

Company Number 02136404

**WSP GROUP LIMITED (formerly WSP Group plc)**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

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**WSP GROUP LIMITED (formerly WSP Group plc)**

**OFFICERS AND ADVISERS**

**Directors**

C Cole  
P Dollin

**Company Secretary**

G Bisset

**Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

**Registered Office**

WSP House  
70 Chancery Lane  
London  
WC2A 1AF

**WSP GROUP LIMITED (formerly WSP Group plc)**  
**DIRECTORS' REPORT**

The directors present their report on the affairs of WSP Group Limited (the "Company") together with the audited financial statements and auditors' report for the year ended 31 December 2012

**Principal Activities and Business Review**

The Company is an intermediate holding company of GENIVAR, an international group of companies supplying specialist management and integrated services in the built and natural environment

Further discussion of the principal activities together with a business review of GENIVAR, which includes the Company, is included in the section entitled "Management's Discussion and Analysis" on pages 71 to 112 of the GENIVAR Inc 2012 Annual Report which does not form part of this report. The consolidated financial statements of GENIVAR Inc are available to the public and may be obtained from the GENIVAR website, [www.genivar.com](http://www.genivar.com). Genivar Inc and its subsidiaries are hereinafter collectively referred to as the "Group".

**Results and Dividends**

The Company's profit after tax for the financial year amounted to £10,715,000 (2011: £14,412,000).

The dividend charge, £9,381,000 (2011: £9,576,000), included in the financial statements for the year ended 31 December 2012 reflects dividends paid during the year, totalling approximately 14.6p (2011: 15.0p) per share.

**Scheme of arrangement and re-registration as a private company**

During the year, the Company entered into a court sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the "Scheme") whereby GENIVAR UK Limited, a wholly-owned subsidiary of GENIVAR Inc, (a Canadian public company listed on the Toronto Stock Exchange), acquired the whole of the issued share capital of the Company. The acquisition became effective on 2 August 2012 and consequently, the Company's shares were de-listed from the London Stock Exchange on that day.

The Scheme involved the cancellation of 59,032,095 ordinary shares of five pence each and the application of the reserve arising in the books of account of the Company from such cancellation in paying up in full 59,032,095 new ordinary shares of five pence each in the capital of the Company and issuing them to GENIVAR UK Limited.

The Company re-registered as a private company on 1 November 2012 at which point the name changed from WSP Group plc to WSP Group Limited.

**Share capital**

The issued share capital of the Company as at 31 December 2012 was £3,242,009.70 divided into 64,840,194 ordinary shares of five pence each. The following table sets out the changes in the Company's issued share capital during the year under review.

	Ordinary shares of five pence each	
	£	Number
Issued share capital at 1 January 2012	3,191,935	63,838,694
The WSP 1997 Share Option Plan options exercised	75	1,500
Cancellation of shares under the Scheme	(2,951,605)	(59,032,095)
Issue of shares under the Scheme	2,951,605	59,032,095
New shares issued	50,000	1,000,000
<b>Issued share capital at 31 December 2012</b>	<b>3,242,010</b>	<b>64,840,194</b>

**Key performance indicators**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the Company's business.

The development, performance and position of the Group, which includes the Company, is discussed in the section entitled "Management's Discussion and Analysis" on pages 71 to 112 of the GENIVAR Inc 2012 Annual Report which does not form part of this report.

**Directors**

The directors of the Company who served during the year and up to the date of signing the financial statements were:

C Cole	
P Dollin	
I Barlow	(resigned 01 08 12)
P Gill	(resigned 31 10 12)
S McLachlan	(resigned 24 09 12)
R Appelgren	(resigned 30 11 12)
C Stephens	(resigned 01 08 12)
M Rollins	(resigned 01 08 12)
A Karlsson	(resigned 01 08 12)
H Davies	(resigned 01 08 12)

The Company maintains directors and officers' liability insurance.

**Principal risks and uncertainties**

The directors of GENIVAR Inc manage the Group's principal risks (including financial risks) and uncertainties at Group level, rather than on an individual company basis. For this reason, the Company's directors consider that a discussion of the Group's risk would not be appropriate for an understanding of the performance of WSP Group Limited's business. The principal risks and uncertainties of GENIVAR Inc, which include those of the Company, are discussed on pages 101 to 110 of the GENIVAR Inc 2012 Annual Report which does not form part of this report.

#### **Financial instruments**

The Company's operations expose it to small levels of financial risk that include the effects of price, credit, liquidity and interest rate risk. The Company is reliant on its parent company to manage a number of the key financial risks that may affect its performance. The risks are reviewed and monitored throughout the year, using established policies and procedures that have been determined in line with the guidelines issued by the parent company. At 31 December 2012 the Company had one interest rate swap, details are given in note 21 on page 18. The Company had no other currency swaps, derivatives or designated hedging instruments as at 31 December 2012 and 31 December 2011.

#### **Donations**

During the year the Company made charitable donations of £2,000 (2011: £24,000) to national charities in the UK.

#### **Employees**

The success of the business depends upon maintaining a highly qualified and well-motivated work force and every effort is made to achieve a common awareness of the financial and economic factors affecting the performance of the Company. Regular communication and consultation with employees and their representatives is essential and achieved by formal and informal meetings, through Group intranets, and through the distribution of in-house newsletters and magazines.

Within the limitations of the business, the Company encourages recruitment, training, career development and promotion on the basis of professional capability, without regard to disability, and is committed to retaining and retraining as necessary employees who become disabled during the course of their employment.

#### **Supplier payment policy**

The Company's terms and conditions of payment are normally agreed with the supplier and the Company seeks to abide by these terms of payments. In the absence of any such agreement it is our policy to make payment 60 days after the end of the month in which the supplier's invoice was received.

The average number of days credit taken by the Company for trade purchases for the year ended 31 December 2012 was 21 days (2011: 31).

#### **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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the loss of the Company for that year. 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on a 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.

#### **Auditors and Disclosure of Information to Auditors**

In the case of each director in office at the date this report is approved, and in accordance with Section 418 of the Companies Act 2006:

- so far as the Director is aware, there is no relevant audit information of which the auditors are unaware, and
- he has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the annual general meeting.

By order of the Board



**G Bisset**  
Company Secretary  
19 September 2013

**WSP GROUP LIMITED (formerly WSP Group plc)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WSP GROUP LIMITED (formerly WSP Group plc)**

We have audited the financial statements of WSP Group Limited (formerly WSP Group plc) (the "Company") for the year ended 31 December 2012 which comprise the Income Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, 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 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 profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

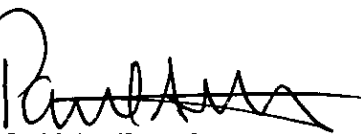
**Opinion on other matters prescribed by the Companies Act 2006**

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.



Paul Aitken (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

20/9/13

**WSP GROUP LIMITED (formerly WSP Group plc)****INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	Total 2012 £'000	Total 2011 £'000
<b>Revenue</b>		<b>7,327</b>	<b>6,081</b>
Employee benefit costs	6	(4,934)	(3,151)
Administrative expenses		(12,993)	(5,753)
<b>Operating loss</b>		<b>(10,600)</b>	<b>(2,823)</b>
Dividends received from subsidiaries		40,050	9,161
Impairment of investment in subsidiary	2	(19,468)	-
Profit on transfer of subsidiary	3	-	10,000
<b>Profit before interest and taxation</b>		<b>9,982</b>	<b>16,338</b>
Finance costs	4	(5,065)	(4,865)
Finance income	4	3,111	2,841
<b>Profit before taxation</b>	5	<b>8,028</b>	<b>14,314</b>
Taxation	7	1,893	98
<b>Profit for the financial year</b>		<b>9,921</b>	<b>14,412</b>

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 £'000	2011 £'000
<b>Profit for the financial year</b>	<b>9,921</b>	<b>14,412</b>
<b>Other comprehensive income</b>		
Movement on cash flow hedges	-	2,423
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>2,423</b>
<b>Total comprehensive income for the year</b>	<b>9,921</b>	<b>16,835</b>

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2012**

	Note	2012 £'000	2011 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	9	-	-
Intangible assets	10	189	1,533
Property, plant and equipment	11	1	2
Investment in subsidiary and joint venture undertakings	12	149,203	122,077
Deferred taxation asset	13	2,097	546
		<b>151,490</b>	<b>124,158</b>
<b>Current assets</b>			
Trade and other receivables	14	68,585	130,035
Cash and cash equivalents (excluding bank overdrafts)		4,494	2,551
		<b>73,079</b>	<b>132,586</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities	15	(459)	-
Trade, other payables and provisions	16	(20,499)	(16,766)
Liabilities for current taxation		(1,052)	(3,706)
		<b>(22,010)</b>	<b>(20,472)</b>
<b>Net current assets</b>		<b>51,069</b>	<b>112,114</b>
<b>Non-current liabilities</b>			
Financial liabilities	15	-	(98,551)
Deferred taxation liability	13	-	(94)
Provisions	17	-	-
		-	<b>(98,645)</b>
<b>Net assets</b>		<b>202,559</b>	<b>137,627</b>
<b>Equity</b>			
Called up share capital	18	3,242	3,192
Share premium account		146,637	82,186
Other reserves		8,211	8,211
Retained earnings		44,469	44,038
<b>Total equity</b>		<b>202,559</b>	<b>137,627</b>

The financial statements on pages 7 to 21 were approved by the Board of Directors on 19 September and signed on their behalf by



**C Cole**  
*Director*

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Retained earnings £'000	Hedging reserve £'000	Total shareholders' funds £'000
At 1 January 2011	3,191	82,186	8,211	39,485	(2,423)	130,650
<b>Comprehensive income</b>						
Profit for the year	-	-	-	14,412	-	14,412
<b>Total comprehensive income</b>	-	-	-	14,412	-	14,412
<b>Other comprehensive income</b>						
Cash flow hedges (net of taxation)	-	-	-	-	763	763
Derecognition of cash flow hedges	-	-	-	-	1,660	1,660
<b>Total comprehensive income</b>	-	-	-	14,412	2,423	16,835
<b>Transactions with owners</b>						
Dividends	-	-	-	(9,576)	-	(9,576)
Performance share plan adjustment	-	-	-	(273)	-	(273)
Issue of ordinary shares	1	-	-	-	-	1
Deferred taxation related to the performance share plan adjustment	-	-	-	(10)	-	(10)
<b>Total transactions with owners</b>	1	-	-	(9,859)	-	(9,858)
<b>Balance at 1 January 2012</b>	3,192	82,186	8,211	44,038	-	137,627
<b>Comprehensive income</b>						
Profit for the year	-	-	-	9,921	-	9,921
<b>Total comprehensive income</b>	-	-	-	9,921	-	9,921
<b>Other comprehensive income</b>						
Cash flow hedges (net of taxation)	-	-	-	-	-	-
Derecognition of cash flow hedges	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	9,921	-	9,921
<b>Transactions with owners</b>						
Dividends	-	-	-	(9,381)	-	(9,381)
Performance share plan adjustment	-	-	-	(109)	-	(109)
Issued under Scheme of Arrangement	2,952	-	-	-	-	2,952
Cancelled under Scheme of Arrangement	(2,952)	-	-	-	-	(2,952)
Issue of ordinary shares	50	64,451	-	-	-	64,501
<b>Total transactions with owners</b>	50	64,451	-	(9,490)	-	55,011
<b>At 31 December 2012</b>	3,242	146,637	8,211	44,469	-	202,559

**WSP GROUP LIMITED (formerly WSP Group plc)****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £'000	2011 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	19	34,851	2,802
Finance costs paid		(3,804)	(2,806)
Finance income received		942	1,259
Taxation (paid)/received		(3,066)	2,950
Net cash from operating activities		28,923	4,205
<b>Cash flows used in investing activities</b>			
Purchase of intangible assets		(1,940)	(1,783)
Net cash used in investing activities		(1,940)	(1,783)
<b>Cash flows used in financing activities</b>			
Net proceeds of share issues		64,501	19
Drawdown of loan facilities		14,847	15,000
Repayment of loan facilities		(113,861)	(16,000)
Equity dividends received		18,854	9,100
Equity dividends paid		(9,381)	(9,576)
Net cash used in financing activities		(25,040)	(1,457)
<b>Net increase in cash and cash equivalents</b>			
		1,943	965
Cash and cash equivalents at 1 January		2,551	1,586
Cash and cash equivalents at 31 December		4,494	2,551

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**1 Accounting policies**

**Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS adopted by the EU"), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS

The Company is a limited company which is incorporated and domiciled in the UK

The principal accounting policies, which have been consistently applied, are set out below

There are no new IFRSs or IFRIC interpretations that are effective for the first time for the financial year that would be expected to have a material impact on the Company

At the date of authorisation of these financial statements, the following standards and amendments were in issue but not effective for the financial year and not early adopted

IFRS 9	Financial instruments
IFRS 12	Disclosures of interests in other entities
IFRS 13	Fair value measurement
IAS 27	Separate financial statements (revised)

The Company intends to adopt the new standards and amendments no later than their applicable date being in each case no later than the accounting period beginning on 1 January 2013, subject to endorsement by the EU. The Company has yet to assess the full impact of adopting these new standards and amendments

The financial statements have been prepared on the historic cost basis and on a going concern basis

**Reclassification**

Following the restructure of a number of companies within the former WSP Group, the classification of goodwill within the balance sheet for the year ended 31 December 2011 has been corrected to conform to the presentation for the year ended 31 December 2012. This reclassification was not material to the financial statements and did not impact the income statement, the statement of changes in equity, the cash flow statement and did not impact net current assets or net assets as previously reported on the balance sheet

**Revenue**

Revenue is derived from providing management and other administrative services to fellow members of the GENIVAR group of companies and is stated net of sales tax

**Foreign currency translation**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date and any exchange differences are taken to the income statement

**Investments**

These separate financial statements contain information about WSP Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption provided by section 401 of the Companies Act 2006 not to prepare consolidated financial statements as the results are included in the consolidated financial statements of GENIVAR Inc.

Investments in group undertakings and joint ventures are stated at cost less any provision for impairment. Income from investments is recorded when the right to receive dividends is established.

**Property, plant and equipment**

Property, plant and equipment is 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.

Depreciation is provided at rates calculated to write off the cost of property, plant and equipment by equal annual instalments over their expected useful lives, having regard to their residual values. The annual depreciation rates applicable are as follows:

Short leasehold property	lease term
Plant and equipment	20-33%
Fixtures and fittings	10%

Depreciation is not charged on assets held for sale. Depreciation is not charged on capital work in progress until the assets are brought into operational use in the business. The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable value.

**Goodwill**

Goodwill recognised under UK GAAP prior to 1 January 2004, the date of transition to IFRS, is stated at net book value as at that date. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if changes in circumstances indicate that the carrying value may be impaired.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**Intangible assets**

The intangible assets in the Company relate to software, the carrying amount of which is its cost less any accumulated amortisation and any accumulated impairment losses. Software is amortised on a straight-line basis over the expected useful life which ranges from three to six years.

**Impairment of assets**

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes an estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is written down to its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use and is determined for an individual asset. If the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, the recoverable amount of the cash generating unit to which the asset belongs is determined. Discount rates reflecting the asset specific risks and the time value of money are used for the value in use calculation.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and those deposits held with banks having a maturity date of less than 3 months from the date the deposit was made and being available on demand within one working day without significant penalty. They are carried in the balance sheet at cost. For the purposes of the cash flow statement cash and cash equivalents are net of bank overdrafts.

**Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**Borrowings**

Borrowings are recognised initially at fair value and borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset.

**Derivative financial instruments and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

- a) hedges of the fair value of recognised assets and liabilities or a firm commitment (fair value hedge),
- b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge), or
- c) hedges of a net investment in a foreign operation (net investment hedge).

The Company currently has one cash flow hedge, that being an interest rate swap.

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of derivative instruments used for hedging purposes are shown in note 21. Movements on the hedging reserve in shareholders' equity are shown in the statement of changes in equity. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement together with any changes in the fair value of the hedged asset or liability that are attributable to the hedge risk. The Company does not currently have any fair value hedges.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other finance costs/income – net. The deferred amounts are ultimately recognised through the income statement as the instrument runs to maturity. When a hedging instrument ceases to qualify for hedge accounting any cumulative deferred gain or loss existing in equity is recognised in the income statement immediately. Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

**Pension scheme**

The Company maintains a defined contribution scheme and contributions are charged to the income statement in the year in which they are due.

**Dividends**

Dividends to the shareholders of the Company are recognised in the year that they are approved by the shareholders. Interim dividends are recognised in the year that they are paid.

**Other income**

Investment income comprises dividend income from investments, which is recognised when the Company's right to receive payment is established.

**Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation and that amount can be reasonably estimated. Where the Company expects all or some of the obligation to be reimbursed, the reimbursement is recognised as a separate asset to the extent that it is virtually certain to be reimbursed. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If material, provisions are determined by discounting the expected future cash flows using rates that reflect current market assessments of the time value of money.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Full provision has been made for deferred taxation balances on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date using the full liability method.

A deferred taxation asset is recognised only to the extent that it is probable that taxable profit will be available to offset against the asset. Deferred taxation assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilise the asset. Deferred taxation assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

**Share based payments**

The Company did operate a number of executive and employee share schemes. For all grants of share options and awards, the fair value as at the date of grant is calculated using an appropriate option pricing model and the corresponding expense is recognised over the period to which the associated employee's service relates. The Company has taken advantage of the transitional provisions of IFRS 2 'Share-based Payments' in respect of equity-settled awards and has applied IFRS 2 only to equity settled awards granted after 7 November 2002 that had not vested before 1 January 2005.

**Share capital**

Ordinary shares are classified as equity.

**Sources of estimation uncertainty and significant judgements**

The preparation of the financial statements requires the Company to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The directors base their estimates on historical experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

**2 Impairment of investment in subsidiary**

	2012 £'000	2011 £'000
Impairment of investment	(19,468)	-
	<u>(19,468)</u>	<u>-</u>

Subsequent to a reduction of capital and payment of a dividend by WSP (US) Finance Limited, the carrying value of that company was impaired during the year and reduced to reflect its recoverable value.

**3 Profit on transfer of subsidiary**

	2012 £'000	2011 £'000
Profit on transfer of subsidiary	-	10,000
	<u>-</u>	<u>10,000</u>

The gain on disposal during the prior year relates to the profit on the sale of WSP CEL Limited to another Group company.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

<b>4 Finance income and costs</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Interest expense		
- Group companies	(39)	(47)
- Bank borrowings	(2,365)	(2,885)
Amortisation of bank fees	(2,661)	(273)
Derecognition of cashflow hedge	-	(1,660)
<b>Finance costs</b>	<b>(5,065)</b>	<b>(4,865)</b>
Finance income		
- Other finance income	13	-
- Interest charged to other group companies	3,098	2,841
<b>Finance income</b>	<b>3,111</b>	<b>2,841</b>
<b>Net finance costs</b>	<b>(1,954)</b>	<b>(2,024)</b>

During the year the Company was re-financed by its ultimate controlling company, GENIVAR Inc, and subsequently the un-amortised bank fees carried on the balance sheet were written off to the income statement

During 2011 the Company re-financed its committed syndicated bank facilities. As a result the Company's interest rate swap no longer qualified for hedge accounting and the fair value of the swap previously deferred in equity has been realised through the income statement

**5 Profit before taxation**

Profit before taxation is stated after charging depreciation and amortisation of £1,346,000 (2011 £1,335,000), and foreign exchange of £1,329,000 (2011 £3,495,000). There was no gain or loss on disposal of Property, Plant and Equipment (2011 nil). The audit fee of the Company was borne by another Group company.

**6 Directors and employees**

	<b>2012 £'000</b>	<b>2011 £'000</b>
<i>Staff costs, including directors, were as follows</i>		
Wages and salaries including termination benefits of £521,000 (2011 nil)	4,014	2,854
Social security costs	425	356
Post employment benefits	316	115
Share based payments	179	(261)
Contract and agency staff	-	87
<b>Total staff costs</b>	<b>4,934</b>	<b>3,151</b>

*The monthly average number of employees, contract and agency staff, including directors, was as follows*

	<b>2012 Number</b>	<b>2011 Number</b>
Engineering and technical	2	2
Administration	29	23
<b>Total Staff</b>	<b>31</b>	<b>25</b>

*Aggregate emoluments of the directors of the Company was as follows*

	<b>2012 £'000</b>	<b>2011 £'000</b>
Salaries and benefits	1,144	803
Post employment benefits	185	200
Contractual entitlement for loss of office	521	-
Non-executive directors' fees	225	190
<b>Aggregate emoluments</b>	<b>2,075</b>	<b>1,193</b>

During the year 3 of the directors who received their remuneration from fellow subsidiary undertakings and accordingly this is not disclosed above

In respect of those directors remunerated by the Company, retirement benefits are accruing to nil directors (2011 1 director) under a defined contribution scheme. The emoluments, excluding pension contributions, of the highest paid director were £1,036,000 (2011 £500,000). Defined contribution pension payments of £nil (2011 £23,000) were made on behalf of the highest paid director.

The directors have identified 7 (2011 12) key management personnel whose compensation was as follows

	<b>2012 £'000</b>	<b>2011 £'000</b>
Short term employment benefits	1,679	1,633
Post employment benefits	55	62
Share-based payments	140	-
	<b>1,874</b>	<b>1,695</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**7 Taxation**

	2012 £'000	2011 £'000
<b>a) Analysis of charge in the year</b>		
UK corporation tax on profits for the year	-	49
Adjustments for under / (over) provision in prior years	29	(3)
Overseas withholding tax	144	-
Group relief (receivable) / payable	(421)	73
<b>Total current taxation</b>	<b>(248)</b>	<b>119</b>
Origination and reversal of temporary differences	(1,592)	(217)
Adjustment in respect of prior years	(94)	-
Change in rates	41	-
<b>Total deferred taxation</b>	<b>(1,645)</b>	<b>(217)</b>
<b>Taxation on profit on ordinary activities - note 7 (b)</b>	<b>(1,893)</b>	<b>(98)</b>

**b) Factors affecting taxation for the year**

The tax assessed for the year is lower (2011 lower) in the current and prior year than the standard rate of corporation tax in the UK which is 24.5% (2011 26.5%). The differences are explained below

	2012 £'000	2011 £'000
Profit before taxation	8,028	14,314
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 24.5% (2011 26.5%)	1,967	3,793
Net impact of permanent differences	(3,810)	(4,078)
Under / (over) provision in prior years	29	(3)
Other timing differences	-	407
Movement on share options	(28)	-
Re-measurement of deferred tax - change in tax rate	(145)	(215)
Adjustments to deferred taxation in respect of previous years	94	(2)
<b>Taxation credit</b>	<b>(1,893)</b>	<b>(98)</b>

**c) Factors affecting current and future tax charges**

During the year, as a result of the changes in the UK corporation tax rate to 24% which was substantially enacted on 26 March 2012 and was effective from 1 April 2012, and to 23% which was substantially enacted on 3 July 2012 and will be effective from 1 April 2013, the relevant deferred tax balances have been re-measured

A further reduction to the UK corporation tax rate has been announced. The change proposes to reduce the rate to 22% from 1 April 2014. The change had not been substantively enacted at the balance sheet date and, therefore, is not recognised in these financial statements.

**8 Dividends**

	2012 £'000	2011 £'000
Dividends charged to equity in the year		
Final dividend paid in May 2012 of 10.0p per share (2011 10.0p)	6,381	6,384
Interim dividend paid in December 2012 of 4.6p per share (2011 5.0p)	3,000	3,192
<b>Total dividend paid</b>	<b>9,381</b>	<b>9,576</b>

**9 Goodwill**

	£'000
<b>Cost</b>	
1 January 2011	1,357
Reclassification	(1,357)
<b>Cost at 1 January and 31 December 2012</b>	<b>-</b>
<b>Net book value</b>	
<b>At 31 December 2012</b>	<b>-</b>
At 31 December 2011	-
At 1 January 2011	1,357

As set out in note 1, Goodwill, relating to the Company's investment in WSP UK Limited, has been reclassified in the prior year and is now included within investments in subsidiaries (note 12)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**10 Intangible assets**

	Computer Software £'000
<b>Cost</b>	
1 January 2011	4,086
Additions	71
1 January 2012	4,157
Additions	1
<b>31 December 2012</b>	<b>4,158</b>
<b>Accumulated amortisation</b>	
1 January 2011	1,289
Charge for the year	1,335
1 January 2012	2,624
Charge for the year	1,345
<b>31 December 2012</b>	<b>3,969</b>
<b>Net book value</b>	
<b>At 31 December 2012</b>	<b>189</b>
At 31 December 2011	1,533
At 1 January 2011	2,797

**11 Property, plant and equipment**

	Plant & equipment £'000	Fixtures & fittings £'000	Total £'000
<b>Cost</b>			
At 1 January 2011	119	197	316
Additions	2	-	2
At 1 January 2012	121	197	318
Disposals	(119)	(197)	(316)
<b>At December 2012</b>	<b>2</b>	<b>-</b>	<b>2</b>
<b>Accumulated depreciation</b>			
At 1 January 2011	119	197	316
Charge in the year	-	-	-
At 1 January 2012	119	197	316
Charge in the year	1	-	1
Disposal in the year	(119)	(197)	(316)
<b>At 31 December 2012</b>	<b>1</b>	<b>-</b>	<b>1</b>
<b>Net book value</b>			
<b>At 31 December 2012</b>	<b>1</b>	<b>-</b>	<b>1</b>
At 31 December 2011	2	-	2
At 1 January 2011	-	-	-

There are no fixed assets held under finance leases. Depreciation is charged to administrative expenses.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**12 Investment in subsidiaries**

The Company's interest in subsidiary undertakings was as follows

	Subsidiary undertakings £'000
<b>Cost</b>	
1 January 2011	149,887
Additions	21
Reclassification (note 9)	1,357
Disposals	(29,188)
1 January 2012	122,077
Additions	46,794
Disposals	(200)
<b>31 December 2012</b>	<b>168,671</b>
<b>Provision for impairment</b>	
1 January 2011	10,000
Disposals	(10,000)
1 January 2012	-
Impairment for the year	19,468
<b>31 December 2012</b>	<b>19,468</b>
<b>Net investment</b>	
<b>At 31 December 2012</b>	<b>149,203</b>
At 31 December 2011	122,077
At 1 January 2011	139,887

Additions to investments during the year relate to capital contributions to WSP Group Holdings Limited of £34,438,000 and £12,356,000. The disposal represents the voluntary liquidation of a subsidiary.

The charge during the year reduces the carrying value of the investment in WSP (US) Finance Limited down to recoverable value.

The Company's principal subsidiary undertakings as at 31 December 2012 are listed below. Unless otherwise indicated the following principal subsidiary undertakings are registered in England and Wales. The Company's interest in principal subsidiaries entirely comprises ordinary equity shares.

<i>Principal subsidiary undertakings</i>	<i>Group's interest</i>	<i>Principal activities</i>
WSP Group Holdings Limited	100%	Intermediate holding company
WSP Group Africa (Pty) Limited	74%	Multi-disciplined building design, registered in South Africa

**13 Deferred taxation**

<b>Deferred taxation asset</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
At 1 January	546	412
Movement in reserves	-	(10)
Credited during the year	1,592	144
Impact of changes in tax rate	(41)	-
<b>At 31 December</b>	<b>2,097</b>	<b>546</b>

The deferred tax asset is primarily in respect of carried forward tax losses. There are no unrecognised deferred tax assets.

<b>Deferred taxation liability</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
At 1 January	94	94
(Charged)/credited during the year	(94)	-
<b>At 31 December</b>	<b>-</b>	<b>94</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**14 Trade and other receivables**

	2012 £'000	2011 £'000
Amounts due from group undertakings (note 23)	68,316	129,166
Other receivables	197	532
Prepayments and accrued income	72	337
	<b>68,585</b>	<b>130,035</b>

The other classes within trade and other receivables do not contain impaired assets. There is no material difference between the carrying value and fair value of financial assets and financial liabilities at the balance sheet date. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

Amounts owed by group undertakings are unsecured and are repayable on demand. Interest is not charged on trading balances between companies within the Group. Interest is charged on intercompany loans which carry interest in line with relevant inter-bank offer rates.

**15 Financial liabilities**

	2012 £'000	2011 £'000
<i>Current</i>		
Cash flow hedges (note 21)	459	-
<i>Non-current</i>		
Bank loans	-	96,891
Cash flow hedges (note 21)	-	1,660
	-	<b>98,551</b>

As a result of the acquisition of the Company during the year, the bank financing was repaid in full.

**16 Trade, other payables and provisions**

	2012 £'000	2011 £'000
Trade payables	85	554
Amounts due to group undertakings (note 23)	12,044	9,605
Other payables, accruals and provisions	8,370	6,607
	<b>20,499</b>	<b>16,766</b>

Amounts owed by group undertakings are unsecured and are repayable on demand. Interest is not charged on trading balances between companies within the Group. Interest is charged on intercompany loans and carry interest in line with relevant inter-bank offer rates.

**17 Provisions**

Company	2012 Total £'000	2011 Total £'000
Current	499	520
Non-current	-	-
<b>Total</b>	<b>499</b>	<b>520</b>
<b>Movement in total provisions</b>		
At 1 January	520	540
Provisions utilised during the year	(21)	(20)
<b>At 31 December</b>	<b>499</b>	<b>520</b>

The above provisions relate to the rent, service charge and other associated costs relating to properties that are vacant or nearing the end of their lease term. The amount and timing of payments will depend on future commercial agreements.



**WSP GROUP LIMITED (formerly WSP Group plc)****NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2012****18 Called up share capital**

The share capital of the Company comprises 5p ordinary shares

	Issue Price	No'000	Allotted, called up and fully paid £'000
At 1 January 2011		63,830	3,191
Issued during the year	72p to 295p	9	1
At 1 January 2012		63,839	3,192
Cancelled under Scheme of Arrangement*		(59,032)	(2,952)
Issued under Scheme of Arrangement*	5p	59,032	2,952
Issued during the year	5p to 64 5p	1,001	50
At 31 December 2012		64,840	3,242

\* In accordance with a Court Approved Scheme of Arrangement 59,032,095 shares were cancelled and new shares issued to GENIVAR UK Limited  
Further details are set out in the directors' report

**19 Reconciliation of profit to operating cash flows**

	2012 £'000	2011 £'000
Profit for the financial year	9,921	14,412
Taxation	(1,893)	(125)
Depreciation	1	-
Performance share plan	(109)	(283)
Profit on transfer of subsidiary	-	(10,000)
Amortisation of intangible assets	1,345	1,335
Impairment of investment in subsidiary	19,468	-
Derecognition of cashflow hedge	-	1,723
Dividend income	(40,050)	(9,161)
Finance income	(3,111)	(2,841)
Finance costs	5,065	3,205
Changes in working capital	-	-
- Decrease in trade and other receivables	39,702	1,155
- Increase in trade and other payables	3,558	342
- Foreign exchange and non-cash movements	954	3,040
<b>Cash generated from operations</b>	<b>34,851</b>	<b>2,802</b>

**20 Pensions**

The Company operates defined contribution pension schemes. Defined pension contributions of £131,000 (2011: £115,000) were charged to the income statement during the year.

**21 Financial Instruments****a) Foreign currency risk**

The Company is exposed to foreign exchange risk primarily with respect to the Swedish Krona and the US Dollar.

The Company had £4,494,000 of cash and cash equivalents at the year end held in bank accounts (2011: £2,551,000) which is immediately available for use.

The Company's interest bearing financial liabilities are charged at floating rates. There are no fixed rate or non-interest bearing liabilities (2011: £nil). The floating rate liabilities apply to short and medium-term bank overdrafts and loans with interest rates falling within the range 2.5% to 3.75% above the relevant country national bank base rates or inter-bank offer rate. The Company's banking facilities are secured by fixed and floating charges over a variety of the Company's assets. A proportion of the floating rate sterling debt has been converted to fixed rates via an interest rate swap as detailed in b) below.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**21 Financial instruments (continued)**

**b) Derivative financial instruments and hedging activities**

The Company continually reviews its exposure to interest rate risk and during 2010 fixed the interest on a proportion of the floating rate financial liabilities drawn on the Company's banking facility. This was effected via an interest rate swap where the Company agrees to exchange, at quarterly intervals, the difference between fixed and floating rate interest amounts calculated by reference to an agreed upon notional principal amount. As a result of the refinancing of the Company's banking facilities, the interest rate swaps are no longer highly effective and hedge accounting has been discontinued, resulting in changes in fair value being taken to the income statement. The fair value of cash flow hedges are recognised in accordance with the provisions governing fair value hedge accounting, that is at amortised cost less the fair value of the hedged interest rate risk. The fair values are determined using valuation techniques which use data from observable markets, and assumptions are based on market conditions existing at each balance sheet date. Under IFRS7, these fall within the fair value hierarchy of level 2. The cash flows relating to the cash flow hedges commenced on 31 January 2010.

**c) Fair values**

The following table shows the financial liabilities carried at fair value

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Cash flow hedges at 31 December 2012	-	459	-	459
Cash flow hedges at 31 December 2011	-	1,660	-	1,660

There were no outstanding currency swaps or derivatives at 31 December 2012 (2011: £nil). In accordance with IAS 39, the Company has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements. No such arrangements have been identified.

**22 Guarantees, contingent liabilities and other commitments**

At 31 December 2012 the Company and certain subsidiary undertakings cross guaranteed the bank pooling arrangements in the UK.

In common with other professional firms, the Group maintains professional indemnity insurance against claims for professional negligence which in the ordinary course of business have been, or may in the future be, received. The directors assess each claim and make provision for legal and settlement costs where, on the basis of advice received, it is considered that a liability may exist. In respect of certain contracts, the Company has granted guarantees to clients in connection with the performance of its subsidiary undertakings.

At 31 December 2012 the Company had capital commitments amounting to £nil (2011: £nil).

No other commitments, either authorised or contracted for, existed in the Company at 31 December 2012 (2011: nil).

**23 Related party transactions**

The Company operates as an intermediate holding company for the Group and, as such, receives management fees for services supplied to Group companies. Management fees received from other Group companies amounted to £7,327,000 (2011: £6,081,000). During the year, the Company received interest on loans to other Group companies amounting to £3,098,000 (2011: £2,841,000) and paid interest on loans from other Group companies of £39,000 (2011: £47,000). The Company received dividends from subsidiary undertakings amounting to £40,050,000 (2011: £9,161,000) and paid dividends to its parent company of £3,000,000 (2011: £nil).

The Company has outstanding balances with other Group companies that are disclosed in notes 14 and 16, and has investments in group companies as detailed in note 12.

Compensation of the Company's key management personnel is detailed in note 6.

**WSP GROUP LIMITED (formerly WSP Group plc)****NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2012****24 Share options, the performance share plan and the bonus share plan**

Following completion of the acquisition of the Company by GENIVAR all outstanding shares options and performance share plan awards were exercised and vested to the extent permitted by the rules of the respective plans and settled in cash. All remaining outstanding awards lapsed.

**a WSP Group plc 1997 Share Option Plan**

The following table sets out those awards outstanding under the WSP 1997 Share Option Plan and the changes during the year.

Exercise or vesting date	Exercise price	At 1 Jan 2012	Exercised	Lapsed	Cash settled	At 31 Dec 2012
09 04 2005-09 04 2012	334 0p	61,000	-	(61,000)	-	-
08 04 2006-08 04 2013	75 0p	10,500	(1,500)	-	(9,000)	-
		71,500	(1,500)	(61,000)	(9,000)	-

The share price at the effective date of exercise for those share options exercised during the years was 234 8p. The above options had been awarded to employees of the WSP group resident in the USA. At the dates the awards were granted the equivalent US\$ value of the options shown above were \$4.75 and \$1.16 respectively.

**b WSP Performance Share Plan 2006**

The Company operated the WSP Performance Share Plan 2006 for the benefit of the executive directors and senior management of the Company and its subsidiaries. During the year, the Company granted conditional awards over 957,244 shares under the plan, at which time the fair value of the shares amounted to 243p calculated using the Black Scholes valuation model. The inputs to the model included, inter alia, an average yield of 0.5% from British government securities and an average dividend yield of 0%. The volatility has been calculated as the annualised standard deviation of the continuously compounded historic rates of return on WSP shares.

The Company's remuneration committee concluded that in accordance with the rules of the plan a proportion of the awards granted in 2012 should vest early as a consequence of the acquisition of the Company by GENIVAR and that they be satisfied in cash. Accordingly, 186,975 awards vested and each participant received 445p in respect of each such award that vested. This represented 435p per share that was payable to shareholders as a consequence of the Transaction and 10p per share being the dividend equivalent due in accordance with the rules of the Plan. The remuneration committee determined that the remaining outstanding awards granted under the Performance Share Plan should lapse and the following table summarises the position at 31 December 2011 and 2012 and the changes during the year.

Exercise or vesting date	Exercise price	At 1 Jan 2012	Awarded	Lapsed	Cash settled	At 31 Dec 2012
<b>WSP Performance Share Plan 2006</b>						
10 05 2012	0 0p	880,390	-	(880,390)	-	-
09 04 2013	0 0p	741,913	-	(741,913)	-	-
02 06 2013	0 0p	56,453	-	(56,453)	-	-
23 05 2014	0 0p	733,500	-	(733,500)	-	-
08 08 2014	0 0p	10,491	-	(10,491)	-	-
13 04 2015	0 0p	-	957,244	(770,269)	(186,975)	-
		2,422,747	957,244	(3,193,016)	(186,975)	-

The costs of potential awards under the WSP Performance Share Plan 2006 were accrued over 3-year performance periods. The cost of future awards credited in 2012 in the financial statements of WSP Group Limited was £80,000 (2011: £384,000) which includes a £29,000 (2011: £19,000) charge of employers NIC.

**25 Ultimate parent company and controlling party**

The ultimate parent undertaking and controlling party of the Company is GENIVAR Inc, a company incorporated in Canada. GENIVAR Inc is the only group for which group financial statements including the Company are drawn up. The Company has taken advantage of Section 401 of the Companies Act 2006 in not preparing consolidated financial statements for the current year. The consolidated financial statements of GENIVAR Inc are available to the public and may be obtained from the GENIVAR website, [www.genivar.com](http://www.genivar.com), or from 1600, Rene-Levesque Blvd. West, 16th Floor, Montreal, Quebec, H3H 1P9, Canada. The Company's immediate parent undertaking is GENIVAR UK Limited.

