

Company Registration No. 03675716 (England and Wales)

LOUIS BERGER (UK) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022



LOUIS BERGER (UK) LIMITED

COMPANY INFORMATION

Directors	C Thompson K Sewell
Secretary	K Sewell
Company number	03675716
Registered office	WSP House 70 Chancery Lane London WC2A 1AF United Kingdom
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom

LOUIS BERGER (UK) LIMITED

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LOUIS BERGER (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Fair review of the business

The principal activity of the company continued to be that of engineering consultancy.

All operations are overseas except for the Finance function.

The operating subsidiaries engage in engineering design and construction supervision for a wide variety of regional clients.

During the year the company generated turnover of £382,989 (2021: £1,570,593) representing a decrease of 75.6% (2021: 58.7%) on the prior year. Gross profit amounted to £126,563 (2021: £129,354) representing a decrease of 2.2% (2021: 61.1%) on the prior year.

The company made an operating loss of £1,931,726 (2021: £1,171,638 profit). A provision for impairment losses of £949,985 has been made in the current year (2021: £Nil). The company also incurred loss on foreign exchange of £770,358 (2021: £1,176,419 profit)

Key performance indicators

The company's key performance indicators (KPIs) are turnover and operating results as set out on page 9.

Principal risks and uncertainties

The group's activities expose it to a number of risks as set out below:

Credit risk

The group's principal financial assets are cash in the form of bank balances, investments and trade/other receivables including intercompany loans. The group's credit risk is primarily attributable to its investments.

Liquidity risk

The group has cash reserves in order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments. The group has access to cash from its parent operations if required.

Financial risk management objectives and policies

The group funds its operations through the use of inter-company funding, external borrowings, working capital and cash generated from day-to-day operations. The group does not use derivative financial instruments.

Future developments

The Company anticipates that it will continue to pursue its principal activities for the foreseeable future.

LOUIS BERGER (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172 Statement

Statement of Director's Duties to Stakeholders

The following disclosure describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. The Directors of the Company have a duty to promote the success of the Company. A director of the Company must act in the way they consider, in good faith, to promote the success of the Company for the benefit of its members, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company to maintain a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

The Directors are committed to developing and maintaining a governance framework that is appropriate to the business and supports effective decision making coupled with robust oversight of risks and internal controls.

The likely consequences of any decisions in the long-term

In conjunction with its ultimate parent entity, WSP Global Inc., the Board has adopted the 2022-2024 Global Strategic Plan with a view to the long-term success of the business. The strategy revolves around the foundational pillars – clients, people, culture operational excellence and expertise. The Board is mindful that the world in the future will be different from today's world and will accordingly challenge its teams to work with its clients to advise on solutions that are ready for both today as well the years to come.

The interests of the Company's employees

The success of the business depends on 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 is achieved by formal and informal meetings and through Group intranets. Regular surveys are issued to all employees covering a variety of topics including business performance, company culture and working environments as well as providing employees with the opportunity to provide feedback anonymously.

The Company continues to focus on building channels that ensure the Company is effectively listening and responding to employees. In doing so, the Company can identify opportunities to better meet employee needs, help them with their career progression and build the skills required to continue helping the business thrive.

The need to foster the Company's business relationships with suppliers, customers and others

The Company places the highest ethical standards at the centre of everything it does which includes all of its business relationships. Before entering into a business relationship, the Company performs a number of compliance checks to validate that the relationship will be appropriate to the Company's values.

The Company fosters long-term relationships with its suppliers by engaging in fair commercial arrangements and honouring its payment terms as well as ensuring ongoing communication between the Company's supply chain, accounts payable department and the supplier.

The Company fosters long-term relationships with its clients by adapting to their culture and local market, providing a personalised service while leveraging expertise to undertake complex projects and help its clients realise their ambitions. The Company tailors its service to their requirements, present innovative solutions and ideas and strive to achieve a collaborative working environment.

LOUIS BERGER (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172 Statement (continued)

In respect of statutory and tax matters the Company strives to comply with UK government legislation including the submission of tax filings and other submissions to regulators on time.

The impact of the Company's operations on the community and the environment

Due to the dynamic nature of the trends transforming the world and the importance of social acceptability, the Company is continuing to bring tangible value to its clients by building its service offering based on its ability to understand and adapt to its clients changing needs whilst creating long-term value for its communities. The Board knows that the Company's solutions will shape the communities of tomorrow and help societies thrive sustainably.

The Company supports community involvement by its employees and encourages charitable activity and donations of both time and money.

In conjunction with its ultimate parent entity, WSP Global Inc., the Board has adopted the 2022-2024 Global Strategic Action Plan and produced a reciprocal plan focused on the Companies markets with a view to enabling the long-term success of the Company. The strategy revolves around our foundational pillars, namely Clients, People and Culture, Operational Excellence and Expertise. The Board is mindful of the fact that the future world will be very different from today's and is guided by our "Future Ready" Innovation Programme and thinking which enables us to see the future more clearly through key trends in climate change, society, technology and resources, and challenge our teams to work with our clients to advise on solutions that are both ready for today and suitable for the future.

The desirability of the Company maintaining a reputation for high standards of business conduct

The Company's reputation is founded on the world class work of its employees and the Company's commitments to its clients and communities. The Board has put the highest ethical standards at the centre of all that it does and professionalism is inherent in the Company's offering. The Board carefully considers the reputation of the Company and the WSP Global inc. Group and the implications on reputation when making its decisions. In addition, the Company is mindful of how and with whom business is conducted and it does not engage with third parties who display unsatisfactory business conduct or ethics.

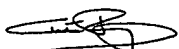
The need to act fairly between shareholders of the Company

All of the shares are held by a sole shareholders and both the Company and its direct shareholder are part of a larger global group with the ultimate parent a Canadian incorporated Company (WSP Global Inc.) being listed in Toronto.

Consolidation

Louis Berger (UK) Limited has chosen not to prepare consolidated results for inclusion of the company's subsidiary undertakings in this period's financial statements.

On behalf of the board



C Thompson
Director

18 September 2023

LOUIS BERGER (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of engineering consultancy.

All operations are overseas except for the Finance function.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid (2021: £nil). The directors do not recommend payment of a final dividend.

Directors

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

C Thompson

P Bilek

K Sewell

(Resigned 12 December 2022)

(Appointed 12 December 2022)

Post reporting date events

On 26 May 2023, Louis Berger (UK) Limited sold its subsidiary, Louis Berger DOO Beograd for €250,000.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Energy and carbon reporting

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

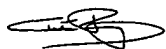
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Strategic report

In accordance with S414C (11) of the Companies Act; included in the Strategic Report is the review of the business and principal risks and uncertainties. This information would have otherwise been required by Schedule 7 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors Report.

On behalf of the board



C Thompson

Director

Date: 18 September 2023

LOUIS BERGER (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOUIS BERGER (UK) LIMITED

Opinion

We have audited the financial statements of Louis Berger (UK) Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including 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 state of the company's affairs as at 31 December 2022 and of its profit 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. 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included obtaining the parents undertaking to provide funds and assessing the parent for the ability to provide funding where required.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 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 the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOUIS BERGER (UK) LIMITED (CONTINUED)

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 the 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inspecting correspondence with local tax authorities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOUIS BERGER (UK) LIMITED (CONTINUED)

The audit engagement team identified the risk of management override of as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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.

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.

Christopher Tate

Christopher Tate (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
United Kingdom

20/09/23.....

LOUIS BERGER (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

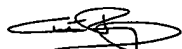
	Notes	2022 £	2021 £
Turnover	3	382,989	1,570,593
Cost of sales		(256,426)	(1,441,239)
Gross profit		126,563	129,354
Administrative expenses		(2,058,289)	1,042,284
Operating (loss)/profit	5	(1,931,726)	1,171,638
Interest receivable and similar income	7	3,251,685	119,412
Interest payable and similar expenses	8	(638,424)	(708,604)
Other gains and losses	9	1,976,890	-
Profit before taxation		2,658,425	582,446
Tax on profit	10	(163,763)	4,727
Profit for the financial year		2,494,662	587,173

The income statement has been prepared on the basis that all operations are continuing operations.

LOUIS BERGER (UK) LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		-		-
Investments	12		24,501,113		33,675,629
Current assets					
Debtors	14	11,638,925		8,859,214	
Cash at bank and in hand		26,599		46,844	
		11,665,524		8,906,058	
Creditors: amounts falling due within one year	15	(45,545,686)		(54,611,035)	
Net current liabilities			(33,880,162)		(45,704,977)
Total assets less current liabilities			(9,379,049)		(12,029,348)
Creditors: amounts falling due after more than one year	16		(1,468,848)		(1,313,211)
Net liabilities			(10,847,897)		(13,342,559)
Capital and reserves					
Called up share capital	18	24,050,660		24,050,660	
Share premium account	19	2,574,441		2,574,441	
Profit and loss reserves	19	(37,472,998)		(39,967,660)	
Total equity			(10,847,897)		(13,342,559)

The financial statements were approved by the board of directors and authorised for issue on 18th September 2023 and are signed on its behalf by:



C Thompson
Director

LOUIS BERGER (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2021	24,050,660	2,574,441	(40,554,833)	(13,929,732)
Year ended 31 December 2021:				
Profit and total comprehensive income for the year	-	-	587,173	587,173
Balance at 31 December 2021	24,050,660	2,574,441	(39,967,660)	(13,342,559)
Year ended 31 December 2022:				
Profit and total comprehensive income for the year	-	-	2,494,662	2,494,662
Balance at 31 December 2022	24,050,660	2,574,441	(37,472,998)	(10,847,897)

LOUIS BERGER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Louis Berger (UK) Limited is a company limited by shares registered and incorporated in England and Wales. The registered office is WSP House, 70 Chancery Lane, London, WC2A 1AF, United Kingdom.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

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, including the large and medium sized companies and groups (accounts and reports) regulation 2008.

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. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures; and
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of WPS Global Inc.

Basis of consolidation

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Going concern

The company has a banking facility with certain fellow group companies.

To assess the going concern assumption, the company has prepared and considered trading and cashflow forecasts for the period covering at least 12 months from the date of approval of these financial statements. The company is dependent on continuing finance being made available by parent undertaking WSP Global Inc. to enable it to continue operating and meet its liabilities as they fall due. WSP Global Inc. has significant financial reserves at its disposal and continues to be profitable and cash generative. The parent undertaking has agreed to provide sufficient funds to the company for those purposes. The directors believe it is therefore appropriate to prepare the financial statements on a going concern basis.

LOUIS BERGER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for 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.

Tangible fixed assets

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

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	20% Straight Line
Office & Computer Equipment	20% - 33% Straight Line
Fixtures & Furniture	20% - 33% 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.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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.

LOUIS BERGER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade, other debtors and amounts owed by group undertakings are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank overdrafts, and amounts owed to group undertakings are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Derecognition of financial liabilities

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

LOUIS BERGER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

LOUIS BERGER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related transaction gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of 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.

Key judgements were exercised by the directors relating to the valuation of its investment where it was reviewed for impairment. Management assessed that an impairment in the investment for the current year of £949,985 (2021: £Nil) is deemed reasonable.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022 £	2021 £
Turnover analysed by class of business		
Engineering consultancy	382,989	1,570,593
	<u> </u>	<u> </u>
	2022 £	2021 £
Other revenue		
Interest income	242	119,412
Dividends received	3,251,443	-
	<u> </u>	<u> </u>

During the year, 100% (2021 - 100%) of the company's turnover was to markets outside the United Kingdom.

LOUIS BERGER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Employees

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

	2022 Number	2021 Number
Employees	2	9
Executives	2	1
Total	4	10

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	255,597	1,020,590
Social security costs	-	21,655
	255,597	1,042,245

5 Operating (loss)/profit

	2022 £	2021 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	770,358	(1,176,419)
Depreciation of owned tangible fixed assets	-	39,290
Operating lease charges	-	258,339

6 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	16,290	16,060
For other services		
All other non-audit services	6,000	5,350

LOUIS BERGER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest receivable from group companies	-	119,412
Other interest income	242	-
Total interest revenue	242	119,412
Other income from investments		
Dividends received	3,251,443	-
Total income	3,251,685	119,412

8 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and loans	568,706	651,166
Interest payable to group undertakings	69,718	57,438
	638,424	708,604

9 Other gains and losses

	2022 £	2021 £
Gain on disposal of fixed asset investments	1,976,890	-

10 Taxation

	2022 £	2021 £
Current tax		
Adjustments in respect of prior periods	1,191	-
Double tax relief	162,572	-
Total current tax	163,763	-
Deferred tax		
Origination and reversal of timing differences	-	(4,727)
Total tax charge/(credit)	163,763	(4,727)

LOUIS BERGER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

10 Taxation (Continued)

The total tax charge/(credit) for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	2,658,425	582,446
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	505,101	110,665
Tax effect of expenses that are not deductible in determining taxable profit	218,755	-
Tax effect of income not taxable in determining taxable profit	(993,383)	-
Change in unrecognised deferred tax assets	(218)	(115,392)
Adjustments in respect of prior years	1,191	-
Group relief	269,745	-
Withholding tax	162,572	-
Taxation charge/(credit) for the year	163,763	(4,727)

11 Tangible fixed assets

	Leasehold improvements £	Office & Computer Equipment £	Fixtures & Furniture £	Total £
Cost				
At 1 January 2022 and 31 December 2022	200,796	31,691	49,091	281,578
Depreciation and impairment				
At 1 January 2022 and 31 December 2022	200,796	31,691	49,091	281,578
Carrying amount				
At 31 December 2022	-	-	-	-
At 31 December 2021	-	-	-	-

12 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	13	24,501,113	33,675,629

LOUIS BERGER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2022	71,352,747
Disposals	(8,224,531)
At 31 December 2022	63,128,216
Impairment	
At 1 January 2022	37,677,118
Impairment losses	949,985
At 31 December 2022	38,627,103
Carrying amount	
At 31 December 2022	24,501,113
At 31 December 2021	33,675,629

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Holdings Berger France SAS	15 rue de Vanves, 92100 Boulogne-Billancourt, France	Engineering consultancy	Ordinary	100.00	
ICS Louis Berger SRL	18 Bucuriei Street, Chisinau, MD-2004, Republic of Moldova	Engineering consultancy	Ordinary	100.00	
Louis Berger Bulgaria EOOD	15 Neofit Rilski Str., 3rd floor, Office 8, Sofia 100, Bulgaria	Engineering consultancy	Ordinary	100.00	
Louis Berger DOO Beograd	New Mill Office Building, Bulevar Vovjode Misica 15a, Belgrade 11000 Serbia	Engineering consultancy	Ordinary	100.00	

LOUIS BERGER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Subsidiaries (Continued)

Louis Berger Moçambique, Limitada	Avenida Julius Nyerere, no. 3412, Maputo City, Mozambique	Engineering consultancy	Ordinary	1.00	99.00
Louis Berger SAS	15 rue de Vanves, 92100 Boulogne-Billancourt, France	Engineering consultancy	Ordinary		100.00
Louis Berger SRL	CSDA Building, 22-26 Siriului St. 3rd Floor, District 1, 014354 Bucharest, Romania	Engineering consultancy	Ordinary	95.00	5.00
Cameroon-Louis Berger SARL	6087 Boulevard Saint JPII Bastos, Yaoundé, 35637, Cameroon	Engineering consultancy	Ordinary		100.00
Louis Berger Algerie SARL	Cité Krim Belkacem lot N° 29, ilot de propriété N°19, 4ème étage, Commune de Dar El Beida, Alger, Algeria	Engineering consultancy	Ordinary		100.00
Louis Berger Guinee SARLU	Coléa-Résidence RMAITI, Face aux jardins de Guinée, Commune de Matam, Conakry, Guinea	Engineering consultancy	Ordinary		100.00
Louis Berger International SARL	15 rue de Vanves 92100 Boulogne-Billancourt, France	Engineering consultancy	Ordinary		100.00

The investments in subsidiaries are all stated at cost. Acquisition accounting method has been used.

Louis Berger SAS is a wholly owned subsidiary of Holdings Berger France SAS.

Louis Berger SAS owns 99% of the share capital of Louis Berger Moçambique, Limitada and 100% of the share capital of Cameroon- Louise Berger SARL, Louis Berger Algerie SARL, Louis Berger Guinee SARLU and Louis Berger International SARL.

Shares held in WSP Spain SA were disposed of during the year to a fellow group company.

LOUIS BERGER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

14 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	-	32,044
Amounts owed by group undertakings	3,188,216	2,579,554
Other debtors	10,085	23,409
Prepayments and accrued income	81	262,010
	<u>3,198,382</u>	<u>2,897,017</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>8,440,543</u>	<u>5,962,197</u>
Total debtors	<u>11,638,925</u>	<u>8,859,214</u>

Included within debtors due within one year are amounts due from fellow group undertakings which are unsecured, interest free and are repayable on demand.

15 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	17	45,454,949	54,298,422
Trade creditors		21,593	43,658
Amounts owed to group undertakings		37,977	46,822
Taxation and social security		-	18,290
Other creditors		3,491	69,917
Accruals and deferred income		27,676	133,926
		<u>45,545,686</u>	<u>54,611,035</u>

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

LOUIS BERGER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

16 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Other borrowings	17	1,468,848	1,313,211

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	-	1,313,211
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17 Borrowings

	2022 £	2021 £
Bank overdrafts	45,454,949	54,298,422
Loans from group undertakings	1,468,848	1,313,211
	46,923,797	55,611,633
Payable within one year	45,454,949	54,298,422
Payable after one year	1,468,848	1,313,211

On 29 June 2016 the company was issued a loan of \$1,738,000 from Louis Berger SAS. The loan is payable on 29 June 2026 and bears interest annually at 4.55%.

18 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of \$1.47 each	24,050,660	24,050,660	24,050,660	24,050,660

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

19 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

20 Events after the reporting date

On 26 May 2023, Louis Berger (UK) Limited sold its subsidiary, Louis Berger DOO Beograd for €250,000.

LOUIS BERGER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

21 Ultimate controlling party

The immediate parent company is LB UK Holding II Limited, a company incorporated in the United Kingdom. Its registered office is WSP House, 70 Chancery Lane, London, WC2A 1AF, United Kingdom.

The ultimate parent company and controlling party is WSP Global Inc. incorporated in Canada.

WSP Global Inc. is the smallest and largest group for which consolidated accounts including Louis Berger (UK) Limited are prepared. The consolidated financial statements of WSP Global Inc. are available to the public and may be obtained from the website, www.wsp.com.