Company Registration No. 02428039 (England and Wales)

GRAHAM CONSULTING GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

GRAHAM CONSULTING GROUP LIMITED

COMPANY INFORMATION

Directors	M Naysmith M Barnard
Secretary	K Sewell
Company number	02428039
Registered office	WSP House 70 Chancery Lane London WC2A 1AF
Independent auditor	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

GRAHAM CONSULTING GROUP LIMITED

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The directors present their report and audited financial statements of Graham Consulting Group Limited (the "Company") for the year ended 31 December 2019.

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
The Company was an intermediate holding company. On 26 March 2019 its subsidiary WSP Civils Limited was dissolved and the Company ceased trading.

The Company is part of a group of Companies headed by WSP Global Inc., which with its subsidiaries 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.

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

No ordinary dividends were paid (31 December 2018: £nil). The directors do not recommend payment of a final dividend.

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

M Naysmith
M Barnard

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.

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 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. 2019 Annual Report, which does not form part of this report.

Post reporting date events
Subsequent to year end, the Covid-19 pandemic has significantly affected the United Kingdom. As the Company has ceased trading the Covid-19 pandemic is not expected to have a significant impact.

There are no other events after the reporting date.

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.

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.

On behalf of the board

M Barnard
Director
15 October 2020

GRAHAM CONSULTING GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Directors' 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 Graham Consulting Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, Graham Consulting Group 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 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 Directors' Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the statement of comprehensive income, 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 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.

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 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 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 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.

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.

Andrew Johns

Andrew Johns (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 October 2020

GRAHAM CONSULTING GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £'000	2018 £'000
Dividend income	5	-	1,057
Impairment of investment in subsidiary	8	-	(550)
Other income		-	5
Operating result/Profit	4	-	512
Finance costs	6	-	(58)
Result/Profit before taxation		-	454
Income tax (charge)/benefit	7	(1)	11
(Loss)/Profit and total comprehensive (expense)/income for the year		(1)	465

The above results all relate to continuing operations.

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

GRAHAM CONSULTING GROUP LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	2019 £'000	2018 £'000
Non-current assets			
Investments	8	-	-
		-	-
Current assets			
Trade and other receivables	9	4,926	4,916
Corporation tax receivable		-	11
		4,926	4,927
Total assets		4,926	4,927
Current liabilities			
Trade and other payables	10	1,348	1,348
Net current assets		3,578	3,579
Total liabilities		1,348	1,348
Net assets		3,578	3,579
Equity			
Called up share capital	11	2,174	2,174
Share premium account		57	57
Other reserves		87	87
Retained earnings		1,260	1,261
Total equity		3,578	3,579

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

The company does not have a bank account therefore no Cash Flow Statement is included in 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. 02428039

GRAHAM CONSULTING GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Share premium account	Other reserves	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2018	2,174	57	87	796	3,114
Profit and total comprehensive income for the year	-	-	-	465	465
Balance at 31 December 2018	2,174	57	87	1,261	3,579
Loss and total comprehensive expense for the year	-	-	-	(1)	(1)
Balance at 31 December 2019	2,174	57	87	1,260	3,578

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

1 Accounting policies

Company information

Graham Consulting Group Limited is a private company limited by shares incorporated and domiciled in England and Wales. The registered office is WSP House, 70 Chancery Lane, London, WC2A 1AF. The company's principal activities and nature of its operations are disclosed in the directors' report.

1.1 Accounting convention

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 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 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.

The financial statements have been prepared under the historical cost convention basis and on the going concern basis. The company does not have a bank account therefore no Cash Flow Statement is included in these financial statements.

1.2 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.

1.3 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

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.

Impairment of financial assets

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 for receivables.

1 Accounting policies

In determining the loss allowance based on lifetime expected credit losses, the Company uses its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Forward-looking factors include credit ratings (where available), actual or expected significant adverse changes in business, financial or economic conditions and actual or expected significant changes in the operating results of the debtor.

The company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows, such as where a debtor fails to engage in a repayment plan with the company. When financial assets are written off, the company continues to seek recovery of the debt. Where recovery is successful, this is recognised in profit or loss.

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.

1.4 Taxation

The tax benefit 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.

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.

1.5 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	1,348	1,348
Total equity	3,578	3,579
	4,926	4,927
Less cash	-	-
	4,926	4,927

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.

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.

At the date of authorisation of these 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.

Given the simple nature of the business, the directors consider the key judgement to be the recoverability of amounts owed from group companies.

4 Operating result/profit

The audit fee of the Company was £5,000 (2018: £5,000) 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 current year or in the prior year.

There were no employees during the year or 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 (2018: £nil) and no emoluments are disclosed in respect of these directors (2018: £nil).

5 Investment income

	2019 £'000	2018 £'000
Dividends received - WSP Civils Limited	-	1,057

On 4 June 2018, WSP Civils Limited, a 100% owned subsidiary of the Company, performed a capital reduction and declared a dividend in specie of £1,056,999 to the Company.

6 Finance costs

	2019 £'000	2018 £'000
Other interest payable	-	58

There is no interest payable on intercompany loans in 2019 as the Company ceased trading (2018: interest rate was the 1 January Bank of England base rate + LIBOR).

7 Income tax benefit

	2019 £'000	2018 £'000
Current tax		
UK corporation tax (benefit)/expense on (loss)/profit before taxation	1	(11)

The Company's profit for this accounting year is taxed at a standard rate of 19% (2018: 19%).

Deferred tax

Deferred tax assets of £8,000 (2018: £8,000) have not been recognised as their recoverability is uncertain. As at 31 December 2019, deferred tax balances have been calculated using a corporation tax rate of 17%, on the basis that a reduction in the tax rate was expected in April 2020. In March 2020, the UK Government cancelled this rate reduction which means that the UK corporation tax will remain at 19% for the foreseeable future. The impact of the tax rate remaining at 19% is to increase the unrecognised deferred tax asset to £8,941.

7 Income tax benefit **(continued)**

Factors affecting the tax charge in the current year

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

	2019 £'000	2018 £'000
Result/profit before taxation	-	454
Tax charge based on a corporation tax rate of 19% (2018: 19.25%)	-	86
Income not taxable - other	-	(1)
Income not taxable - dividends	-	(201)
Effect of impairment of investments	-	105
Adjustment in respect of prior periods	1	-
Tax charge/(credit) for the year	1	(11)

8 Investments

WSP Civils Limited, a 100% owned subsidiary of the Company, was dissolved on 26 March 2019. The Company had impaired its investment in WSP Civils Limited from £550,000 to £1 in the year ended 31 December 2018.

As at 31 December 2019, the Company does not have any subsidiaries.

9 Trade and other receivables

	2019 £'000	2018 £'000
Amounts due from fellow group undertakings - funding	4,926	4,916

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

10 Trade and other payables

	2019 £'000	2018 £'000
Amounts due to fellow group undertakings - funding	1,348	1,348

There is no interest payable on intercompany loans in 2019 as the Company ceased trading (2018: interest rate was the 1 January Bank of England base rate + LIBOR). The loans are unsecured and are repayable on demand.

11 Called up share capital	2019 £'000	2018 £'000
Ordinary share capital		
Allotted, called up and fully paid		
2,174,426 (2018: 2,174,426) ordinary shares of £1 each	2,174	2,174

12 Related party transactions

At the Balance Sheet date, the Company owed its fellow Group undertakings £1,348,000 (2018: £1,348,000).

At the Balance Sheet date, the Company was due £4,926,000 (2018: £4,916,000) from fellow Group undertakings.

13 Events after the reporting date

Subsequent to year end, the Covid-19 pandemic has significantly affected the United Kingdom. As the Company has ceased trading the Covid-19 pandemic is not expected to have a significant impact.

There are no other events after the reporting date.

14 Ultimate parent company and controlling party

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

The ultimate parent 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.