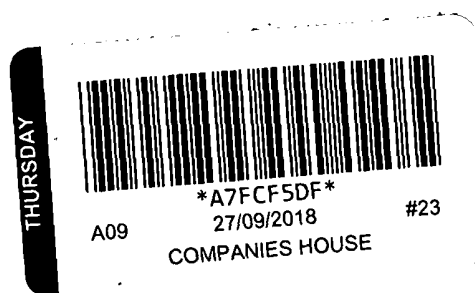


Opus International Consultants (UK) Limited
Financial Statements
For the Year Ended 31 December 2017



Company No. 2847568

Contents

Company information	3
Report of the Directors	4-5
Strategic Report	6-7
Report of the independent Auditors	8-10
Profit and loss account	11
Balance sheet	12
Other primary statements	13-14
Notes to the financial statements	15-25

Company Information

Directors

C H Edwards
M Barnard
M Rogerson
M Naysmith

Secretary

K Sewell

Auditors

Ernst & Young LLP
The Paragon
Counterslip
Bristol
BS1 6BX

Bankers

HSBC
3 Rivergate
Temple Quay
Bristol
BS1 6ER

Registered office

Willow House
Brotherswood Court
Great Park Road
Bristol
BS32 4QW

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2017.

Principal activities, results and dividends

The principal activities of the company are the provision of consulting, civil and structural engineering services.

The results for the year are set out in the Strategic Report. No dividends were paid during the year. The directors do not propose any final dividend for the year.

Future developments

On 1 July 2018, the Company sold the majority of its trade and assets to WSP UK Limited, a fellow group undertaking. The sale was performed at fair value.

Directors

The directors who served the company throughout the year were as follows:

D J Prentice (resigned 19 January 2018)
C H Edwards

The following directors were appointed after 31 December 2017 but before the date of signature of the financial statements:

M Barnard (appointed 19 January 2018)
M Rogerson (appointed 19 January 2018)
M Naysmith (appointed 19 January 2018)

Going concern

The Company's business activities together with the factors likely to affect its future development and position are set out below.

The Company is expected to return to profitability going forward, benefiting from the measures previously enacted to drive revenue growth and reduce costs. The company benefits from the Group's treasury arrangements and shares banking arrangements with its parent entity and fellow subsidiaries.

The directors, having assessed the responses of the directors of the company's ultimate parent WSP Global Inc. to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Group to continue as a going concern or its ability to continue with the current banking arrangements.

Employment of disabled persons

The company's policy is to give disabled people full and fair consideration for all job vacancies for which they offer themselves as suitable applicants, having regard to their particular aptitudes and abilities. Training and career development opportunities are available to all employees and any employee who develops a disability during employment with the company is given the chance of retraining where practicable.

Report of the directors (continued)

Employee involvement and communications

Matters affecting employees are discussed regularly with staff and managers, including the financial performance of the Company and the wider economy. Open lines of communication exist with email and the internal intranet. Staff are encouraged to offer suggestions for improvements where identified and to communicate any other matters they feel are warranted.

Statement of disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Reappointment of Auditors

Ernst & Young LLP offer themselves for re-appointment as auditor in accordance with Section 385 of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE BOARD



M Barnard
Director

Date: 25.9.18

Strategic report

Review of the business

The Company's turnover was £23.8m (2016: £24.7m), a decrease of 3.6% from the previous year. The decrease in turnover was due to lower utilisation of fee earning staff and a decrease in rail work in the first half of the year. The Company operates a large, long term asset management contract with Hertfordshire County Council. There was also an increase in infrastructure work.

Gross profit percentage increased to 29.6% in 2017, from 26.6% in 2016 as the decrease in revenue was offset by savings in costs of sales. The Company also continued to benefit from good long term contracts with Network Rail, Hampshire County Council and Interserve.

The Company made a loss after tax of £0.4m (2016: profit of £0.66m). The loss was caused by an increase in administrative costs of £1.6m with impairment losses to property and additional costs associated with the defined benefit scheme.

The average number of employees increased to 447 from 390. The increase in fee earning staff did not translate into increased revenue in 2017 with the increased workforce expected to benefit 2018.

On 4 December 2017, WSP Global Inc acquired the previous ultimate parent, Opus International Consultants Limited. Opus International Consultants (UK) Limited is now part of the WSP Global Inc. group of companies. This is expected to lead to increased opportunities going forward, with access to different markets and territories.

Principal risks and uncertainties

The Company has assessed its risk profile and believes that the principal risks to which it is exposed are as follows:

Competition

The Company operates in the UK engineering consultancy market, which is currently a highly competitive and mature market place, with numerous established competitors tendering for commissions. The Company mitigates this risk through maintaining a varied client portfolio, with a balance of public and private sector partners, and a focus on the greater diversification of the UK client base. In addition the Company undertakes an active marketing effort in order to maintain the Company's UK profile.

Project Management

Managing projects successfully is core to the Company's business, especially in the evolving contracting environment in which the Company operates, which has increasingly seen clients seeking to transfer risk to consultants. Inadequate project management could lead to financial loss and reputational damage. The Company mitigates this risk via internal controls, scrutiny of contract terms and ongoing training.

Health and Safety

The Company's business is concerned with the building environment and this entails significant health and safety risks. Should Company policy or practice prove inadequate, there is a risk to staff, clients, contractors and third parties. The Company takes these issues very seriously and ensures all staff are trained on health and safety matters, whilst also undertaking regular audits and reviews. The Company has a Health and Safety Committee that meets monthly.

Strategic report (continued)

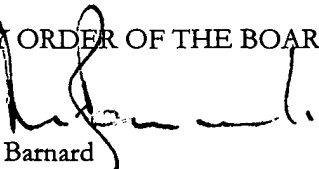
Staff Retention

The recruitment and retention of the best people is crucial to the Company's future success. Failure to retain staff would constrain the growth of the business and could frustrate client relationships. The Company invests in knowledge sharing and training to improve staff skills, aims to provide unique development opportunities within the Group and monitors staff satisfaction via an annual survey.

Pensions

The Company has a defined benefit pension scheme, which currently has a deficit. The scheme is exposed to the risk of changes in interest rates and asset values, as well as inflation and life expectancy of the members. The defined benefit pension scheme is closed to new members, future benefit levels have been amended and the Company has received professional actuarial advice.

BY ORDER OF THE BOARD


M Barnard
Director

Date:

25.9.18

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

Opinion

We have audited the financial statements of Opus International Consultants (UK) Limited for the year ended 31 December 2017 which comprise Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPUS INTERNATIONAL CONSULTANTS (UK) LIMITED

required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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 Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPUS INTERNATIONAL
CONSULTANTS (UK) LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Ernst & Young LLP

Eleri James (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol, United Kingdom.

Date: *27th September 2018*

Opus International Consultants (UK) Limited
Profit and Loss Account
For the Year Ended 31 December 2017

	Note	2017 £	2016 £
Turnover	2	23,845,131	24,725,029
Cost of sales		<u>(16,775,682)</u>	<u>(18,145,844)</u>
Gross profit		7,069,449	6,579,185
Administrative expenses		(8,039,227)	(6,442,563)
Income from participating interest	3	<u>600,000</u>	<u>800,000</u>
Operating (loss)/profit	4	(369,778)	936,622
Interest receivable		19,182	19,259
Interest payable and similar charges	7	(87,407)	(73,884)
(Loss)/profit on ordinary activities before taxation		<u>(438,003)</u>	<u>881,997</u>
Tax on (loss)/profit on ordinary activities	8	(70,648)	(220,867)
(Loss)/profit for the period after taxation		<u><u>(508,651)</u></u>	<u><u>661,130</u></u>

The Company does not have any unrecognised profits or losses other than the losses above.

There is no material difference between the profit on ordinary activities before tax and the profit for the financial year stated above and their historical equivalents.

The results of the year are derived from continuing operations.

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

Opus International Consultants (UK) Limited
Balance Sheet
As at 31 December 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	9	945,262	1,153,066
Current assets			
Work in progress	10	3,044,815	3,822,784
Debtors	11	6,635,712	6,670,275
Cash at bank and in hand		-	-
		<u>9,680,527</u>	<u>10,493,059</u>
Creditors			
Amounts falling due within one year	13	<u>(4,470,842)</u>	<u>(4,854,637)</u>
Net current assets		5,209,685	5,638,422
Pension liability	14	(777,000)	(753,000)
		<u>5,377,947</u>	<u>6,038,488</u>
Capital and reserves			
Called up share capital	16	7,200,000	7,200,000
Actuarial valuation reserve	17	(866,690)	(714,800)
Profit and loss account		(955,363)	(446,712)
		<u>5,377,947</u>	<u>6,038,488</u>

These financial statements were approved by the directors on their behalf by:

25.8.18

and are signed on



M Barnard
 Director

Company registration number: 2847568

The accompanying accounting policies and notes form part of these financial statements.

Opus International Consultants (UK) Limited
Other Primary Statements
For the Year Ended 31 December 2017

Statement of Changes in Equity

	Called-up share capital £	Profit and loss account £	Actuarial valuation reserve £	Total equity
At 1 January 2016	7,200,000	(1,107,842)	71,600	6,163,758
Profit for 2016	-	661,130	-	661,130
Other comprehensive income	-	-	(786,400)	(786,400)
Total comprehensive loss for the year	-	661,130	(786,400)	(125,270)
At 31 December 2016	<u>7,200,000</u>	<u>(446,712)</u>	<u>(714,800)</u>	<u>6,038,488</u>
(Loss) for 2017	-	(508,651)	-	(508,651)
Other comprehensive income	-	-	(151,890)	(151,890)
Total comprehensive loss for the year	-	(508,651)	(151,890)	(660,541)
At 31 December 2017	<u>7,200,000</u>	<u>(955,363)</u>	<u>(866,690)</u>	<u>5,377,947</u>

Opus International Consultants (UK) Limited
Other Primary Statements
For the Year Ended 31 December 2017

Statement of Comprehensive Income

	2017	2016
	£	£
(Loss)/profit for the financial year	(508,651)	661,130
Actuarial (losses) on defined benefit pension plans	(183,000)	(983,000)
Deferred taxation movement relating to actuarial losses	31,110	196,600
Total comprehensive (loss)	(660,541)	(125,270)

Opus International Consultants (UK) Limited
Accounting Policies
For the Year Ended 31 December 2017

1 Statement of compliance

Opus International Consultants (UK) Limited is private company limited by shares, incorporated in England and Wales. The registered office is Willow House, Brotherswood Court, Great Park Road, Bristol, BS32 4QW.

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements for the year ended 31 December 2017.

Basis of preparation

The financial statements of Opus International Consultants (UK) Limited have been prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards.

At 31 December 2017, the Company was a wholly owned subsidiary of Opus International Consultants Holdings (UK) Limited, a Company incorporated in England and Wales.

The financial statements are prepared in sterling, which is the functional currency of the Company.

Summary of disclosure exemptions

In its application of FRS 102, the Company as a qualifying entity has taken advantage of certain disclosure exemptions permitted, subject to certain conditions, which have been complied with, being the notification of, an no objection by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- 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 flow;
- financial instruments disclosures, including categories of financial instruments;
- the disclosure of key management personnel remuneration in total; and
- the disclosure of related party transactions entered into between two or more members of the Group provided that any subsidiary which is a party to such a transaction is wholly owned by a member.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Pension

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves 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. In determining the appropriate discount rate, the actuary considers the interest rates of corporate bonds in GBP, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the UK. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details are given in note 14.

Opus International Consultants (UK) Limited
Accounting Policies (continued)
For the Year Ended 31 December 2017

Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 8.

Operating Lease Commitments

The Company is a lessee of commercial property leases, as well as property, plant and equipment. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the profit and loss account.

Turnover

Turnover shown in the profit and loss account represents the fair value of the consideration receivable in respect of services provided during the year, inclusive of direct expenses incurred, net of any discounts and rebates but exclusive of Value Added Tax.

Turnover is recognised by reference to the stage of completion at the balance sheet date, provided that a right to consideration has been obtained through performance.

Consideration accrues as contract activity progresses by reference to the value of work performed, which coincides with costs incurred, and this is estimated by reference to costs incurred to-date compared to expected lifetime costs. Hence turnover represents the cost appropriate to the stage of completion of each contract plus attributable profits.

Full provision is made for losses on contracts in the year in which they are first foreseen.

Fixed assets

All tangible fixed assets are recorded at cost less any accumulated depreciation and any accumulated impairment losses. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings, plant and equipment	4-5 years straight line
Computer equipment	2-4 years straight line
Leasehold improvements	5-10 years straight line, or the lease term (whichever is shorter)

Work in progress

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

Opus International Consultants (UK) Limited
Accounting Policies (continued)
For the Year Ended 31 December 2017

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

The Company has not applied paragraphs 20.15A or 20.25A to lease incentives where the lease commenced before the date of transition to FRS 102. It has continued to recognise any residual benefit or cost associated with these lease incentives on the same basis that applied prior to transition to FRS 102.

Pension costs and other post-retirement benefits

Defined Contribution Scheme:

The pension costs charged against profits represent the amount of the contributions payable to the schemes in respect of the accounting period.

Defined Benefit Scheme:

The Company operates a defined benefit pension scheme, which requires 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.

The cost of providing benefits under the 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.

When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss recognised in the profit and loss account during the period in which the settlement or curtailment occurs.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period 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.

Re-measurements, comprising 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) are recognised immediately in comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Opus International Consultants (UK) Limited
Accounting Policies (continued)
For the Year Ended 31 December 2017

The defined net benefit pension asset or liability in the balance sheet comprises the total 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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

- i) Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- ii) Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in administrative expenses.

Joint venture operation

The Company has a 50% interest in a joint venture. Distributions are only recognised when the joint venture committee resolves to make a distribution.

Opus International Consultants (UK) Limited
Notes to the Financial Statements
For the Year Ended 31 December 2017

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the Company.

An analysis of turnover is given below:

	2017	2016
	£	£
United Kingdom	<u>23,845,131</u>	<u>24,725,029</u>

3 Income from participating interest

	2017	2016
	£	£
Income received from joint ventures	<u>600,000</u>	<u>800,000</u>

4 Operating profit

Operating profit is stated after charging:

	2017	2016
	£	£
Depreciation - owned assets	458,358	299,499
Foreign exchange losses/(gains)	660	(1,958)
Operating lease payments	567,594	680,632
Auditors' remuneration	<u>38,760</u>	<u>40,025</u>

5 Particulars of employees

The average number of staff employed by the company during the financial period amounted to:

	2017	2016
	No.	No.
Production staff	413	352
Administrative staff	<u>34</u>	<u>38</u>
	<u>447</u>	<u>390</u>

The aggregate payroll costs of the above were:

	2017	2016
	£	£
Wages and salaries	15,729,792	14,677,060
Social security costs	1,583,867	1,484,656
Defined contribution pension costs	1,190,254	1,060,396
Defined benefit pension costs	<u>225,517</u>	<u>35,091</u>

Opus International Consultants (UK) Limited
Notes to the Financial Statements
For the Year Ended 31 December 2017

6 Directors emoluments

The directors received £131,830 remuneration during the year (2016: £130,649) and contributions of £5,917 (2016: £5,229) were made to pension schemes on their behalf from this company. Only one director is paid by the Company, the remaining director's duties to this Company are considered to be incidental to their role elsewhere in the group.

7 Interest payable and similar charges

	2017	2016
	£	£
On loans due to parent undertaking	42,407	44,884
Other charges	45,000	29,000
	<u>87,407</u>	<u>73,884</u>

8 Tax

(a) Tax on ordinary activities

The tax charge is made up as follows:

UK Corporation tax based on the results for the year at 19.25% (2016: 20%)
 (Note 8(b))

Total current tax

	2017	2016
	£	£
	-	-
	<u>-</u>	<u>-</u>

Deferred tax

Origination and reversal of timing differences

Total deferred tax (Note 12)

	70,648	220,867
	<u>70,648</u>	<u>220,867</u>

Tax on profit on ordinary activities

	<u>70,648</u>	<u>220,867</u>
--	---------------	----------------

(b) Factors affecting the total tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are reconciled below:

	2017	2016
	£	£
Profit on ordinary activities before taxation	<u>(438,003)</u>	<u>881,997</u>
Profit on ordinary activities by standard rate of tax	(84,316)	176,399
Disallowed expenses	58,314	8,849
Effect of the reduction in the corporate tax rate	75,746	35,619
Prior period adjustment - deferred tax	20,904	-
Total tax expense	<u>70,648</u>	<u>220,867</u>

Factors that may affect future tax charges

The Company has tax losses arising in the UK of £3m (2016: £2.5m) that are available indefinitely for offset

The Finance Act 2016 was enacted on 15 September 2016 and this included provision for a further reduction in the corporation tax rate to 17% from 1 April 2020.

Opus International Consultants (UK) Limited
Notes to the Financial Statements
For the Year Ended 31 December 2017

9 Tangible fixed assets

	Land & buildings £	Leasehold Improvements £	Fixtures, Fittings, Plant & Equipment £	Computer Equipment £	Total £
Cost					
At 1 January 2017	418,474	528,847	416,893	1,312,500	2,676,714
Additions	-	51,556	37,161	183,748	272,465
Transfers with group companies	-	12,112	-	(16,029)	(3,917)
Disposals	-	(1,167)	(17,633)	(12,277)	(31,077)
At 31 December 2017	<u>418,474</u>	<u>591,348</u>	<u>436,421</u>	<u>1,467,942</u>	<u>2,914,185</u>
Depreciation					
At 1 January 2017	34,553	317,572	314,876	856,647	1,523,648
Transfers with group companies	-	7,855	-	(15,021)	(7,166)
Charge for the year	124,244	50,301	41,924	241,889	458,358
Depreciation on disposals	-	(1,167)	(616)	(4,134)	(5,917)
At 31 December 2017	<u>158,797</u>	<u>374,561</u>	<u>356,184</u>	<u>1,079,381</u>	<u>1,968,923</u>
Net book value					
At 31 December 2017	<u>259,677</u>	<u>216,787</u>	<u>80,237</u>	<u>388,561</u>	<u>945,262</u>
At 31 December 2016	<u>383,921</u>	<u>211,275</u>	<u>102,017</u>	<u>455,853</u>	<u>1,153,066</u>

10 Work in progress

	2017 £	2016 £
Work in progress	<u>3,044,815</u>	<u>3,822,784</u>

Work in progress recognised as an expense in the year was £16.8m (2016: £18.1m).

11 Debtors

	2017 £	2016 £
Trade debtors	2,738,960	2,915,642
Amounts owed by group undertakings	2,702,601	2,614,166
Prepayments	262,666	233,212
Sundry debtors	259,379	195,611
Deferred taxation (Note 12)	<u>672,106</u>	<u>711,644</u>
	<u>6,635,712</u>	<u>6,670,275</u>

Included within amounts owed by group undertakings is an unsecured loan receivable from Tower Surveys Limited for £534,151 (2016: £614,073) at an interest rate of 3.23% per annum and is repayable on demand. The loan facility expires on 31 December 2018. The remaining amounts are trading balances and are not formal loans.

Opus International Consultants (UK) Limited
Notes to the Financial Statements
For the Year Ended 31 December 2017

12 Deferred taxation

The deferred tax asset included in the Balance sheet is as follows:

	2017	2016
	£	£
Included in debtors (Note 11)	<u>672,106</u>	<u>711,644</u>

	2017	2016
	£	£
The movement in the deferred taxation account during the year was:		
Balance brought forward	711,645	761,976
Profit and loss account movement arising during the year	(70,648)	(220,867)
Amount credited to comprehensive income in respect of actuarial losses	31,110	196,600
Prior period adjustment	(1)	(26,064)
Balance carried forward	<u>672,106</u>	<u>711,645</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2017	2016
	£	£
Pension scheme (assets)	132,090	143,070
Excess of depreciation on fixed assets over tax allowances	135,613	64,797
Tax losses available for carry forward	349,670	489,776
Other timing differences	54,733	14,003
	<u>672,106</u>	<u>711,645</u>

The deferred tax asset is expected to be further reduced by over £200,000 in 2018 as the Company returns to profitability.

13 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	73,186	192,947
Bank loans and overdrafts	887,372	663,738
Revenue recognised in advance	178,318	210,421
Amounts owed to group undertakings	1,997,587	2,840,465
Other taxation and social security	616,377	592,888
Accrued wages & annual leave	125,624	97,829
Accruals	217,221	131,734
Accrued pension costs	321,971	112,508
Client funds held	53,186	12,107
	<u>4,470,842</u>	<u>4,854,637</u>

Included within amounts owed to group undertakings is £1,042,058 (2016: £2,445,236) that is a loan repayable on demand to Opus Holdings (UK) Ltd and interest is charged at 3.23% per annum. The loan facility expires on 31 December 2018. The remaining amounts are trading balances and are not formal loans.

Opus International Consultants (UK) Limited
Notes to the Financial Statements
For the Year Ended 31 December 2017

14 Pension commitments

Defined Contribution Scheme

The company operates a group personal pension plan with fixed contribution rates. Employees have individual contracts and the company's liabilities are limited to the employer's contribution whilst the employees remain within the plan and in employment in the company.

Certain employees have individual defined contribution schemes to which the company contributes.

Defined Benefit Pension Scheme

The company operates a defined benefit pension scheme for the benefit of the employees which is closed to new entrants. The assets of the scheme are administered by trustees in a fund independent from those of the company. Pension costs are assessed in accordance with the advice of a qualified actuary using the projected unit method. The assumptions which have the most significant effect on the results of the valuation are those relating to discount rate and the rates of increase in pay and pension payment. The most recent actuarial funding assessment was at 1 April 2012, carried out by Scottish Widows. An update to this was prepared for the December 2015 and 2016 year ends and the requirements of FRS 102, also carried out by Scottish Widows. Scheme assets are stated at their market values at the respective balance sheet dates.

The assets and liabilities of the schemes are:

	2017	2016
	£	£
Fair value of scheme assets	9,976,000	9,635,000
Present value of scheme liabilities	(10,753,000)	(10,388,000)
(Deficit)/surplus	<u>(777,000)</u>	<u>(753,000)</u>

The major assumptions used to calculate scheme liabilities under FRS102 are:

	2017	2016
	%	%
Rate of increase in salaries	3.1	3.4
Rate of increase in pensions in payment	3.7	3.7
Rate of increase in deferred pensions	3.1	3.4
Discount rate	2.6	2.6
Inflation assumption	3.1	3.4
Life expectancy for 65 year old male	89.1 yrs	88 yrs

Opus International Consultants (UK) Limited
Notes to the Financial Statements
For the Year Ended 31 December 2017

14 Pension commitments (continued)

The fair value of the scheme assets, the present value of the scheme liabilities and the resulting surplus are:

	2017	2016
	£	£
Equities (including property)	3,933,000	3,434,000
Bonds	1,515,000	1,351,000
Insured pensions	3,528,000	3,322,000
Cash	1,000,000	1,528,000
Total market value of assets	9,976,000	9,635,000
Present value of scheme liabilities	(10,753,000)	(10,388,000)
Net pension (liability)/asset	(777,000)	(753,000)

An analysis of the movement in the market value of assets during the year is shown below:

	2017	2016
	£	£
Balance brought forward	9,635,000	9,441,000
Interest income	250,000	351,000
Asset gains/(losses)	139,000	(222,000)
Contributions	245,000	271,000
Benefits paid	(293,000)	(206,000)
Balance carried forward	9,976,000	9,635,000

An analysis of the movement in the present value of liabilities during the year is shown below:

	2017	2016
	£	£
Balance brought forward	(10,388,000)	(9,421,000)
Interest cost	(266,000)	(345,000)
Current service cost (including member contribution)	(70,000)	(67,000)
Benefits paid	293,000	206,000
Actuarial losses on liabilities	(322,000)	(761,000)
Balance carried forward	(10,753,000)	(10,388,000)

Opus International Consultants (UK) Limited
Notes to the Financial Statements
For the Year Ended 31 December 2017

14 Pension commitments (continued)

	2017	2016
	£	£
Current service cost charged to operating profit	70,000	67,000
Total operating charge	<u>70,000</u>	<u>67,000</u>

An analysis of the net defined benefit cost charged to the profit and loss account follows:

	2017	2016
	£	£
Service cost (including member contribution)	70,000	67,000
Net interest cost/(received)	16,000	(6,000)
	<u>86,000</u>	<u>61,000</u>

An analysis of the defined benefit cost recognised in the statement of comprehensive income:

	2017	2016
	£	£
Asset return less interest income recognised in profit & loss	139,000	(222,000)
Experience (losses)/gains arising on benefit obligation	(37,000)	151,000
Effect of assumptions changes on benefit obligation	(285,000)	(912,000)
Actuarial (losses)	<u>(183,000)</u>	<u>(983,000)</u>

15 Commitments under operating leases

At 31 December 2017 the company had total commitments under non-cancellable operating leases as set out below:

	2017		2016	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
Future minimum rentals payable under non-cancellable operating leases are as follows:				
Within 1 year	369,620	502,678	306,670	382,584

Opus International Consultants (UK) Limited
Notes to the Financial Statements
For the Year Ended 31 December 2017

16 Share capital

Allotted, called up and fully paid

	No	2017 £	No	2016 £
Ordinary shares of £1 each	200,000	200,000	200,000	200,000
Preference shares of £10,000 each	700	7,000,000	700	7,000,000
		<u>7,200,000</u>		<u>7,200,000</u>

The company is required to give 14 days notice to the holders of the 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 an equal or greater dividend shall have been actually paid on 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 Actuarial valuation reserve

	2017 £	2016 £
Balance brought forward	(714,800)	71,600
Actuarial (loss) on defined benefit scheme	(183,000)	(983,000)
Deferred tax recognised on actuarial loss	31,110	196,600
Balance carried forward	<u>(866,690)</u>	<u>(714,800)</u>

18 Ultimate controlling party

Opus International Consultants (UK) Limited's immediate parent undertaking is Opus International Consultants Holdings (UK) Limited. Until 4 December 2017, Opus International Consultants Limited was the ultimate parent. Since 4 December 2017, WSP Global Inc. is the ultimate parent. 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; a company incorporated in Canada. Copies of those group financial statements may be obtained from 1600 René-Lévesque Boulevard West, Montreal, Quebec, Canada.