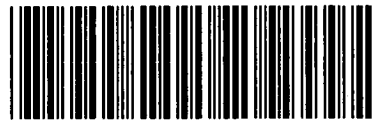


Company Registration No. 04121721 (England and Wales)

WSP EUROPEAN HOLDINGS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

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WSP EUROPEAN HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M Barnard M Naysmith
Secretary	K Sewell
Company number	04121721
Registered office	WSP House 70 Chancery Lane London United Kingdom WC2A 1AF
Independent auditor	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Bankers	HSBC Bank plc City of London Branch 60 Queen Victoria Street London United Kingdom EC4N 4TR

WSP EUROPEAN HOLDINGS LIMITED

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WSP EUROPEAN HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report on WSP European Holdings Limited (the "Company") for the year ended 31 December 2019.

Business review

The Company is an intermediate holding company within an international group of companies, providing leading engineering and design services while establishing a strong commitment to the surrounding communities as well as local and national clients. This group is headed by WSP Global Inc., which with its subsidiaries, including the Company, is hereinafter collectively referred to as the "Group".

Further discussion of the Group's principal activities together with a business review of the Group, which includes the Company, is included in the section entitled "Management's Discussion and Analysis" of the WSP Global Inc. 2019 Annual Report, which does not form part of this report. The consolidated financial statements of WSP Global Inc. are available to the public and may be obtained from the website, www.wsp.com.

Principal risks and uncertainties

The company is exposed to a number of financial market risks including credit risk, liquidity risk and interest rates. Although the Company takes steps to manage its own financial risks, the directors of WSP Global Inc. manage the Group's principal risks (including financial risks) and uncertainties at a Group level, rather than on an individual company basis. For this reason, the Company's directors consider that a discussion of the Group's risks would not be necessary for an understanding of the performance of the Company's business. The principal risks and uncertainties of WSP Global Inc., which include those of the Company, are included in the section entitled "Management's Discussion and Analysis" of the WSP Global Inc. 2019 Annual Report, which does not form part of this report.

Future developments

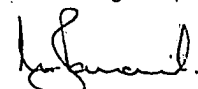
The Company will continue to be an intermediate holding company within the Group.

Key performance indicators

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

The development, performance and position of the Group, which includes the Company, is discussed in the section entitled "Management's Discussion and Analysis" of the WSP Global Inc. 2019 Annual Report, which does not form part of this report.

The Strategic Report was approved by the Board of Directors and signed on its behalf by:



M Barnard

Director

15 October 2020

WSP EUROPEAN HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and audited financial statements on the Company for the year ended 31 December 2019.

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid (2018: £3,112,000). 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:

M Barnard
M Naysmith

Directors' insurance

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

Post reporting date events

Subsequent to the year end, the Covid-19 pandemic has significantly affected the United Kingdom and other countries that the Company and its subsidiaries operate in. Business disruption to the Company's subsidiaries, so far, has been reasonably modest and there have been no significant supply chain disruptions. Even before the Covid-19 pandemic, the health and safety of our people has been our primary concern and the Company and its subsidiaries continue to follow the UK Government's Covid-19 Recovery Strategy and health and safety guidance while navigating through the pandemic.

There are no other subsequent events.

Disclosure requirements

In accordance with the Companies Act 2006 section 414C(11), the Company's Strategic Report contains certain disclosures required in the Directors' Report. The disclosures are included within the Business review, Principal risks and uncertainties, Future developments and Key performance indicators sections of the Strategic Report.

Independent auditor

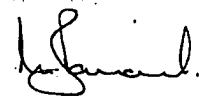
Pursuant to Section 485 of the Companies Act 2006, the auditor will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Statement of disclosure to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the board



M Barnard
Director
15 October 2020

WSP EUROPEAN HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Independent auditors' report to the members of WSP European Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, WSP European Holdings Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 December 2019; the Statement of Comprehensive Income, the Statement of Cash flows; and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

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

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

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

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

Independent auditors' report to the members of WSP European Holdings Limited (continued)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

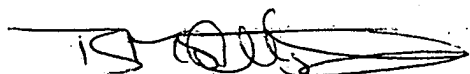
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



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

16 October 2020

WSP EUROPEAN HOLDINGS LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £'000	2018 £'000
Dividend income	4	-	5,000
Impairment of investments	8	(8,272)	(5,000)
Waiver of intercompany loan		-	1,000
Administrative expenses		(30)	-
Interest income		-	8
		<u>-</u>	<u>-</u>
Loss before taxation		(8,302)	(992)
Income tax benefit/(expense)	6	<u>1</u>	<u>(2)</u>
Loss and total comprehensive expense for the year		<u>(8,301)</u>	<u>(994)</u>

The above results all relate to continuing operations.

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

WSP EUROPEAN HOLDINGS LIMITED

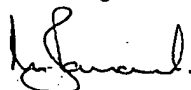
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	2019 £'000	2018 £'000
Non-current assets			
Investments	8	28,209	30,578
Current assets			
Loans and other receivables	10	510	8
Cash and cash equivalents		13	342
		523	350
Total assets		28,732	30,928
Current liabilities			
Loans and other payables	11	6,118	11
Current tax liabilities			2
		6,118	13
Net current (liabilities)/assets		(5,595)	337
Total liabilities		6,118	13
Net assets		22,614	30,915
Equity			
Called up share capital	12	15,352	15,352
Share premium account		2,000	2,000
Retained earnings		5,262	13,563
Total equity		22,614	30,915

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

The financial statements were approved by the board of directors and authorised for issue on 15 October 2020 and are signed on its behalf by:



M Barnard
Director

Company Registration No. 04121721

WSP EUROPEAN HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

		Share capital	Share premium account	Retained earnings	Total
	Notes	£'000	£'000	£'000	£'000
Balance at 1 January 2018		15,352	2,000	17,669	35,021
Year ended 31 December 2018:					
Loss and total comprehensive expense for the year				(994)	(994)
Dividends paid	7			(3,112)	(3,112)
Balance at 31 December 2018		15,352	2,000	13,563	30,915
Year ended 31 December 2019:					
Loss and total comprehensive expense for the year				(8,301)	(8,301)
Balance at 31 December 2019		15,352	2,000	5,262	22,614

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

WSP EUROPEAN HOLDINGS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £'000	2018 £'000
Cash flows from operating activities			
Cash generated from operations	16	5,083	2,035
Tax paid		(1)	(6)
Net cash inflow from operating activities		5,082	2,029
Investing activities			
Purchase of investments	8	(5,411)	(3,926)
Interest received		-	8
Dividends received		-	5,000
Net cash (used in)/generated from investing activities		(5,411)	1,082
Financing activities			
Dividends paid		-	(3,112)
Net cash used in financing activities		-	(3,112)
Net decrease in cash and cash equivalents		(329)	(1)
Cash and cash equivalents at beginning of year		342	343
Cash and cash equivalents at end of year		13	342

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

WSP EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

WSP European Holdings Limited is a private company limited by shares incorporated and domiciled in England and Wales. Its registered office is WSP House, 70 Chancery Lane, London WC2A 1AF.

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union, Interpretations issued by the IFRS Interpretation Committee and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, (except as otherwise stated).

The Company has taken advantage of the exemption under section 401 of the Companies Act 2006 in not preparing consolidated financial statements for the current year. The consolidated financial statements of WSP Global Inc. are available to the public and may be obtained from the WSP website www.wsp.com.

The financial statements have been prepared on the historical cost basis and on the going concern basis. The functional and presentational currency of the Company is GBP. The principal accounting policies adopted are set out below.

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

1.2 Investments

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

1.3 Cash and cash equivalents

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

1.4 Financial Instruments

The table below summarises the classification and measurement of the Company's financial instruments accounted for under IFRS 9:

Classification and measurement	IFRS 9
Assets	
Cash	Amortised cost
Intercompany receivables, other receivables	Amortised cost
Liabilities	
Accounts payable and accrued liabilities, excluding provisions	Amortised cost
Long-term debt (including current portion)	Amortised cost

IFRS 9 Financial Instruments uses a single approach to determine whether a financial asset is classified and measured at amortised cost or fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset.

Financial liabilities (excluding derivatives) are derecognised when the obligation specified in the contract is discarded, cancelled or expired.

WSP EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

The Company uses a single expected credit loss impairment model, which is based on changes in credit quality since initial recognition. The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance.

Determination of Fair Value

The fair value of a financial instrument is the amount of consideration that would be agreed to be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Subsequent to initial recognition, the fair values of financial instruments that are quoted in active markets are based on bid prices for financial assets held and offer prices for financial liabilities. When independent prices are not available, fair values are determined by using valuation techniques that refer to observable market inputs and minimising the use of unobservable inputs.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

1.5 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.6 Taxation

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

Current tax

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

WSP EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

1.7 Dividends

Dividends receivable are recorded as other income when the Company's right to receive payment is established. Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

1.8 Capital management

For the purpose of capital management, capital includes intercompany funding liabilities and total equity, net of cash.

	2019	2018
	£'000	£'000
Intercompany funding liabilities	5,626	11
Total equity	22,614	30,915
	<u>28,240</u>	<u>30,926</u>
Less cash	(13)	(342)
	<u>28,227</u>	<u>30,584</u>

The Company's objectives when managing capital are to maintain a flexible capital structure that optimises the cost and availability of capital at acceptable risk and to manage capital in a manner that considers the interests of equity and debt holders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

At 31 December 2019 and 31 December 2018 all financial liabilities were denominated in Sterling and were repayable on demand.

The Company has no significant concentrations of credit risk.

The company is not subject to any externally imposed capital requirements nor does it have any loan covenants.

WSP EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Adoption of new and revised standards and changes in accounting policies

The Company applied IFRS 16 Leases for the first time from 1 January 2019. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Adoption of IFRS 16 Leases

IFRS 16 Leases was adopted with effect from 1 January 2019. It results in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased term) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors has not significantly changed. The Company is not a contracting party to any lease arrangements therefore this standard has not had an effect on the financial results of the Company.

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective:

IAS 1	Presentation of Financial Statements
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendment to the definition of material is not expected to have a significant impact on the Company's financial statements.

There are no other standards that are not yet effective that would be expected to have a material impact on the Company in the current or future reporting periods.

3 Critical accounting estimates and judgements

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

WSP EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Critical accounting estimates and judgements

(continued)

Key sources of estimation uncertainty

Impairment of investments in subsidiaries

The Company determines whether its investment in its subsidiary is impaired on an annual basis, or more frequently if there is an indicator of impairment. Impairment exists when the carrying value of the investment in subsidiary exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and value in use. The fair value less costs of disposal calculation is based on management's best estimate of the price of a disposal transaction, conducted at arm's length, less the cost of disposal. The value in use calculation is based on a discounted cash flow model, which requires an estimate of future cash flows and the choice of a suitable discount rate.

4 Dividend income

Dividend income was received from the following subsidiaries:

	2019 £'000	2018 £'000
WSP Remediation Limited	-	2,000
WSP CEL Limited	-	3,000
	<u>-</u>	<u>5,000</u>

5 Operating loss

Administration expenses comprise £30,000 of acquisition related costs.

The audit fee of the Company was £5,000 (2018: £5,000) and was borne by a fellow Group undertaking. Other than the statutory audit, no services were provided to the Company by PricewaterhouseCoopers LLP in the year.

There were no employees during the year or the prior year.

The emoluments of the directors were paid by another Group company. The directors are directors of a number of fellow subsidiaries of the Company and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, no recharges are made to the Company for the directors (2018: £nil) and no emoluments are disclosed in respect of the directors (2018: £nil).

6 Income tax benefit/(expense)

	2019 £'000	2018 £'000
Current tax		
UK corporation tax on losses for the current period	-	2
Adjustments in respect of prior periods	(1)	-
	<u>(1)</u>	<u>2</u>

WSP EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Income tax benefit/(expense)

(continued)

The charge for the year can be reconciled to the loss per the Statement of Comprehensive Income as follows:

	2019 £'000	2018 £'000
Loss before taxation	(8,302)	(992)
Expected tax credit based on a corporation tax rate of 19% (2018: 19%)	(1,577)	(188)
Income not taxable - dividends	-	(950)
Expenses not assessed for income tax	5	190
Adjustment in respect of prior periods	(1)	-
Effect of impairment of investments	1,572	950
Taxation (credit)/charge for the year	(1)	2

The company's losses for this accounting year are taxed at a standard rate of 19%.

7 Dividends

	2019 amount per share	2018 amount per share	2019 £'000	2018 £'000
Amounts recognised as distributions to equity holders:				
Ordinary Dividend paid	-	0.20	-	3,112

8 Investments

	2019 £'000	2018 £'000
Investments in subsidiaries	28,209	30,578
	<u>28,209</u>	<u>30,578</u>

WSP EUROPEAN HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

8 Investments	(continued)
Movement in investments	
	Shares in group undertakings
	£'000
Cost	
At 1 January 2019	35,578
Acquisition of Indigo Planning Limited	5,903
At 31 December 2019	<u>41,481</u>
Impairment	
At 1 January 2019	(5,000)
Impairment losses	(8,272)
At 31 December 2019	<u>(13,272)</u>
Carrying amount	
At 31 December 2019	<u>28,209</u>
At 31 December 2018	<u>30,578</u>

On 30 April 2019, the Company acquired 100% of the share capital of Indigo Planning Limited from a third party. Total consideration comprised cash of £5,200,000 and deferred consideration contingent on future events. As at 31 December 2019, £211,000 of the deferred consideration has been paid and £492,000 is subject to future events.

On 13 April 2018, the Company acquired 100% of the share capital of Opus International Consultants Holdings (UK) Limited. The shares were purchased from Opus International Consultants Limited, a fellow group entity which is incorporated in New Zealand, for consideration of £3,926,000.

In the year ended 31 December 2018, the company received dividends of £3,000,000 from WSP CEL Limited and £2,000,000 from WSP Remediation Limited and, following an impairment test, impaired its investments in these companies by the same amount as the dividend income.

In the year ended 31 December 2019, following an impairment test of the carrying amount of its investments, which identified evidence that economic performance of these assets will be worse than expected due to an expected decline in budgeted net cash flows, the company impaired its investment in WSP Remediation Limited from £2,609,000 to £nil and impaired its investment in WSP CEL Limited from £7,043,000 to £1,380,000.

WSP EUROPEAN HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

9 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office and country of incorporation	Ownership interest (%)	Nature of business
WSP Remediation Limited	WSP House, 70 Chancery Lane, London, WC2A 1AF, England	100	Remediation of contaminated land
Smith Carter UK Limited	WSP House, 70 Chancery Lane, London, WC2A 1AF, England	100	Dormant
PB Ltd	WSP House, 70 Chancery Lane, London, WC2A 1AF, England	100	Dormant
WSP CEL Limited	WSP House, 70 Chancery Lane, London, WC2A 1AF, England	100	Process engineering services
Mouchel Limited	WSP House, 70 Chancery Lane, London, WC2A 1AF, England	100	Infrastructure & building services
Opus International Consultants Holdings (UK) Limited	WSP House, 70 Chancery Lane, London, WC2A 1AF, England	100	Holding company
Indigo Planning Limited	WSP House, 70 Chancery Lane, London, WC2A 1AF, England	100	Planning consultancy

10 Loans and other receivables

	2019 £'000	2018 £'000
Amounts due from fellow group undertakings	510	8

The amounts are unsecured, repayable on demand and are non-interest bearing.

11 Loans and other payables

	2019 £'000	2018 £'000
Amounts due to fellow group undertakings	5,626	11
Deferred consideration	492	-
	6,118	11

The amounts are unsecured, repayable on demand and interest free.

WSP EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12	Called up share capital	2019	2018
		£'000	£'000
	Ordinary share capital		
	<i>Allotted, called up and fully paid</i>		
	15,532,348 (2018: 15,532,348) ordinary shares of £1 each	15,352	15,352
13	Events after the reporting date		
	Subsequent to the year end, the Covid-19 pandemic has significantly affected the United Kingdom and other countries that the Company and its subsidiaries operate in. Business disruption to the Company's subsidiaries, so far, has been reasonably modest and there have been no significant supply chain disruptions. Even before the Covid-19 pandemic, the health and safety of our people has been our primary concern and the Company and its subsidiaries continue to follow the UK Government's Covid-19 Recovery Strategy and health and safety guidance while navigating through the pandemic.		
	There are no other post balance sheet date events.		
14	Related party transactions		
	At the Balance Sheet date, the Company was due £510,000 (2018: £8,000) from fellow Group undertakings and owed £5,626,000 (2018: £11,000) to fellow group undertakings.		
	The Company received dividend income of £nil (2018: £5,000,000) from fellow Group undertakings as detailed in note 4.		
15	Controlling party		
	The Company's immediate parent undertaking is WSP UK Limited, a company incorporated in England and Wales.		
	The ultimate parent undertaking and controlling party of the Company is WSP Global Inc., incorporated in Canada. WSP Global Inc. is the only group for which group financial statements including the Company are drawn up. The consolidated financial statements of WSP Global Inc. are available to the public and may be obtained from the WSP website, www.wsp.com .		
16	Cash generated from operations	2019	2018
		£'000	£'000
	Loss for the year after tax	(8,301)	(994)
	Adjustments for:		
	Taxation (credited)/charged	(1)	2
	Impairment of investments	8,272	5,000
	Dividend income	-	(5,000)
	Interest income	-	(8)
	Movements in working capital:		
	(Increase)/decrease in trade and other receivables	(502)	3,024
	Increase in trade and other payables	5,615	11
	Cash generated from operations	5,083	2,035