts falling due within one year			
	9	(32,903)	(19,287)
Net current liabilities		(32,903)	(19,287)
Total assets less current liabilities		316,130	332,174
Creditors amounts falling due after more than one year			
	10	(338,392)	(341,288)
Net liabilities		(22,262)	(9,114)
Capital and reserves			
Called up share capital	11	10,676	10,173
Share premium account	12	28	-
Profit and loss account	13	(32,966)	(19,287)
Total shareholders' deficit	14	(22,262)	(9,114)

Registered Number 07289421

The financial statements were approved by the board of directors on 23 September 2013 and were signed on its behalf by


J.L. Harris
Director

Notes 1 to 17 form part of these financial statements

Universe Holdco Limited

Notes to the financial statements for the year ended 31 December 2012

1. Accounting policies

The principal accounting policies, which are summarised below, have been applied consistently throughout the year and the preceding year

Accounting convention

The financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

Going concern

As set out in note 8, the company is financed by a loan from a fellow subsidiary undertaking of URS Corporation. This loan was issued at the instigation of URS Corporation management to enable the company to acquire the shares of the company's subsidiary, Universe Bidco Limited. As a result, the directors are confident that, should the company's subsidiary be unable to remit dividends and enable the company to repay the loan as currently scheduled, group management will extend the term of the existing facility. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements

Exemption from the requirement to prepare consolidated financial statements

The financial statements present information about the company as an individual undertaking and not about its group. Under section 400 of the Companies Act 2006 the company is exempt from the requirements to prepare consolidated statements on the grounds that a parent undertaking (URS Corporation, which is registered in the United States of America) includes the company in its own published consolidated financial statements. The parent company consolidated financial statements are prepared under US GAAP and have been drawn up on a basis equivalent to the provisions of the Seventh Directive (83/349/EEC) Consolidated accounts of companies with limited liability

Exemption from the requirement to prepare a Cash Flow Statement

Under Financial Reporting Standard 1 (revised 1996) 'Cash Flow Statements' a 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

Shares in group undertakings

Shares in group undertakings are initially recognised at the fair value of the cost of acquisition. The carrying value of all investments is reviewed at each year end and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If necessary, a provision is made to write the carrying value down to its recoverable amount.

To the extent that investments in foreign currency are financed by foreign currency loans, the investments are translated at the end of each financial year at the closing exchange rate. Any exchange differences are taken to reserves where the exchange gains or losses on the foreign currency borrowings are offset.

Income from shares is recognised when dividends are declared by the group undertaking.

Foreign currency

The entity's local or functional currency is US dollars which is the currency of the primary economic environment in which it operates and generates cash flows. Transactions denominated in foreign currencies are translated into US dollars at the rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated at the rates ruling at that date. All exchange differences are taken to the profit and loss account when they arise. Exchange gains and losses relating to bank balances and inter-company loans which are not financing investments are included within "other interest receivable and similar income" and "interest payable and similar charges".

Universe Holdco Limited

Notes to the financial statements for the year ended 31 December 2012

1. Accounting policies (continued)

Borrowings

Borrowings are initially recognised at fair value less any directly attributable costs. They are subsequently measured at amortised cost using the effective interest rate method.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average 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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2. Change in local functional currency

On 14 May 2012, the company's immediate parent undertaking, URS Global Holdings UK Limited, acquired the US operations of Flint Energy Services Limited and URS Global Holdings UK Limited, and changed its local functional currency to US Dollars. As the company operates entirely as an intermediate holding company, it assumes the local functional currency of its immediate parent undertaking. With effect from 14 May 2012, the company therefore, changed its local functional currency to US Dollars.

The comparative period figures in the balance sheet have been re-presented in US dollars using the relevant closing rate. The comparative figures in the profit and loss account have been re-presented using the relevant average rate for the period. Any resulting exchange differences have been reflected in the profit and loss reserve.

3. Operating loss

The operating loss is stated after charging

	2012 \$'000	2011 Re-presented \$'000
Fees for the audit of the company	6	6

4. Information regarding directors & employees

The company has no employees (2011: nil) who served in the current year or previous year. The directors received no compensation for their services to the company.

Universe Holdco Limited

Notes to the financial statements for the year ended 31 December 2012

5. Interest payable and similar charges

	2012 \$'000	2011 Re-presented \$'000
Interest payable on loans from group companies	13,793	12,959
Currency loss	-	560
	13,793	13,519

6. Interest receivable and similar income

	2012 \$'000	2011 Re-presented \$'000
Currency gain	414	-

7. Tax on loss on ordinary activities

	2012 \$'000	2011 Re-presented \$'000
Current tax	-	-
Total tax on loss on ordinary activities	-	-

The tax assessed for the year is lower (2011 lower) than the standard rate of corporation tax in the UK of 24.5% (2011 26.5%)

	2012 \$'000	2011 Re-presented \$'000
Loss on ordinary activities before taxation	(13,429)	(13,567)
Tax on loss on ordinary activities at standard UK corporation tax rate of 24.5% (2011 26.5%)	(3,290)	(3,595)
Effects of		
Non-deductible expenses	507	515
Losses carried forward	2,783	3,080
Total current tax charge on ordinary activities	-	-

Universe Holdco Limited

Notes to the financial statements for the year ended 31 December 2012

7. Tax on loss on ordinary activities

In accordance with the accounting policies set out on page 9, a deferred tax asset of \$6,464,000 (2011, \$4,355,000) in respect of tax losses and timing differences has not been recognised. However, this asset may be recovered if relevant profits, against which this timing difference can be offset, arise in future periods.

As a result of the change in the UK main corporation tax rate to 23% that was substantively enacted by 31 December 2012, the relevant deferred tax balances have been re-measured. The impact to deferred tax for the Company is nil. Further reductions to the UK corporation tax rate were announced in the Autumn Statement 2012 and Budget 2013. The changes propose to reduce the main rate of corporation tax to 21% with effect from 1 April 2014 and to 20% from 1 April 2015. These changes have not been substantively enacted at the balance sheet date and, therefore, are not reflected in these financial statements.

8. Shares in group undertakings

	Preference shares	Ordinary shares	Shares in group undertakings
Investment at cost	\$'000	\$'000	\$'000
As at 1 January 2012 – re-presented	341,288	10,173	351,461
Additions	-	42	42
Reduction in Preference shares	(2,959)	-	(2,959)
Disposals	-	(14)	(14)
Foreign currency movement in the year	-	503	503
As at 31 December 2012	338,329	10,704	349,033

The directors believe that the carrying value of the investments is supported by the underlying net assets, forecast future profits and cash flows. Foreign currency differences of \$503,000 arose on retranslating the company's investments between 1 January 2012 and the date that the local functional currency was changed to US dollars.

The principal subsidiaries of Universe Holdco Limited as at 31 December 2012 are as follows:

Principal activities	Country of incorporation	Percentage ordinary shares held by the group
<u>Holding companies</u>		
Universe Bidco Limited	England & Wales	100%
URS Corporation Group Limited	England & Wales	100%
<u>Engineering, construction and technical services companies</u>		
URS Corporation Bolivia S A	Bolivia	1%
URS Infrastructure and Environment UK Limited	England & Wales	100%
URS Scott Wilson India Private Limited	India	100%
Scott Wilson (Shanghai) Limited	China	100%
URS France SAS	France	100%
URS Hong Kong Limited	Hong Kong	100%

Universe Holdco Limited

Notes to the financial statements for the year ended 31 December 2012

8. Shares in group undertakings (continued)

Shareholdings

The shares of URS Corporation Group Limited are held by Universe Bidco Limited. The shares of the remaining subsidiaries are held directly or indirectly by URS Corporation Group Limited.

Movements

On 17 September 2012 the variable-rate redeemable preference share capital of Universe Bidco Limited was reduced by the cancelling and extinguishing of 2,958,883 variable-rate redeemable preference shares of \$1 each registered in the name of Universe Holdco Limited.

On 28 December 2012, URS Corporation completed a reorganization of its international operations. As part of this reorganization, the following transactions took place:

- URS Global Holdings UK Limited acquired 100% of the share capital of four entities, URS Canada Inc, URS Corporation Bolivia S A, URS Deutschland GmbH and URS Hungary Kft, from its parent, URS Global Holdings Inc for total consideration of \$79,200,000. Consideration was in the form of ordinary shares.
- URS Global Holdings UK Limited then sold 2% of its investment in URS Corporation Bolivia S A to Universe Holdco Limited for one £1 ordinary share in the company valued at \$28,000.
- Universe Holdco Limited then sold 50% of its investment in URS Corporation Bolivia S A to its subsidiary Universe Bidco Limited at cost for \$14,000 (£8,688), in exchange for one £1 ordinary share in Universe Bidco Limited. No profit or loss arose on this transaction.
- The company retains its remaining 1% investment in URS Corporation Bolivia S A.

9. Creditors: amounts falling due within one year

	2012 \$'000	2011 Re-presented \$'000
Amounts owed to group undertakings	32,882	19,259
Accruals	21	28
	32,903	19,287

10. Creditors: amounts falling due after more than one year

	2012 \$'000	2011 Re-presented \$'000
Amounts owed to group undertakings	338,392	341,288

A loan of \$341.3m was provided to the company by a fellow URS group undertaking on 12 July 2010 for an initial duration of 36 months from that date. On 1 January 2012 the loan agreement was renewed for a further three years from that date. Interest is payable quarterly at a commercial rate equivalent to 3.5% (2011 3.5%) above the 3 month USD rate offered in the London interbank market (LIBOR). The company repaid \$2,896,000 of the loan capital in June 2012.

Universe Holdco Limited

Notes to the financial statements for the year ended 31 December 2012

11. Called up share capital

	2012 \$'000	2011 Re-presented \$'000
Called up, allotted and fully paid:		
6,600,002 (2011 6,600,001) ordinary shares of £1 each	10,676	10,173

The company acquired shares in URS Corporation Bolivia S A from URS Global Holdings UK Limited in exchange for one £1 ordinary share issued on 28 December 2012

12. Share premium account

	\$'000
At 1 January 2012	-
Share premium arising on share issued in the financial year	28
At 31 December 2012	28

One £1 ordinary share was issued in exchange for an investment in URS Corporation Bolivia S A , valued at \$28,000, giving rise to a share premium of \$27,999

13. Profit and loss account

	\$'000
At 1 January 2012 - represented	(19,287)
Loss for the financial year	(13,429)
Net foreign currency movements	(250)
At 31 December 2012	(32,966)

14. Reconciliation of movements in shareholders' deficit

	2012 \$'000	2011 Re-presented \$'000
Opening total shareholders' (deficit)/funds – re-presented	(9,114)	3,944
Share capital issued	28	-
Net currency movements	253	509
Loss for the financial year	(13,429)	(13,567)
Closing total shareholders' deficit	(22,262)	(9,114)

Universe Holdco Limited

Notes to the financial statements for the year ended 31 December 2012

15. Financial commitments

At 31 December 2012, the company has no capital commitments or operating lease commitments (2011, \$nil)

16. Related party disclosures

The company has taken advantage of the exemption granted by paragraph 3c of Financial Reporting Standard 8 'Related Party transactions' not to disclose related party transactions with URS Corporation group companies. There were no other material related party transactions.

17. Ultimate parent company and controlling party

The immediate parent company of Universe Holdco Limited is URS Global Holdings UK Limited, a company registered in England & Wales.

The parent undertaking of both the smallest and the largest group which includes the company and for which group financial statements are prepared is URS Corporation, which is registered in the state of Delaware in the United States of America and is regarded by the Directors as the company's ultimate parent undertaking and controlling party. Copies of the financial statements of URS Corporation are available from Corporate Office, 600 Montgomery Street, 26th Floor, San Francisco, California 94111-2728, USA.