

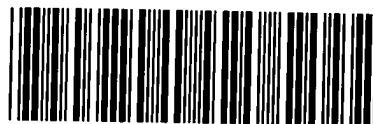
Company Number: 05391063

**WSP MANAGEMENT CONSULTANTS LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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**WSP MANAGEMENT CONSULTANTS LIMITED**

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**WSP MANAGEMENT CONSULTANTS LIMITED**

**OFFICERS**

**DIRECTORS:**

M. Rogerson  
M. Barnard  
M. Naysmith

**COMPANY SECRETARY:**

K Sewell

**REGISTERED OFFICE:**

WSP House  
70 Chancery Lane  
London  
WC2A 1AF

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report on WSP Management Consultants Limited (the "Company") with the financial statements for the year ended 31 December 2017.

The directors' report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies exemption and therefore a Strategic Report has not been prepared.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the Company is that of architectural consultancy, with one principal contract in the UK delivered by staff from Group companies.

The Company is a subsidiary of WSP Global Inc., which heads an international group of companies. WSP Global Inc. and its subsidiaries are hereinafter collectively referred to as the "Group". Further discussion of the Group's principal activities together with a business review of the Group, which includes the Company, is included in the section entitled "Management's Discussion and Analysis" of the WSP Global Inc. 2017 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.wspgroup.com](http://www.wspgroup.com).

**RESULTS AND DIVIDENDS**

The Company's profit for the financial year was £9,111 (2016: £597,372).

No dividends were declared during the year ended 31 December 2017 (2016: £155,000).

**FUTURE OUTLOOK**

The final project of the Company was completed in November 2016. No significant changes in the activity of the Company are envisaged.

**KEY PERFORMANCE INDICATORS**

Given the straight forward nature of the business, the Company's directors consider that revenue is the main financial indicator in providing an understanding of the development and performance of the Company's business and that any further analysis using key performance indicators is not necessary.

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. 2017 Annual Report, which does not form part of this report.

**DIRECTORS**

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

M Rogerson (appointed 13 December 2017)

M Barnard (appointed 13 December 2017)

M Naysmith (appointed 13 December 2017)

A Noble (resigned 13 December 2017)

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

**PRINCIPAL RISKS AND UNCERTAINTIES**

The directors of WSP Global Inc. manage the Group's principal risks (including financial risks) and uncertainties at Group level, rather than on an individual company basis. For this reason, the Company's directors consider that a discussion of the Group's risks would not be appropriate 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. 2017 Annual Report, which does not form part of this report.

## **WSP MANAGEMENT CONSULTANTS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 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.

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.

#### **FINANCIAL INSTRUMENTS**

The Company's operations expose it to small levels of financial risk that include the effects of price, credit, liquidity and interest rate risk. The Company is reliant on the Group to manage a number of the key financial risks that may affect the performance of the Company. The risks are reviewed and monitored by the directors throughout the year, using established policies and procedures that have been determined in line with the guidelines issued by the parent company. The Company had no currency swaps, derivatives or designated hedging instruments as at 31 December 2017 and 31 December 2016.

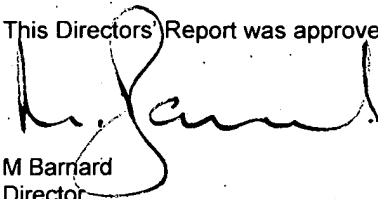
#### **INDEPENDENT AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS**

In the case of each director in office at the date the 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 auditors are 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 auditors are aware of that information

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

This Directors' Report was approved by the Board of Directors and signed on its behalf by:



M Barnard  
Director

3 May 2018

# ***Independent auditors' report to the members of WSP Management Consultants Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, WSP Management Consultants Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2017; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **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.

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### **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 when:

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

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.

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### **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 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 Management Consultants Limited**

## **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 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 Directors' Report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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](http://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.

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

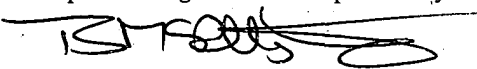
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified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

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### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. 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

3 May 2018

**WSP MANAGEMENT CONSULTANTS LIMITED****STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
REVENUE	2	42,345	760,128
COST OF SALES		(16,026)	(129,314)
GROSS PROFIT		26,319	630,814
Administrative expenses		(17,208)	(33,442)
OPERATING PROFIT	3	9,111	597,372
Finance (income)/expense		-	-
PROFIT BEFORE TAX		9,111	597,372
Tax expense	4	-	-
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		9,111	597,372

The above results all relate to continuing activities.

There is no other comprehensive income for the year.

The notes on pages 9 to 12 form an integral part of these financial statements.



**WSP MANAGEMENT CONSULTANTS LIMITED**

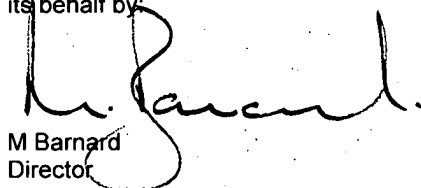
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**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>CURRENT ASSETS</b>			
Trade and other receivables	5	3,260,521	3,245,549
		<u>3,260,521</u>	<u>3,245,549</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	5,861	-
		<u>5,861</u>	<u>-</u>
<b>NET ASSETS</b>		<u>3,254,660</u>	<u>3,245,549</u>
<b>EQUITY</b>			
Called up share capital	7	1	1
Retained earnings		3,254,659	3,245,548
		<u>3,254,659</u>	<u>3,245,548</u>
<b>TOTAL EQUITY</b>		<u>3,254,660</u>	<u>3,245,549</u>

The notes on pages 9 to 12 form an integral part of these financial statements.

The financial statements set out on pages 6 to 12 were approved by the Board of Directors and were signed on its behalf by:



M Barnard  
Director

3 May 2018

**WSP MANAGEMENT CONSULTANTS LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Retained earnings £	Total equity £
<b>AT 1 JANUARY 2016</b>	<b>1</b>	<b>2,803,176</b>	<b>2,803,177</b>
<b>Comprehensive income:</b>			
Profit for the financial year	-	597,372	597,372
<b>Total comprehensive income</b>	<b>-</b>	<b>597,372</b>	<b>597,372</b>
<b>TRANSACTIONS WITH OWNERS</b>			
Dividends paid	-	(155,000)	(155,000)
<b>Total transactions with owners</b>	<b>-</b>	<b>(155,000)</b>	<b>(155,000)</b>
<b>AT 31 DECEMBER 2016</b>	<b>1</b>	<b>3,245,548</b>	<b>3,245,549</b>
<b>At 1 JANUARY 2017</b>	<b>1</b>	<b>3,245,548</b>	<b>3,245,549</b>
<b>Comprehensive income:</b>			
Profit for the financial year	-	9,111	9,111
<b>Total comprehensive income</b>	<b>-</b>	<b>9,111</b>	<b>9,111</b>
<b>AT 31 DECEMBER 2017</b>	<b>1</b>	<b>3,254,659</b>	<b>3,254,660</b>

## **WSP MANAGEMENT CONSULTANTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **1. ACCOUNTING POLICIES**

##### **(a) General information**

The Company is a limited company and is domiciled and incorporated in the United Kingdom.

The principal accounting policies adopted in the presentation of these financial statements, which have been consistently applied, are set out as follows:

##### **Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

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

The preparation of the financial statements in conformity with IFRSs 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.

The company does not have a bank account and so no Cash Flow Statement is included in these financial statements.

##### **(b) Adoption of new and revised International Financial Reporting Standards**

Certain new standards, amendments to new standards and interpretations have been published that are mandatory to the Company's future accounting periods but have not been adopted early in these financial statements. These are set out below:

IFRS 15, 'Revenue from Contracts with Customers' (effective on or after 1 January 2018). This standard establishes a single comprehensive framework for revenue recognition to determine when to recognise revenue and how much revenue to recognise. This standard replaces the previous revenue standards IAS 18 'Revenue' and IAS 11 'Construction Contracts'. The Company will apply IFRS 15 from 1 January 2018.

IFRS 9, 'Financial Instruments' (effective on or after 1 January 2018). This standard addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2015, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. The Company will apply IFRS 9 from 1 January 2018.

IFRS 16, 'Leases' (effective on or after 1 January 2019). This standard replaces IAS 17 'Leases' and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. IFRS 16 eliminates the two lease classifications that IAS 17 has (operating and finance leases) for the lessee, and instead all leases will have the same classification. The Company will apply IFRS 9 from 1 January 2019.

The Directors do not expect that the adoption of the Standards and amendments listed above will have a material impact on the financial statements of the Group in future periods, although the detailed impact has not yet been quantified.

##### **(c) Revenue**

Revenue, which is stated net of value added tax, comprises the sales value of work done and services rendered on contracts and includes expenses recharged to clients. Revenue on time and expense contracts is recognised in sales as the work is performed.

##### **(d) Taxation**

The tax expense for the year comprises current tax and is recognised in the Statement of Comprehensive Income, as there were no other items recognised directly in equity. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Balance Sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### **(e) Foreign currency translation**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the Balance Sheet date and any exchange differences are taken to the Statement of Comprehensive Income.

## **WSP MANAGEMENT CONSULTANTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)**

#### **1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)**

##### **(f) Trade receivables**

Trade receivables are recognised and carried at original invoice amount less an allowance for uncollectible amounts. An estimate of uncollectible amounts is made when collection of the full amount is no longer probable. Uncollectible amounts are written off to the Statement of Comprehensive Income when identified.

##### **(g) Trade payables**

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

##### **(h) Capital management**

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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

##### **(i) Sources of estimation uncertainty and significant judgements**

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

Areas requiring critical judgement and estimation that may significantly impact on the Company's earnings and financial position are considered to be as follows:

Revenue recognition: The Company believes that the most significant critical judgement area in the application of its accounting policies is revenue recognition and the assessment of the percentage of completion achieved. The Company assesses contract progress and determines the proportion of contract work completed at the Balance Sheet date in relation to the total contract works.

#### **2. REVENUE**

Revenue, as defined in Note 1, is attributable to the principal activity of the Company and represents services provided predominantly in The Hashemite Kingdom of Jordan.

#### **3. OPERATING PROFIT**

The directors did not receive any remuneration for their services to the Company for the current or prior year. They were remunerated by another Group company.

The audit fees for 2017 were £8,500 (2016: £8,500) and were borne by another Group company.

## **WSP MANAGEMENT CONSULTANTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)**

#### **4. TAX EXPENSE**

The total tax charge for the year is lower (2016: lower) than the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%). The differences are explained below:

	2017 £	2016 £
Profit before tax	9,111	597,372
Profit before tax multiplied by the standard rate of corporation tax on in the UK of 19.25% (2016: 20.00%)	1,754	119,474
Effects of: Group relief claimed	(1,754)	(119,474)
<b>Total tax expense</b>	<b>-</b>	<b>-</b>

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly the company's profits for this accounting year are taxed at an effective rate of 19.25%

In addition further changes were announced to reduce the main rate of UK corporation tax to 17% with effect from 1 April 2020. The rate change will reduce the company's future current tax charge accordingly.

#### **5. TRADE AND OTHER RECEIVABLES**

	2017 £	2016 £
Trade receivables	-	-
Amounts recoverable on contracts	-	-
Amounts owed by Group undertakings	3,260,521	3,245,549
	<b>3,260,521</b>	<b>3,245,549</b>

Trade receivables are non-interest bearing and on terms of 30 to 60 days. No trade receivables were overdue and no impairment was considered to be required for the trade receivables or amounts recoverable on contracts.

The amounts owed by Group undertakings are obliged to be repaid by the other party on demand. All amounts are non-interest bearing.

#### **6. TRADE AND OTHER PAYABLES**

	2017 £	2016 £
Payments received on account	5,861	-
Amounts owed to Group undertakings	-	-
	<b>5,861</b>	<b>-</b>

The amounts owed to Group undertakings are unsecured and repayable on demand. All amounts are interest free.

#### **7. CALLED UP SHARE CAPITAL**

	2017 £	2016 £
Authorised - 1,000 (2016: 1,000) ordinary shares of £1 each	1,000	1,000
	<b>1,000</b>	<b>1,000</b>
	<b>2017 £</b>	<b>2016 £</b>
Allotted, called up and fully paid - 1 (2016: 1) ordinary share of £1 each	1	1
	<b>1</b>	<b>1</b>

## **WSP MANAGEMENT CONSULTANTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)**

#### **8. RELATED PARTY TRANSACTIONS**

The following amounts were due from Group undertakings:

	2017 £	2016 £
Other fellow Group undertakings	3,260,521	3,245,549
	<b>3,260,521</b>	<b>3,245,549</b>

The following amounts were due to Group undertakings:

	2017 £	2016 £
Other fellow Group undertakings	-	-
	<b>-</b>	<b>-</b>

The directors and key management do not receive any remuneration from the Company. There are no employees (2016: none).

#### **9. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The Company's immediate parent undertaking is WSP Buildings Limited, incorporated in England and Wales.

The ultimate parent undertaking and controlling party of the Company is WSP Global Inc., incorporated in Canada.

#### **10. SUBSEQUENT EVENTS**

There are no subsequent events.