

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018



OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

COMPANY INFORMATION

Directors	M Barnard	(Appointed 19 January 2018)
	M Naysmith	(Appointed 19 January 2018)
	M Rogerson	(Appointed 19 January 2018)
	C H Edwards	
Company secretary	K Sewell	
Company number	02847568	
Registered office	WSP House 70 Chancery Lane London WC2A 1AF	
Independent auditor	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH	

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

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OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their strategic report on Opus International Consultants (UK) Limited (the "Company") for the year ended 31 December 2018.

Review of the business

The principal activity of the Company is the provision of consulting, civil and structural engineering services. On 1 July 2018, the Company sold the majority of its trade and assets to the fellow group entities WSP UK Limited and WSP Management Services Limited at fair value. Subsequently, the Company ceased trading.

The operating loss for the financial year was £2,090,380 (2017: £369,778).

The Company is a subsidiary of WSP Global Inc., which heads an international group of companies. WSP Global Inc. and its subsidiaries are hereinafter collectively referred to as the "Group". Further discussion of the Group's principal activities together with a business review of the Group, which includes the Company, is included in the section entitled "Management's Discussion and Analysis" of the WSP Global Inc. 2018 Annual Report, which does not form part of this report. The consolidated financial statements of WSP Global Inc. are available to the public and may be obtained from the website, www.wsp.com.

Principal risks and uncertainties

The Company is financed by interest bearing loans from other WSP Global Inc. group companies. The company is exposed to a number of financial market risks including credit risk, liquidity risk, fluctuations in foreign exchange rates and interest rates. Although the Company takes steps to manage its own financial risks, the directors of WSP Global Inc. manage the Group's principal risks (including financial risks) and uncertainties at a Group level, rather than on an individual company basis. For this reason, the Company's directors consider that a discussion of the Group's risks would not be necessary for an understanding of the performance of the Company's business. The principal risks and uncertainties of WSP Global Inc., which include those of the Company, are included in the section entitled "Management's Discussion and Analysis" of the WSP Global Inc. 2018 Annual Report, which does not form part of this report.

Future developments

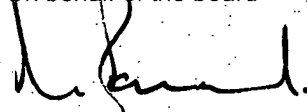
The Company ceased trading in 2018. No major changes in the activity of the Company are envisaged in the future.

Key performance indicators

The directors consider that revenue, gross profit and cash flows from operating activities assist in providing an understanding of the development and performance or position of the Company's business and believe that an analysis using other key performance indicators for the Company is not necessary or appropriate.

The development, performance and position of the Group, which includes the Company, is discussed in the section entitled "Management's Discussion and Analysis" of the WSP Global Inc. 2018 Annual Report, which does not form part of this report.

On behalf of the board



M Barnard

Director

17 October 2019

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and audited financial statements on the Company for the year ended 31 December 2018.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Barnard	(Appointed 19 January 2018)
M Naysmith	(Appointed 19 January 2018)
M Rogerson	(Appointed 19 January 2018)
C H Edwards	
D J Prentice	(Resigned 19 January 2018)

Results and dividends

The results for the year are set out on page 7.

On 1 July 2018, the Company sold the majority of its trade and assets to the fellow group entities WSP UK Limited and WSP Management Services Limited at fair value. Subsequently, the Company ceased trading.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

No preference dividends were paid.

Directors' insurance

As permitted by the Companies Act 2006, the Group has arranged qualifying third party insurance cover in respect of the Company's directors' and officers' liability, which was in force during the financial year and also at the date of approval of the financial statements.

Financial risk management

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 the Group to manage a number of key financial risks that may affect the performance of the Company. The risks are reviewed and monitored by the directors throughout the year, using established policies and procedures that have been determined in line with the guidelines issued by the parent company. The company had no currency swaps, derivatives or designated hedging instruments as at 31 December 2018 and 31 December 2017. Further information can be found in the Company's policy in the notes to the financial statements.

Research and development

To deliver innovative solutions and develop its market position the Group maintains research links in many areas that make it possible to apply some of the latest technical solutions to the benefit of its clients. The sharing of knowledge and innovations is encouraged through the use of the Group's common databases, intranets and other staff communications.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Employee involvement

The Company's policy is to ensure the health, safety and welfare of everyone engaged in, or affected by, its activities. A Health and Safety manual is distributed to all employees and the company provides clearly defined training schedules. Within the limitations of its business, the Company's policy is to engage disabled persons and to provide training, career development and promotion opportunities within the standard terms of employment. It is our policy to retain and re-train those employees who have become disabled.

The success of the business depends upon maintaining a highly qualified and well-motivated workforce and every effort is made to achieve a common awareness of the financial and economic factors affecting the performance of the Company. Regular communication with all employees is essential and this is achieved through formal and informal meetings as well as the production and distribution of our internal magazine.

Post reporting date events

On 4 September 2019, the Company completed the sale of its freehold property for consideration of £405,000.

Independent auditor

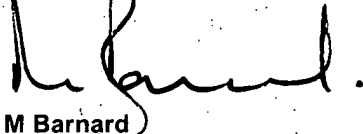
In accordance with Section 516 of the Companies Act 2006, Ernst & Young LLP resigned as auditor of the Company after completion of the financial statements for the year ended 31 December 2017. In accordance with Section 485 of the Companies Act 2006, PricewaterhouseCoopers LLP (the auditor of WSP Global Inc., the ultimate parent) was appointed as auditor of the company for the year ended 31 December 2018.

Statement as to disclosure to auditor

In the case of each director in office at the date this Directors' 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 Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the board



M Barnard

Director

17 October 2019

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for 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.

Independent auditors' report to the members of Opus International Consultants (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Opus International Consultants (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 31 December 2018; the profit and loss account, the statement of comprehensive income and, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

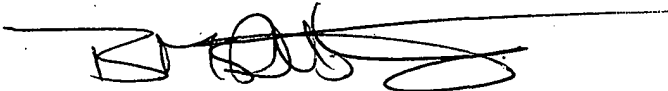
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Timothy McAllister (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 October 2019

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	11,852,817	23,845,131
Cost of sales		(10,787,616)	(21,844,928)
Gross profit		1,065,201	2,000,203
Administrative expenses		(2,157,721)	(2,969,981)
Income from participating interest	7	400,000	600,000
Loss on disposal of business	4	(1,397,860)	-
Operating loss	5	(2,090,380)	(369,778)
Interest receivable and similar income	7	81,011	19,182
Interest payable and similar expenses	8	(25,296)	(87,407)
Loss before taxation		(2,034,665)	(438,003)
Tax on loss	9	(67,257)	(70,648)
Loss for the financial year		(2,101,922)	(508,651)

All operations are continuing.

The accompanying notes form an integral part of these financial statements.

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Loss for the financial year	<u>(2,101,922)</u>	<u>(508,651)</u>
Other comprehensive income/(loss)		
Actuarial gain/(loss) on defined benefit pension schemes	462,500	(183,000)
Tax relating to actuarial gain/loss	<u>(81,175)</u>	<u>31,110</u>
Other comprehensive income/(loss) for the year	<u>381,325</u>	<u>(151,890)</u>
Total comprehensive loss for the year	<u>(1,720,597)</u>	<u>(660,541)</u>

The accompanying notes form an integral part of these financial statements.

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

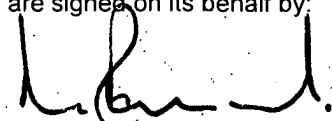
BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	10	350,476	945,262
Total fixed assets		<u>350,476</u>	<u>945,262</u>
Current assets			
Work in progress		-	3,044,815
Debtors falling due within one year	11	4,116,322	6,635,712
Total current assets		<u>4,116,322</u>	<u>9,680,527</u>
Current liabilities	12		
Creditors: amounts falling due within one year		(129,327)	(4,423,440)
Total current liabilities		<u>(129,327)</u>	<u>(4,423,440)</u>
Net current assets		<u>3,986,995</u>	<u>5,257,087</u>
Net assets		<u>3,657,350</u>	<u>5,377,947</u>
Capital and reserves			
Called up share capital	16	7,200,000	7,200,000
Actuarial valuation reserve		(485,365)	(866,690)
Profit and loss account		(3,057,285)	(955,363)
Total equity		<u>3,657,350</u>	<u>5,377,947</u>

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 17 October 2019 and are signed on its behalf by:



M Barnard
Director

Company Registration No. 02847568

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Called up share capital £	Profit and loss account £	Actuarial valuation reserve £	Total £
Balance at 1 January 2017		7,200,000	(446,712)	(714,800)	6,038,488
Year ended 31 December 2017:					
Loss for the financial year		-	(508,651)	-	(508,651)
Other comprehensive loss		-	-	(151,890)	(151,890)
Total comprehensive loss for the year		-	(508,651)	(151,890)	(660,541)
Balance at 31 December 2017		7,200,000	(955,363)	(866,690)	5,377,947
Year ended 31 December 2018:					
Loss for the financial year		-	(2,101,922)	-	(2,101,922)
Other comprehensive income:		-	-	381,325	381,325
Total comprehensive loss for the year		-	(2,101,922)	381,325	(1,720,597)
Balance at 31 December 2018		7,200,000	(3,057,285)	(485,365)	3,657,350

The accompanying notes form an integral part of these financial statements.

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

General information

Opus International Consultants (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is WSP House, 70 Chancery Lane, London, WC2A 1AF.

Statement of compliance

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention basis and on the going concern basis.

The preparation of the financial statements, in conformity with FRS 102, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

1.2 Exemption from qualifying entities under FRS 102

The Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows of WSP Global Inc. includes the Company's cash flows. (FRS 102 paragraph 1.12(b));
- from the related party transactions disclosures, required under FRS 102 as the information is provided in the consolidated financial statements of WSP Global Inc. (paragraphs 33.1A and 33.7); and
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures of WSP Global Inc.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	1%-4%
Leasehold improvements	5-10 years straight line, or the lease term
Fixtures, fittings, plant and machinery	4-5 years straight line
Computers	2-4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

1.6 Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' to all of its financial instruments.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

1.12 Retirement benefits

Defined contribution scheme:

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Defined benefit scheme:

Until 1 July 2018, the Company operated a defined benefit pension scheme, which required contributions to be made to a separately administered fund. The scheme was closed to new members in February 2002 from which time membership of a defined contribution plan was made available. On 1 July 2018, the scheme was transferred to WSP Management Services Limited, a fellow group undertaking, at fair value.

The cost of providing benefits under defined benefit plans is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Participating interest

Until 1 July 2018, the Company had a 50% interest in a participating interest which was accounted for as a jointly controlled entity. Distributions are only recognised when the committee of the participating interest resolves to make a distribution.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

1.16 Comparative information

Certain comparative information was amended in these financial statements to conform to the current year presentation. Specifically, cost of sales has been increased by £5,069,246 and administration expenses has been reduced by the same amount. The reason for the reclassification is to conform to the categorisation policy of WSP Global Inc., following its acquisition of the Company. These amendments do not impact the Company's financial result and do not have any significant impact on the Company's statement of financial position.

2 Critical accounting judgements and estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Pensions

The valuation of the pension deficit at time of transfer to a fellow group entity involved making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 15.

Sale of trade and assets at fair value

On 1 July 2018, the Company sold its trade and assets to fellow group entities. The determination of the consideration to ensure the transaction was completed at fair value was a key accounting judgement.

Revenue recognition

Prior to its sale of trade and assets on 1 July 2018, the application of the Company's accounting policy in respect of revenue recognition and the assessment of percentage completion achieved was a significant judgement. The Company assessed contract progress and determined the proportion of contract work completed at the disposal date in relation to total contract works.

3 Turnover

	2018 £	2017 £
Turnover analysed by class of business		
Engineering consulting services	11,852,817	23,845,131

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Turnover

	2018 £	2017 £
Turnover analysed by geographical market		
Principal activity and represents services provided in the United Kingdom	11,852,817	23,845,131

4 Sale of trade and assets

On 1 July 2018, the Company sold the majority of its trade and assets to WSP UK Limited and to WSP Management Services Limited, both fellow group entities, as part of a group restructuring process.

Consideration received for the sale was £3,925,379.

The loss arising on sale is calculated as follows:

	£
Net assets disposed of	5,323,239
Cash consideration received	3,925,379
Loss arising on disposal	1,397,860

5 Operating loss

	2018 £	2017 £
Operating loss for the year is stated after (crediting)/charging:		
Foreign exchange (gains)/losses	(165)	660
Fees payable to the company's auditor for the audit of the company's financial statements	20,568	38,760
Depreciation of owned tangible fixed assets	176,827	458,355
Loss on sale of trade and assets to fellow group companies	1,397,860	-
Operating lease charges	664,844	662,734

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Production staff	208	413
Administrative staff	16	34
	224	447

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Employees

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	7,222,963	17,716,798
Social security costs	788,237	1,583,867
Pension costs	627,244	1,415,771
	<u>8,638,444</u>	<u>20,716,436</u>

On 1 July 2018 the employment contracts of all employees of the Company were transferred to fellow group entities. Subsequent to this date, the company had no employees.

7 Interest and investment income

	2018 £	2017 £
Interest income		
Interest receivable from group companies	81,011	19,182
Income from fixed asset investments		
Income received from participating interest	400,000	600,000
Total investment income	<u>481,011</u>	<u>619,182</u>

Income from fixed asset investments

The Company had a 50% interest in an unincorporated jointly controlled arrangement carried at a cost of £nil (2017: £nil) on the balance sheet and received income of £400,000 during the financial year ended 31 December 2018 (2017: £600,000). The beneficial interest in this arrangement was sold to WSP UK Limited on 1 July 2018.

8 Interest payable and similar expenses

	2018 £	2017 £
Interest payable on loans due to group undertakings	15,796	42,407
Other charges	9,500	45,000
Total interest payable and similar expenses	<u>25,296</u>	<u>87,407</u>

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Taxation

	2018 £	2017 £
Current tax		
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	90,098	70,648
Adjustment in respect of prior periods	(22,841)	-
Total deferred tax	67,257	70,648

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Loss before taxation	(2,034,665)	(438,003)
Expected tax charge based on a corporation tax rate of 19% (2017: 19.25%)	(386,586)	(84,316)
Tax effect of expenses that are not deductible in determining taxable profit	253,509	58,314
Other tax adjustments, reliefs and transfers	104,192	-
Deferred tax not recognised	118,983	-
Adjustments to tax charge in respect of previous periods - deferred tax	(22,841)	-
Effect of change in corporation tax rate	-	75,746
Deferred tax adjustments in respect of prior years	-	20,904
Taxation charge for the year	67,257	70,648

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Tangible assets

	Freehold Land and Buildings	Leasehold improvements	Fixtures, Fittings, Plant and Machinery	Computer Equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2018	418,474	591,348	436,421	1,467,942	2,914,185
Transfer to fellow group entity	-	(174,438)	(436,421)	(1,467,942)	(2,078,801)
At 31 December 2018	418,474	416,910	-	-	835,384
Depreciation and impairment					
At 1 January 2018	(158,797)	(374,561)	(356,184)	(1,079,381)	(1,968,923)
Depreciation charged in the year	(11,146)	(53,850)	(15,255)	(96,576)	(176,827)
Transfer to fellow group entity	-	113,446	371,439	1,175,957	1,660,842
At 31 December 2018	(169,943)	(314,965)	-	-	(484,908)
Carrying amount					
At 31 December 2018	248,531	101,945	-	-	350,476
At 31 December 2017	259,677	216,787	80,237	388,561	945,262

11 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	-	2,738,960
Amounts owed by group undertakings	3,998,724	2,702,601
Other debtors	-	259,379
Prepayments and accrued income	117,598	262,666
Deferred tax asset (note 14)	-	672,106
	<u>4,116,322</u>	<u>6,635,712</u>

12 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	-	887,372
Trade creditors	-	73,186
Amounts owed to group undertakings	127,840	1,997,587
Other taxation and social security	-	616,377
Other creditors	-	125,624
Accruals and deferred income	1,487	723,294
	<u>129,327</u>	<u>4,423,440</u>

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

13 Provisions for liabilities

	2018 £	2017 £
Onerous lease provision	392,255	-
Dilapidations provision	287,866	47,402
Total provisions for liabilities	<u>680,121</u>	<u>47,402</u>

Movements on provisions:

	Onerous lease provision £	Dilapidation provision £	Total £
At 1 January 2018	-	47,402	47,402
Additional provisions in the year	469,659	265,547	735,206
Utilisation of provision	(77,404)	-	(77,404)
Other movements	-	(25,083)	(25,083)
At 31 December 2018	<u>392,255</u>	<u>287,866</u>	<u>680,121</u>

Onerous lease provisions arise where the ongoing level of unavoidable costs is not expected to be fully recovered by the economic benefits expected to be derived from using these properties. The expectation is that this expenditure will be incurred over the remaining periods of the leases which range up to 5 years.

Dilapidation provisions reflect management's best estimate of the cost of making good leasehold property on exit of the lease.

14 Deferred taxation

The following are the major deferred tax assets recognised by the company and movements thereon:

	Assets 2018 £	Assets 2017 £
Balances:		
Accelerated capital allowances	-	135,613
Tax losses	-	349,670
Retirement benefit obligations	-	132,090
Other	-	54,733
	<u>-</u>	<u>672,106</u>

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

14 Deferred taxation

	2018	2017
	£	£
Movements in the year:		
Balance brought forward	672,106	711,645
Charge to profit or loss	(67,257)	(70,648)
Charge to other comprehensive income	(81,175)	31,110
Transfer on disposal	(523,674)	(1)
Balance carried forward	-	672,106

15 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	622,744	1,329,482

The company operates a defined contribution pension scheme for all qualifying employees. Defined contributions are charged to the profit and loss account as they are incurred.

Defined benefit schemes

Until 1 July 2018, the Company operated a funded defined benefit scheme (the Veryards Limited Pension Plan) for qualifying employees which was closed to new entrants. On 1 July 2018, the Veryards Limited Pension Plan was transferred to WSP Management Services Limited, a fellow group entity, at a fair value of £228,169. Following this transfer, the company does not operate any defined benefit schemes.

Assessments of the obligations of the defined benefit plan are carried out annually by an independent actuary. The assets of the scheme are held separately from those of the Company in independently administered funds. The contributions payable by the Company are guaranteed by WSP UK Limited, a parent undertaking of the Company.

For funded defined benefit plans, any deficit of the fair value of plan assets over the present value of the defined benefit obligation is recognised as a liability in the balance sheet, taking into account any unrecognised actuarial gains or losses and past service cost. Actuarial gains and losses are recognised in full as they arise in the Statement of Changes in Equity. These reflect changes in actuarial assumptions and differences between actuarial assumptions and what has actually occurred.

The actuarial cost charged to the profit and loss account in respect of defined benefit plans consists of current service costs, interest costs, expected return on plan assets, past service costs and the effect of settlement curtailments.

The liabilities of the Company arising from defined benefit obligations and their related current service cost are determined using the projected unit credit method. Actuarial advice is provided by both external consultants and actuaries. The actuarial assumptions used to calculate the benefit obligations are set out below. To develop the expected long-term rate of return on assets assumption, the Company considered the current level of risk premium associated with the other asset classes in which the portfolio is invested. The expected return for each asset class was then applied to the scheme's asset allocation to develop the overall expected long-term rate of return for the combined portfolios.

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

15 Retirement benefit schemes

<i>Key assumptions</i>	2018 %	2017 %
Discount rate	2.95%	2.60%
Rate of increase in salaries	n/a	3.10%
Inflation assumption	3.20%	3.10%

<i>Amounts recognised in the profit and loss account</i>	2018 £	2017 £
Current service cost	4,500	70,000
Net interest on defined benefit liability/(asset)	9,500	16,000
Total costs	14,000	86,000

<i>Amounts taken to other comprehensive income</i>	2018 £	2017 £
Return on scheme assets excluding interest income	79,000	139,000
Actuarial changes related to obligations	384,500	(285,000)
Experience losses	(1,000)	(37,000)
Total costs/(income)	462,500	(183,000)

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2018 £	2017 £
Present value of defined benefit obligations	-	(10,753,000)
Fair value of plan assets	-	9,976,000
Deficit in scheme	-	(777,000)

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

15 Retirement benefit schemes

	2018 £	2017 £
<i>Movements in the present value of defined benefit obligations</i>		
At 1 January	(10,753,000)	(10,388,000)
Current service cost	(4,500)	(70,000)
Benefits paid	567,500	293,000
Actuarial gains and losses	383,500	(322,000)
Interest cost	(87,000)	(266,000)
Transferred to WSP Management Services Limited	9,893,500	-
At 31 December	-	(10,753,000)

	2018 £	2017 £
<i>Movements in the fair value of plan assets</i>		
At 1 January	9,976,000	9,635,000
Interest income	77,500	250,000
Asset gains	79,000	139,000
Benefits paid	(567,500)	(293,000)
Contributions	100,331	245,000
Transferred to WSP Management Services Limited	(9,665,331)	-
At 31 December	-	9,976,000

	2018 £	2017 £
<i>Fair value of plan assets at the reporting period end</i>		
Equities (including property)	-	3,933,000
Bonds	-	1,515,000
Insured pensions	-	3,528,000
Cash	-	1,000,000
Total market value of plan assets	-	9,976,000

16 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
200,000 of £1 each	200,000	200,000
	<u>200,000</u>	<u>200,000</u>

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

16 Called up share capital

Preference share capital

Issued and fully paid

700 at £10,000 each

7,000,000 7,000,000

7,000,000 7,000,000

Total called up share capital

7,200,000 7,200,000

The Company is required to give 14 days notice to the holders of Preference Shares for redemption. No dividends shall be declared or paid on the ordinary shares in respect of any financial year of the Company unless and until on equal or greater dividend shall have been actually paid of the Preference Shares in respect of that financial year

On a return of assets on liquidation or otherwise, the surplus assets of the Company remaining after payment of its debts and liabilities shall be applied as follows:

- Firstly, the holders of the Preference shares shall be paid in proportion to the nominal amounts paid up or credited as paid up on such shares (including any premium at which such shares were issued);
- Secondly, the holders of the Ordinary shares shall be paid in proportion to the nominal amounts paid up or credited as paid up on such shares (including any premium at which such shares were issued); and
- Thirdly, the balance (if any) of such surplus assets shall belong to and be distributed amongst the holders of the Second and First Preference Shares and the Ordinary Shares pari-passu and in proportion to the nominal amounts paid up or credited as paid up on such Shares (excluding any premium at which such Shares were issued) held by them respectively.

17 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	49,000	872,298
Between two and five years	78,000	-
	127,000	872,298

18 Subsequent events

On 4 September 2019, the Company completed the sale of its freehold property for consideration of £405,000.

OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

19 Ultimate controlling party

The Company's immediate parent undertaking is Opus International Consultants Holdings (UK) Limited.

Prior to 4 December 2017, the Company's ultimate parent entity was Opus International Consultants Limited, a Company incorporated in New Zealand. Since 4 December 2017, the Company's ultimate parent entity is WSP Global Inc., a company incorporated in Canada.

The smallest and largest group, of which the Company is a member and which includes the Company in its group financial statements which are publicly available is that headed by WSP Global Inc. Copies of those group financial statements may be obtained from www.wsp.com.