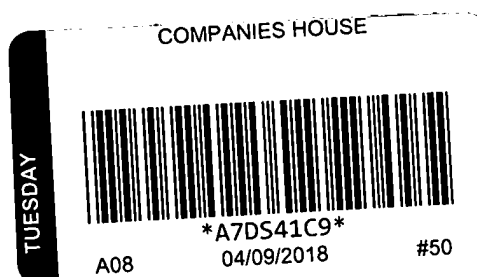


Company Registration No. 07773599 (England and Wales)

WSP GROUP HOLDINGS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017



WSP GROUP HOLDINGS LIMITED

COMPANY INFORMATION

Directors

M Naysmith
M Barnard

Secretary

K Sewell

Company number

07773599

Registered office

WSP House
70 Chancery Lane
London
WC2A 1AF

Independent Auditor

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

WSP GROUP HOLDINGS LIMITED

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WSP GROUP HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their Strategic Report on WSP Group Holdings Limited (the "Company") for the year ended 31 December 2017.

Principal activity and business review

The Company is an intermediate holding company within an international group of companies, supplying specialist management and integrated services to transform the built environment and restore the natural environment. 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. 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.wsp.com.

Principal risks and uncertainties

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

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 KPIs 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. 2017 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

22 August 2018

WSP GROUP HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and audited financial statements for WSP Group Holdings Limited (the "Company") for the year ended 31 December 2017.

Results and dividends

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

Ordinary dividends were paid amounting to £3,600k (2016: £3,600k). 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 Naysmith

M Barnard

A Noble

(Appointed 1 March 2017)

(Resigned 2 March 2017)

Directors' insurance

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

Key performance indicators

Given the straight forward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the Company's business.

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.

Principal risks and uncertainties

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. The Group's performance is impacted by the general economic climate in the UK. The risk is managed by ensuring that the Group operates across a range of industry sectors with a broad client base. 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.

Future developments

No major changes in the activity of the Company are envisaged in the future.

Post reporting date events

There were no post balance sheet date events.

WSP GROUP HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has indicated their willingness to 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

22 August 2018

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

Report on the audit of the financial statements

Opinion

In our opinion, WSP Group Holdings 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 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 2017; 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 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.

Reporting on other information

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

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

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

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

Strategic Report and Directors' Report

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

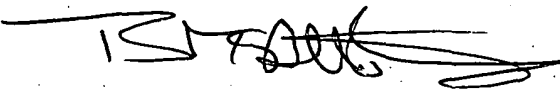
Other required reporting

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

22 August 2018

WSP GROUP HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £'000	2016 £'000
Dividend income		10,000	9,159
Finance costs		(4,333)	(4,334)
Administrative expenses		-	(9)
Profit before taxation		5,667	4,816
Income tax credit	5	832	869
Profit and total comprehensive income for the year	13	6,499	5,685

The above results all relate to continuing operations.

The notes on pages 10 to 17 form an integral part of these financial statements.

WSP GROUP HOLDINGS LIMITED

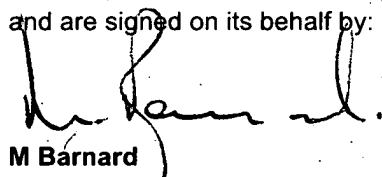
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Notes	2017 £'000	2016 £'000
Non-current assets			
Investments	7	464,500	464,500
Current assets			
Trade and other receivables	9	1,941	1,088
Current tax asset due from fellow group undertakings		834	869
Cash and cash equivalents		5,243	3,162
		8,018	5,119
Total assets		472,518	469,619
Current liabilities			
Trade and other payables	10	69,536	69,536
Net current liabilities		(61,518)	(64,417)
Total liabilities		69,536	69,536
Net assets		402,982	400,083
Equity			
Called up share capital	11	1	1
Share premium account	12	160,845	160,845
Retained earnings	13	242,136	239,237
Total equity		402,982	400,083

The notes on pages 10 to 17 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 22 August 2018 and are signed on its behalf by:



M Barnard
Director

Company Registration No. 07773599

WSP GROUP HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2016		1	103,738	237,152	340,891
Year ended 31 December 2016:					
Profit and total comprehensive income for the year		-	-	5,685	5,685
Issue of share capital	11	-	57,107	-	57,107
Dividends paid	6	-	-	(3,600)	(3,600)
Balance at 31 December 2016		1	160,845	239,237	400,083
Year ended 31 December 2017:					
Profit and total comprehensive income for the year		-	-	6,499	6,499
Dividends paid	6	-	-	(3,600)	(3,600)
Balance at 31 December 2017		1	160,845	242,136	402,982

The notes on pages 10 to 17 form an integral part of these financial statements

WSP GROUP HOLDINGS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities			
Cash generated from operations	17	9,145	8,746
Interest paid		(4,333)	(4,334)
Tax refunded		869	-
Net cash inflow from operating activities		<u>5,681</u>	<u>4,412</u>
Investing activities			
Subscribing for shares in subsidiary companies		-	(57,107)
Net cash used in investing activities		<u>-</u>	<u>(57,107)</u>
Financing activities			
Shares issued		-	57,107
Dividends paid		(3,600)	(3,600)
Net cash (used in)/generated from financing activities		<u>(3,600)</u>	<u>53,507</u>
Net increase in cash and cash equivalents		<u>2,081</u>	<u>812</u>
Cash and cash equivalents at beginning of year		<u>3,162</u>	<u>2,350</u>
Cash and cash equivalents at end of year		<u><u>5,243</u></u>	<u><u>3,162</u></u>

The notes on pages 10 to 17 form an integral part of these financial statements.

WSP GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

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

1.1 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 (except as otherwise stated).

The Company has taken advantage of Section 401 of the Companies Act 2006 in not preparing consolidated financial statements for the current year. The consolidation 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 principal accounting policies adopted in the presentation of these financial statements, which have been consistently applied, are set out as follows:

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.

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 assets

Financial assets are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss ("FVTPL"), which are measured at fair value.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, 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 of the investment have been affected.

WSP GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.5 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

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

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.

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.

WSP GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.7 Capital Management

For the purpose of capital management, capital includes long-term intercompany loans and shareholder's equity, net of cash.

	2017 £'000	2016 £'000
Long term intercompany loans	69,536	69,536
Shareholder's equity	402,982	400,083
	<u>472,518</u>	<u>469,619</u>
Less cash	(5,243)	(3,162)
	<u>467,275</u>	<u>466,457</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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

1.8 Dividends

Dividends to the shareholder of the Company are recognised in the year that they are approved by the Board.

WSP GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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

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:

The IASB has issued a new standard for the recognition of revenue, IFRS 15 *Revenue from Contracts with Customers*. This will replace IAS 18 *Revenue* which covers contracts for goods and services and IAS 11 *Construction Contracts* which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption. Management has reviewed the agreements with customers and there is not expected to be any significant changes to revenue recognition. The Company will apply IFRS 15 from 1 January 2018.

IFRS 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. 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.

Given the relatively simple nature of the Company's financial assets and liabilities, no material impact is expected for the Company. There will be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities. The derecognition rules have been transferred from IAS 39 *Financial Instruments: Recognition and Measurement* and have not been changed. The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15 *Revenue from Contracts with Customers*, lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Company does not expect any changes. The new standard also introduces expanded disclosure requirements and changes in presentation. These are not expected to significantly change the nature and extent of the Company's disclosures about its financial instruments particularly in the year of the adoption of the new standard. The standard must be applied for financial years commencing on or after 1 January 2018.

IFRS 16 *Leases* was issued in January 2016. It will result 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 item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The standard must be applied for financial years commencing on or after 1 January 2019. At this stage, the Company does not intend to adopt the standard before its effective date.

There are no other standards that are not yet effective that would be expected to have a material impact on the Company.

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 judgements to be the carrying value of investments and the recoverability of amounts owed by Group companies.

WSP GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

4 Profit before taxation

The audit fee of the Company was £5k (2016: £5k) and was borne by another Group company. Other than the statutory audit, no other 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 other Group companies. 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 these directors (2016: £nil) and no emoluments are disclosed in respect of the directors (2016: £nil).

5 Income tax credit

	2017 £'000	2016 £'000
Current tax		
UK corporation tax credit on profits for the current year	(834)	(899)
Adjustments in respect of prior periods	2	(33)
Total UK current tax credit	<u>(832)</u>	<u>(869)</u>

The credit for the year can be reconciled to the profit per the income statement as follows:

	2017 £'000	2016 £'000
Profit before taxation	<u>5,667</u>	<u>4,816</u>
Expected tax charge based on a corporation tax rate of 19.25%. (2016: 20%)	1,091	963
Non-taxable dividend income	(1,925)	(1,832)
Adjustment in respect of prior years - current tax	2	-
Taxation credit for the year	<u>(832)</u>	<u>(869)</u>

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.

Deferred tax assets of £236k (2016: £236k) have not been recognised as their recovery is uncertain.

WSP GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

6	Dividends paid	2017 amount per share	2016 amount per share	2017 £'000	2016 £'000
	Amounts recognised as distributions to equity holders:				
	Ordinary Shares				
	Dividend paid	3,508.77	3,508.77	3,600	3,600

7	Investments	Note	Non-current 2017 £'000	2016 £'000
	Investments in subsidiaries	8	464,500	464,500
			<u>464,500</u>	<u>464,500</u>

8 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office and country of incorporation	Ownership interest (%)	Nature of business
WSP Group Holding AS	Arenavägen 7, Stockholm-Globen, 121 88, Sweden	100.00	Holding Company

9 Trade and other receivables

	2017 £'000	2016 £'000
Amounts due from fellow group undertakings	<u>1,941</u>	<u>1,088</u>

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

WSP GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

10 Trade and other payables

	2017 £'000	2016 £'000
Amounts due to fellow group undertakings	69,536	69,536

Interest on funding balances between companies within the Group is charged at either LIBOR+4% (2016: LIBOR+4%) or 6.25% (2016: 6.25%), but no interest is charged if one of the companies is non-trading. The balances are unsecured and are repayable on demand.

11 Called up share capital

	2017 £'000	2016 £'000
Ordinary shares		
<i>Allotted, called up and fully paid</i>		
1,026 (2016: 1,026) ordinary shares of £1 each	1	1

No shares were issued during the financial year ended 31 December 2017 (2016: two shares for a total of £57,107k).

12 Share premium account

	2017 £'000	2016 £'000
At 1 January	160,845	103,738
Shares issued during the year	-	57,107
At 31 December	160,845	160,845

13 Retained earnings

	2017 £'000	2016 £'000
At 1 January	239,237	237,152
Profit for the year	6,499	5,685
Dividends	(3,600)	(3,600)
At 31 December	242,136	239,237

14 Events after the reporting date

There are no post balance sheet date events.

WSP GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

15 Related party transactions

The Company is an intermediate holding company and all of the Statement of Comprehensive Income transactions undertaken during the year were with its immediate parent undertaking and immediate subsidiary.

At the Balance Sheet date, the Company was owed £2,775k by fellow group companies (2016: £1,957k); and owed £69,536k (2016: £69,536k) to other Group undertakings.

16 Ultimate parent company and controlling party

The Company's immediate parent undertaking is WSP Group Limited, 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 Company has taken advantage of 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.

17 Cash generated from operations

	2017 £'000	2016 £'000
Profit for the year	6,499	5,685
Adjustments for:		
Taxation credit	(832)	(869)
Finance costs	4,333	4,334
Movements in working capital:		
Increase in trade and other receivables	(855)	-
Decrease in trade and other payables	-	(404)
Cash generated from operations	<u>9,145</u>	<u>8,746</u>