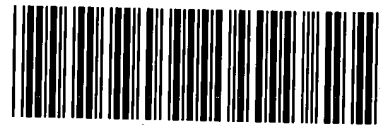


Company Registration No. 02207415

**BUILDING DESIGN PARTNERSHIP LIMITED**

**Annual report and financial statements for the year ended 30 June 2021**

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## **BUILDING DESIGN PARTNERSHIP LIMITED**

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**DIRECTORS AND ADVISORS****Directors**

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

Christoph Ackermann	BSc(Hons) MArch
Gerard Couser	BA(Hons) DipArch(Cantab) RIBA
Nicholas Edwards	BA(Hons) DipLA MLI MAUD
Gavin Elliott	BA(Hons) Arch BArch RIBA
Suzanne Emms	BA(Hons) DipArch (Dist) MA RIBA
Nicholas Fairham	BA(Hons) DipArch RIBA – Chief Executive appointed 1 July 2021
Robert Ferry	BEng (Hon) CEng MCIBSE
Stephen Gillham	BA(Hons) Dipl Arch (Dist)
Francis Glare	BSc MSc DipUP DipUR AKC MRTPI
Chris Harding	BA(Arch)Hons DipArch RIBA
James Hepburn	MEng CEng MCIBSE
Alistair Kell	BArch (Hons) Dip Arch PGDip (Fine Art)
Christopher Langston	BArch Dipl Arch RIBA
Scott Mackenzie	BSc(Hons) DipArch RIBA
Graham McClements	BScArch BArch RIAS
Michelle McDowell	BSc Eng FICE FRSA FConsE
John McManus	BArch DipArch RIBA ARIAS - Chief Executive retired 1 July 2021
Dipesh Patel	BSc BArch MAUD ARB RIBA – Appointed 1 July 2021
Adrian Price	Dip(Arch) RIBA
Simon Riley	BSc(Hons) MAPM
John Roycroft	CEng MStructE
Mark Simpson	BA(Hons)
Andrew Smith	BA(Hons) DipArch RIBA
Daniel Smyth	BA(Hons) BArch RIBA
Andrew Swain-Smith	BEng(Hons) CEng MCIBSE
Jeremy Sweet	BA(Hons) DipArch(Hons) MA RIBA
Heather Wells	BSc(Hons) ACMA - Group Finance Director
Andrew Whitehurst	BSc(Hons) ARICS
Benedict Zucchi	MA DipArch (Cantab) RIBA

**Registered Office and Secretary:**

P O Box 85  
11 Ducie Street  
Piccadilly Basin  
Manchester M60 3JA

Heather Wells

**Statutory Independent Auditors:**

PricewaterhouseCoopers LLP  
No 1 Spinningfields  
1 Hardman Square  
Manchester M3 3EB

**Bankers:**

HSBC  
2<sup>nd</sup> Floor, 4 Hardman Square  
Spinningfields  
Manchester M3 3EB

**Solicitors:**

Squire Patton Boggs  
No 1 Spinningfields  
1 Hardman Square  
Manchester M3 3EB

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**Building Design Partnership Limited**

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BIRMINGHAM B3 2HJ

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PEOPLES REPUBLIC OF CHINA  
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## STRATEGIC REPORT

## BUSINESS MODEL

Building Design Partnership Limited ("BDP" and "the Company") and its subsidiaries (together "the Group") provide consultancy services for the planning and design of the built environment, ranging from the master planning of cities to the design of interiors and building components. The core business is the architectural and engineering design of buildings old and new across the spectrum of building types. The Group currently operates principally in the United Kingdom, Ireland, People's Republic of China, the Middle East, India, Singapore, Canada and the Netherlands, but also undertakes work across all of continental Europe and other global regions. Within Europe, the Group has offices in Birmingham, Bristol, Cardiff, Dublin, Glasgow, Leeds, Liverpool, London, Manchester, Rotterdam and Sheffield. The Group also has international studios based in Abu Dhabi, United Arab Emirates, New Delhi, India, Shanghai, People's Republic of China, Singapore, and Toronto, Canada.

In April 2016, BDP Holdings Limited and Nippon Koei Co. Ltd ("NK"), Japan's leading engineering practice, completed a transaction in which Nippon Koei acquired the entire shareholding of BDP Holdings Limited in order to form an integrated design group of genuine international reach. While both companies have retained their existing operations and their own brand identity, our complementary geographical footprints and technical skills mean that we are able to work collaboratively to win and deliver integrated design solutions across international markets.

The average number of Directors, staff and contractors in the Group decreased by 84 to 1,224 during the year. The distribution across broad professional groupings was as follows:

<b>Employees</b>	<b>Year ended 30 June 2021</b>	<b>Year Ended 30 June 2020</b>
Architectural & related professions	810	862
Engineering	168	180
Management services	50	48
Support	175	178
<b>Total employed</b>	<b>1,203</b>	<b>1,268</b>
<b>Contractors</b>		
Architecture & related professions	4	16
Engineering	13	21
Management services	1	1
Support	3	2
<b>Total contractors</b>	<b>21</b>	<b>40</b>
<b>Total</b>	<b>1,224</b>	<b>1,308</b>

The actual number of Directors, staff and contractors in the Group as at 30 June 2021 was 1,291 (2020 – 1,261), representing an increase of 30 during the financial year.

**STRATEGIC REPORT (continued)****CURRENT OVERVIEW**

This year we celebrate our 60th anniversary, following a seminal meeting between BDP's founder George Grenfell Baines and his partners at Bryn Mor in Anglesey. The week long bonding session was to thrash out the guiding principles for a new concept; an interdisciplinary design practice which would become BDP. Grenfell Baines wrote: 'Out of this will come, we hope, a new structure for the firm that will enable all who work with us to grow and change as well. We have tried to plan 'for ever' – why not?'

Sixty years later many of our staff have now returned to their studios as safe ways of working are put in place – however, it is not back to the ways of working when we left. The pandemic has transformed the way we work and we return to a 'new normal' one of hybrid working. The agility and resilience which saw us rise to the challenges of the pandemic has seen us develop improved communication and collaboration systems across studios, both nationally and internationally, connecting BDP as a true network of global studios.

The pandemic has affected all businesses and most are reorganising in some way as a consequence, whether it is the beleaguered retail sector or the burgeoning logistics hubs bringing us our on-line deliveries – they all require change to their built infrastructure and BDP are well placed to assist with our knowledge across sector, profession and location. A creative approach to the re-organisation and re-use of assets offers not only a practical and cost-effective way of accommodating change, but also one which uses low embodied carbon and offers a sustainable approach to our built environment.

Our business has always been people focused, it drives our business planning, design thinking and culture and more than ever this will continue. Our teams have shown innovation, resilience and resolve, maintaining our existing portfolio of projects, identifying new opportunities and winning exciting new work. We receive high levels of repeat business from our clients, one of the best endorsements of our approach and outcomes.

Despite the challenges in the year to 30 June 2021, the Practice achieved revenues of £124.1 million (down 5% on the previous year) and operating profit of £13.6 million (up 2% on the previous year). Additionally, staff numbers in the Group were restored to pre-pandemic levels with a total number (including contractors) of 1,291 by the end of the financial year.

**STRATEGY**

The long term financial strategy of Building Design Partnership Limited is for the operations of the BDP Group of companies to generate sufficient profit before tax to help deliver adequate and sustainable returns for the Company's shareholder, whilst continuing to invest in the business and in the development of its people to enable the consistent delivery of first class design services for our clients.

As a people-based professional services consultancy, it is extremely important for the business that we provide employee remuneration and profit sharing participation which attracts and retains the best professional talent and incentivises Directors and employees to grow the business in line with operational targets and to facilitate leadership succession across the firm.

BDP has developed its network of international studios both to increase the Group's global reach, and to increase the resilience and diversity of the business. The acquisition of global expertise in sports stadia design through Pattern Design Limited in July 2021 will accelerate the strategy through the inclusion of our interdisciplinary services and support from international studios in winning and delivering large sports projects. See Note 27 for additional comments on this acquisition.

Our global studio network supports a longer term plan for sustainable profit and growth that is founded on a key imperative to extend our professional services more significantly beyond the UK market. The Company embarked upon a new, more ambitious international development plan to strengthen and consolidate BDP's current international studio network and we are confident this will lead to the establishment of more BDP studios outside the UK. This strategy is paying dividends in terms of the resilience of the firm. In the last financial year, almost a third of our revenue came from projects won outside our core UK market.

We have significant presence in North America and the ASEAN (Association of Southeast Asian Nations), region which offer large markets and growing economies. The technology employed for remote working offers the opportunity for almost instantaneous support, to bring the best of BDP to any of our clients and studios.

Our ambition is not only to increase the volume of work we deliver in the UK market, but to increase the overall proportion of work we do internationally. Our relationship with Nippon Koei naturally supports greater international growth, strengthens our multi-disciplinary capabilities, benefits our client base and provides greatly enhanced career opportunities for our staff.

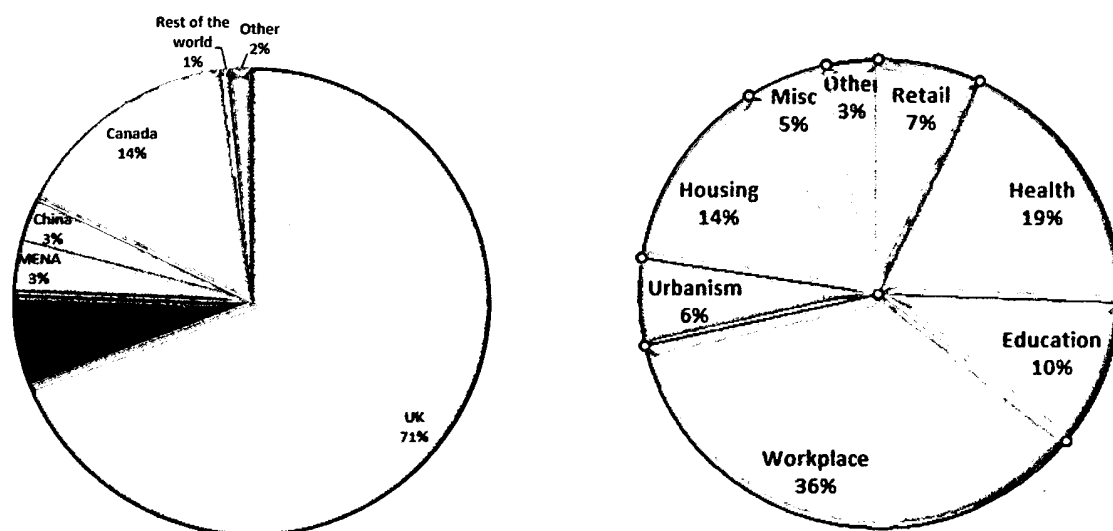
**STRATEGIC REPORT (continued)****STRATEGY (continued)**

The Practice leadership has established a 3 Year Business Plan for 2020 through to 2023, focussed on locations, professions and sectors. Despite the obstacles presented by the pandemic, we would hope to consolidate our workload and turnover over the next 12 months by adjusting our focus to those sectors that are anticipating increased activity in the short term such as healthcare, sports and transportation. We do not underestimate the difficulties facing us but we are confident that BDP can evolve and adapt to meet the challenges of changing market conditions.

Aside from financial metrics, the success of BDP over the next three years will also be measured against higher levels of recognition for excellence of design, employee contentment and retention, and client satisfaction with the Company's project performance.

BDP's inter-disciplinary professions work across a wide variety of sectors as illustrated by the following income breakdown analysis for the year ended 30 June 2021:

**2021 Income by Geographical and Sector - £124.1 million**

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The BDP Group is a business focused on large, long-term construction projects. Therefore, the Directors have created a financial management strategy to mitigate the risks of undertaking projects of this nature over the course of an economic cycle. The major financial risks that the Directors have identified are project profitability, securing firm workload, lack of working capital, appropriate human resource in skills and number, and the underutilisation of fixed overhead.

One of the key objectives of the Group is to sustain strong and positive cash balances. Cash reserves are maintained and improved by focusing on agreed invoicing patterns with clients, managing improved efficiencies regarding debt recovery and on the overall credit awareness of key debtors.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of risk is also an essential part of the process of delivering projects. Procedures are in place to cover both the safety of our employees during the course of their work, and the safety of those constructing and maintaining the facilities we are commissioned to design. In addition, we have well established procedures within our design process that address those factors that put the satisfactory outcome of projects at risk. We have two types of risk registers during the lifecycle of a project; CDM (Construction (Design and Management)) Significant Hazard and Risk Register and Non-CDM matters under Risk Management Register. All projects are likely to be exposed to factors that put the satisfactory outcome of the project at risk. This risk may affect BDP, the client, or others working on the project. No matter who is likely to be affected, the risks to a successful outcome must be identified and managed. Controllable risks should be reduced by taking actions to reduce either their impact or their probability of occurring. Contingency plans should be prepared for the least controllable risks.



**STRATEGIC REPORT (continued)****PRINCIPAL RISKS AND UNCERTAINTIES (continued)**

Areas of risk that are considered include; client terms of appointment, procurement route, complexity of brief, technical requirements of brief, other consultants, BDP team's strengths and weaknesses and sector knowledge.

Succession planning and continuity of leadership is fundamental to the ongoing success and performance of any business, and we believe that BDP has a unique and particular strength in providing absolute continuity of governance for the firm across generations.

Specific risks relating to the ongoing impact of the COVID-19 pandemic and uncertainties associated with the UK leaving the European Union are documented in the Directors' Report under Going Concern.

**FINANCIAL PERFORMANCE**

The operating profit of the Group for the year ended on 30 June 2021 was £13.6 million (2020 - £13.3 million) on a turnover of £124.1 million (2020 - £131.3 million). This represents a 5% decrease in turnover and a 2% increase in operating profit.

Profit before tax was £13.1 million for the year ended 30 June 2021 (2020 - £12.7 million), representing a 3% increase. Profit after tax was £10.0 million for the year ended 30 June 2021 (2020 - £9.7 million). Total Shareholders' funds on the Group balance sheet at 30 June 2021 are £24.7 million (2020 - £22.7 million) reflecting profit after tax in the year and after dividends paid on equity shares of £8.0 million (2020 - £8.0 million). Net cash balances as at 30 June 2021 totalled £28.9 million (2020 - £35.9 million), which represents a decrease in cash balances of £7.0 million over the year, primarily due to the transfer of funds prior to the completion of the Pattern acquisition on 1 July 2021, working capital movements and increased tax and dividend payments in the year.

We have achieved these excellent financial results through exceptional levels of collaboration and partnership between locations, professions and sectors. We intend to continue the upward trajectory of the Practice, maintaining similarly high levels of teamwork in the coming year, with an improved focus on design excellence and efficient project delivery.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

**FUTURE PROSPECTS**

BDP is well known for our ability to design and manage large and complex projects and, through the pandemic we have seen significant new opportunities and project wins in healthcare, workplace and residential schemes of significant scale. Our sector expertise is market leading and has been instrumental in winning these projects. We plan to export these sectors to support our international studios to win work and grow with interdisciplinary support.

Our Practice culture is founded on strong client relationships and we move forward with a high degree of determination and positivity and as pioneers in interdisciplinary working and sustainable design. We stay ahead by providing a complete service, combining elegance and vitality, excellence and value.

The acquisition of Pattern Architects in July 2021 gives BDP a new and thriving sector to develop internationally, our studio locations give us local intelligence on new opportunities and will support the marketing and winning of new projects.

We plan for growth in the strong economic conditions predicted for North America, supported by our sector strategy and building on the local knowledge and networks of BDP Quadrangle.

We have exciting and ambitious plans for the North American market and we share a similar collaborative culture and are confident that this union will enhance our ability to deliver inspiring projects through the resources, opportunities and expertise that we offer to our clients in North America.

The mass urbanisation of cities in the ASEAN region and strong economic growth prediction sets an ideal backdrop for BDP to collaborate with Nippon Koei. The synergies of our Singapore, Shanghai and New Delhi studios with Nippon Koei's extensive geographical spread gives us the skills and resource necessary to support strong, sustainable growth in the region. We are convinced that our two companies together are stronger than the sum of our parts, and we have an ambition to export the brand and culture of BDP across these new and expanding Asian markets, through sectors such as transportation, urbanism and infrastructure.

We have an unparalleled track record in the UK marketplace and intend to achieve further market share in our key sectors. We have a particular ambition to expand our engineering offer across all of the key UK market sectors and have enjoyed a series of high profile wins on large-scale projects, through our interdisciplinary offer. This interdisciplinary approach allows us to address sustainability and low carbon design at the earliest opportunity which will underpin our offer globally.

Fundamental to BDP's success and future prospects is the calibre and excellence of our people and we work through collaboration and feedback to ensure we are offering our staff the responsibilities, recognition and reward that supports our plans for growth.

**STRATEGIC REPORT (continued)****FUTURE PROSPECTS (continued)**

In our network of global studios, our staff will be instrumental in identifying and winning new projects. The connectivity we have seen emerge through the pandemic will help us win and deliver interdisciplinary projects, extend our professional services offer to new markets across Asia and North America by bringing the best of BDP to our clients.

**ENVIRONMENTAL INFORMATION**

A fundamental feature of BDP's professional services offer is the delivery of sustainable design to facilitate good environmental performance by our clients. This commitment to environmental performance is also integral to our everyday practice within each of our design studios.

Since 2011, BDP in the UK and Ireland has held ISO 14001 certification which demonstrates a continuous commitment to monitor the environmental performance of our business operations, develop targets to deliver environmental performance improvements, and annually review and revise our targets to secure future improvements in the environmental performance of the business. In 2016, BDP secured ISO 50001:2011 certification. This internationally recognised standard is awarded to organisations that operate a robust energy management system, and confirms BDP's compliance with the DECC Energy Savings Opportunity Scheme (ESOS) 2014 Regulations.

By way of greater transparency in our environmental performance, BDP produces a detailed annual Environmental Report which is made available to all of our stakeholders. The Environmental Report provides an annual review of performance relating to carbon emissions, water use and waste generated from business activities against our targets, and establishes plans and targets to further manage and minimise our environmental footprint over the coming financial year.

**KEY ENVIRONMENTAL TARGETS****Total Energy Consumption**

	<b>Current reporting year 2020-2021 UK and Ireland</b>	<b>Comparison reporting year 2019-2020 UK and Ireland</b>	<b>% Change in 2020 - 2021</b>
Energy consumption used to calculate emissions: /kWh – for gas	649,547	672,128	(2)
Energy consumption used to calculate emissions: /kWh – electricity	1,264,602	1,418,676	(11)
Emissions from gas tCO <sub>2</sub> e (Scope 1)	129	120	8
Emissions from combustion of fuel for transport purposes (Scope 1)	N/A	N/A	N/A
Emissions from purchased electricity tCO <sub>2</sub> e (Scope 2, location-based)	301	337	(11)
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel tCO <sub>2</sub> e (Scope 3)	26	37	(30)
Total gross emissions tCO <sub>2</sub> e based on above	456	494	(8)
Intensity ratio: tCO <sub>2</sub> e gross figure / capita	0.489	0.536	(9)

**Methodology**

In order to measure our scope 1, 2 and certain scope 3 emissions, energy consumption in kWh for electricity, gas and district heating are monitored and recorded across our studios through monthly meter readings. Vehicle journey miles are extracted from the BDP internal expenses system. Carbon emissions for scope 1, 2 and 3 are then calculated converting kWh of energy and mileage into tCO<sub>2</sub>e using the UK Government greenhouse gas reporting conversion factors.

**STRATEGIC REPORT (continued)****KEY ENVIRONMENTAL TARGETS (continued)****Reasons for Change in Emissions**

Our scope 1 emissions in FY 2020-2021 have increased by 8.3% despite a reduction in gas consumption. This is due to the increase in carbon intensity for natural gas, as reported by the Department for Business, Energy and Industrial Strategy (BEIS). The most significant reason for the reduction in gas consumption (2.4%) is due to COVID-19 where the UK and Ireland studios were closed for a large proportion of the reporting period and thus heating and hot water demand was much lower than would typically be the case.

We have reduced scope 2 emissions by 10.7%. This can largely be explained by the temporary closure of studios.

Scope 3 business travel emissions have been reduced by 29.7%. The halting of business travel due to COVID-19 has been the main factor in our travel emission reductions.

**Organisational Boundary**

The emissions relate to our studios in the UK and Ireland and do not include our overseas studios.

**Intensity Measurement**

We have chosen the metric gross scope 1 and 2 emissions in tonnes of CO<sub>2</sub> per capita.

**EMPLOYMENT POLICIES**

BDP is committed to ensuring equal opportunities for all current and potential members of the firm. It is committed to the promotion of standards of personal conduct based on respect for, and the dignity of individuals. It is the Company's policy to provide a working environment free from discrimination and to value diversity. Everyone in BDP is expected to support and contribute to the maintenance of these policies. In April 2018, BDP published its first report under the Gender Pay reporting requirements. Our results reflected the higher proportion of men at senior levels of the Practice. This is something we are committed to changing and we aim to accelerate our understanding of those issues that impede the progress of women in practice and to take action to break down those barriers.

As one of the largest employers of female architects in the country, we particularly recognise that our gender pay gap needs to improve. In support of this we have refreshed our approach to equality, diversity and inclusion, developing a network of representatives across the practice at director and staff level and led by one of our principals, Sue Emms. The network, BDPBelonging, is helping to drive a programme of culture change comprising formal training, employee surveys, data analysis, webinars and toolbox talks, together with leadership programmes and enhancements to our policies. One of our six priority projects for 2021/22 is exploring and addressing gender equity in the practice. Our new flexible working policy is aimed at supporting and improving work/ life balance and is just one of a suite of family friendly policies being developed over the coming months.

We believe our studios offer exceptional working environments for all. However, we recognise that more needs to be done to tackle gender inequality at leadership levels and we possess a willingness to learn and to become better. Our ambition in relation to this issue is simple, we need to level the playing field in our professions, remove unconscious bias and find ways to provide further support for all of our people regardless of ethnicity, class, sexual orientation or gender. We aim to accelerate our understanding of those issues that impede progress in practice and to take action to break down those barriers.

**EMPLOYMENT OF DISABLED PEOPLE**

The Company and its subsidiaries give full and fair consideration to the application for employment made by disabled people, having regard to their particular aptitude and abilities and will make reasonable adjustments for all applicants and employees who are, or become disabled, as required to accommodate their needs. Should employees become disabled and unable to perform their role, consideration would be given to appropriate training, including retraining for alternative work within the Company.

**STRATEGIC REPORT (continued)****COMPANIES ACT 2006 S172****Consequences of any decisions in the long term**

Consideration is given to the impact of any decisions in the long term. At the core, this involves promoting the Company's success whilst also having regard to the interests of the Company's and subsidiaries' stakeholders.

**Interests of Employees**

Consultation with employees and their representatives continues at all levels with the aim of ensuring that employees' views regarding decisions that are likely to affect their interests are taken into account and that all employees are aware of the financial and economic performance of the business as a whole. Communication with employees is undertaken through, amongst other mechanisms, leadership and staff representative meetings, regular updates to employee intranet and email communications from the Chair and Chief Executive.

**Business relationships with suppliers, clients and others**

The Group is committed to fair dealings with its suppliers, clients, partners and other stakeholders. We aim to ensure that we only engage new suppliers and sub-consultants where they can demonstrate compliance with key financial, legal and ethical requirements. We aim to pay our suppliers and sub-consultants in accordance with their payment terms and are required to report compliance with payment performance requirements twice annually.

**Maintaining a reputation for high standards of business conduct**

BDP is committed to maintaining the highest legal and ethical standards and acting with integrity in dealings with all of our stakeholders. Staff are set clear expectations by a suite of relevant Group policies including Whistleblowing Policy, Anti-Bribery and Corruption Policy and Professional Conduct and Professional Liability Policy together with a supporting mandatory training programme.

On an annual basis, Directors' interests are updated and recorded to identify any potential conflicts of interest.

Appropriate policies and financial procedures are in place to ensure that the Company acts legally and ethically in matters of taxation. We are required to ensure that an up to date tax strategy is available on our website.

**Impact of operations on the community and the environment**

Monitoring and measuring the impact on the environment has been a long-standing core element of the Group's sustainability strategy. The Group is committed to using resources as efficiently as possible and minimising the impact of our operations on the environment. Advancing technologies and processes are continuously reviewed, so we can actively seek out opportunities to improve our performance. The Group understands the important role of our business in the social and economic development of the communities in which we are based. Supporting our employees to participate in community and fundraising activities is a core business value that benefits everyone involved. Further details of our sustainability strategy, focus areas and activities can be found in our annual Environmental Report, which is available on our website.

**The need to act fairly as between members of the company**

Regular calls accessible to members of the ultimate parent company are held during the year to ensure access to relevant information.

On behalf of the Board



**Nick Fairham**  
**Group Chief Executive**

**19 November 2021**

## DIRECTORS' REPORT

The directors present their report and the audited consolidated and company financial statements for the year ended 30 June 2021.

The membership of the Board for the current year and thereafter is shown on page 1. This report contains the statutory information disclosed in addition to that set out in the separate Strategic Report. Future development plans, financial risk management objectives and policies, and employee and environmental information, which would otherwise be included in the Directors' Report, is included in the Strategic Report.

## CHARITABLE CONTRIBUTIONS

Contributions during the year ended 30 June 2021 for charitable purposes totalled £62,361 (2020 - £42,025)

## DIVIDENDS

A dividend of £8,000,000 was approved and paid to the Parent Company during the year (2020 - £8,000,000).

A dividend of £8,000,000 (2020 - £8,000,000) was approved after the year end at the October 2021 Board meeting.

## HEALTH AND SAFETY

Across BDP we are proactive in raising the profile of health and safety, making it an essential and integral part of what we do and the way we design. We believe this is essential to properly manage risk and keeping our staff, the buildings we design and the people that build and use them safe. As part of our induction to new staff, all our employees receive health and safety advice in order to minimise the risks of adverse health effects and injury both in the working environment and when visiting construction sites. Our health and safety policy and procedures are clearly defined and available to all staff through our in-house intranet "Planet". Regular workshops and seminars led by external advisors, are held in each office to ensure that we are aware of future proposals which may affect our business and the industry in which we work. The reporting of incidents including near misses and hazard identification, is encouraged in order to learn lessons wherever possible. We are involved in a wide range of sectors, new build and refurbishment projects and there have been no Prohibition or Improvement Notices issued during the year by the Health & Safety Executive.

## GOING CONCERN

The Directors have formed a judgement at the time of approving the financial statements, that there is a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for a period of at least 12 months from the date of these financial statements.

We are closely monitoring the ongoing impact of the COVID-19 pandemic on all aspects of our business, including how it will impact our clients, employees and our other key stakeholders. While COVID-19 did not have a significant adverse effect on our reported results for either the year ended 30 June 2021 or the year ended 30 June 2020, we are unable to predict the ultimate impact that it may have on our business, future results, financial position or cash flows. The extent to which the business may be impacted by the COVID-19 pandemic will depend largely on future developments, which are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of the outbreak and actions by government authorities to contain the outbreak or treat its impact.

Furthermore, the impacts of a potential worsening of global economic conditions and the continued disruptions to and volatility in the financial markets remain unknown. This situation can change rapidly and additional impacts may arise that we are not aware of currently.

In response to the COVID-19 pandemic, we were able to continue to facilitate home working for the vast majority of our staff and maintain the now established communication lines enabling us to continue delivering our services to clients.

Despite the continuing uncertainties associated with the UK leaving the European Union, the Group has been able to grow income in the UK and maintain a strong pipeline of future work across a range of sectors. The partnership with Quadrangle in Canada, and the growing strength of the Group's network of studios outside the UK, provide a more sustainable balance of activities across a range of geographies. In forming this view, the Directors have reviewed the Group's budget and cash flow forecasts against current cash reserves and the availability of financing in the market. The Directors also reviewed downside sensitivity analysis over the forecast period (see note 1), thereby taking into account the uncertainties arising from the current economic climate. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

## SUBSEQUENT EVENTS

On 1 July, the Group completed the acquisition of Pattern Design Limited ("Pattern"), for the fair value consideration of £2.8million, of which £1.2 million is deferred. The Group has strengthened its capabilities in the sports sector with this acquisition of Pattern, a global stadia design specialist. For further information, please refer to note 27 to the financial statements.

**DIRECTORS' REPORT (continued)****KEY ENVIRONMENTAL TARGETS**

Details of environmental information and key environmental targets are provided in the Strategic Report.

**EMPLOYEES**

Details of employment policies and employment of disabled people are provided in the Strategic Report.

**STAKEHOLDER ENGAGEMENT**

Our Vision is to lead our industry in the approach to creating inspiring and productive environments that support the people they serve. These places will promote imagination, innovation and inclusivity to maximise the value they generate. We will continue to contribute positively to progressive and sustainable growth for our people, business and communities, enhancing our rich history as a responsible organisation.

We aim to be the UK's leading design practice, priding ourselves on our approach to sustainable design. We acknowledge our duty to protect and enhance the five capitals (natural, social, human, manufactured and financial) across all aspects of our operation. Despite the current global challenge of the COVID-19 pandemic, we remain committed to providing the necessary organisation, communication to staff and activities to support the economic recovery, in part through our response to the climate emergency. We are focussed on implementing measures that result in continual performance improvement in accordance with the international standards of our quality, environmental and energy management systems.

**BRANCHES OUTSIDE THE UK**

Details of the overseas undertakings of the Group are provided in Note 14 to the financial statements.

**DIRECTORS' LIABILITIES**

During the year, the Company had in force an indemnity provision in favour of the Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006.

**QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

Qualifying third party indemnity provisions, as defined by the Companies Act 2006, were in force during the year and up to the date of the Directors' Report for the benefit of all Directors of the Company.

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an AGM. A statement as to disclosure of information to the auditors in line with Section 418 of the Companies Act 2006 can be found below.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who is a Director at the date of approval of this report confirms that:

1. So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
2. The Director has taken all steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information, and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the Board



**Heather Wells**  
Group Finance Director

19 November 2021

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

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 group and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 group and parent company and of the profit or loss of the group 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 United Kingdom Accounting Standards, comprising FRS 102 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 group and parent company will continue in business.

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

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

**Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and parent 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 group's and parent company's auditors are aware of that information.
- of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

On behalf of the Board



**Heather Wells**  
**Group Finance Director**

**19 November 2021**

# Independent auditors' report to the members of Building Design Partnership Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Building Design Partnership Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2021 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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 and financial statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 30 June 2021; the Consolidated Profit and Loss Account, the Consolidated and Company Statements of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity and the Consolidated Cash Flow Statement 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 group 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

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

### 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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 30 June 2021 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 group and company and their 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 in respect of the financial statements, 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 group's and 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 group or 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting notably in relation to recognition of long-term contract revenues, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Obtained an understanding of the legal and regulatory framework applicable to the Group and how the Group is complying with that framework;
- inquiry of management regarding actual and potential non-compliance with laws and regulations;
- testing journal entries meeting specific risk criteria, in particular any journal entries posted with unusual account combinations impacting revenue and profit before taxation;
- challenging assumptions and judgments made by management in their significant accounting estimates in line with the requirements of ISA 540(R). In particular in relation to the recognition of revenue relating to long-term contracts and valuation of work in progress; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

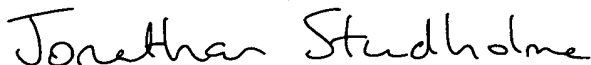
## Other required reporting

### Companies Act 2006 exception reporting

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

- we have not obtained 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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jonathan Studholme (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester

19 November 2021

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 30 June 2021

		Year ended 30 June 2021	Year ended 30 June 2021	Year ended 30 June 2020	Year ended 30 June 2020
	Note	£	£	£	£
				Re-stated	Re-stated
<b>TURNOVER</b>	1,4		124,147,267		131,312,685
Other operating income	7		3,820,549		2,554,139
			<u>127,967,816</u>		<u>133,866,824</u>
Staff costs - wages and salaries	5	(64,524,458)		(66,914,865)	
- social security costs	5	(6,725,332)		(6,887,530)	
- other pension costs	5	(2,791,885)		(2,912,379)	
Depreciation and other amounts written off tangible and intangible fixed assets	6,13	(3,123,897)		(3,678,368)	
Other operating expenses	6	<u>(37,194,430)</u>		<u>(40,209,781)</u>	
			(114,360,002)		(120,602,923)
<b>OPERATING PROFIT AND PROFIT BEFORE INTEREST AND TAXATION</b>	6		<u>13,607,814</u>		<u>13,263,901</u>
Interest receivable and similar income	8		52,743		111,612
Interest payable and similar expenses	9		<u>(534,193)</u>		<u>(634,139)</u>
<b>PROFIT BEFORE TAXATION</b>			13,126,364		12,741,374
Tax on profit	10		<u>(3,142,114)</u>		<u>(3,081,131)</u>
<b>PROFIT AFTER TAXATION</b>			<u>9,984,250</u>		<u>9,660,243</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<u><u>9,984,250</u></u>		<u><u>9,660,243</u></u>

All results relate to continuing activities.

See note 26 for additional comments on the re-statement of the 30 June 2020 consolidated profit and loss account.

## CONSOLIDATED AND COMPANY STATEMENTS OF COMPREHENSIVE INCOME

Year ended 30 June 2021

	Group Year ended 30 June 2021 £	Group Year ended 30 June 2020 £	Company Year ended 30 June 2021 £	Company Year ended 30 June 2020 £
<b>Profit for the financial year</b>	9,984,250	9,660,243	9,739,527	9,205,810
Currency translation difference on foreign currency net investments	35,468	(121,757)	-	-
<b>Other comprehensive income/(expense)</b>	35,468	(121,757)	-	-
<b>Total comprehensive income, net of tax</b>	10,019,718	9,538,486	9,739,527	9,205,810

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2021

	Called up share capital £	Capital redemption £	Profit and loss account £	Total £
<b>Equity attributable to equity shareholders of the group</b>				
On 1 July 2019	7,000,000	500	14,161,839	21,162,339
Profit for the financial year	-	-	9,660,243	9,660,243
Currency translation difference on foreign currency net investments	-	-	(121,757)	(121,757)
<b>Total comprehensive income</b>	-	-	9,538,486	9,538,486
Dividend paid on equity shares	-	-	(8,000,000)	(8,000,000)
<b>At 30 June 2020</b>	7,000,000	500	15,700,325	22,700,825
Profit for the financial year	-	-	9,984,250	9,984,250
Currency translation difference on foreign currency net investments	-	-	35,468	35,468
<b>Total comprehensive income</b>	-	-	10,019,718	10,019,718
Dividends paid on equity shares	-	-	(8,000,000)	(8,000,000)
<b>At 30 June 2021</b>	7,000,000	500	17,720,043	24,720,543

## COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2021

	Called up share capital £	Capital redemption £	Profit and loss account £	Total £
<b>Equity attributable to equity shareholders of the company</b>				
On 1 July 2019	7,000,000	500	12,036,437	19,036,937
Profit for the financial year	-	-	9,205,810	9,205,810
<b>Total comprehensive income</b>	-	-	9,205,810	9,205,810
Dividend paid on equity shares	-	-	(8,000,000)	(8,000,000)
<b>At 30 June 2020</b>	7,000,000	500	13,242,247	20,242,747
Profit for the financial year	-	-	9,739,527	9,739,527
<b>Total comprehensive income</b>	-	-	9,739,527	9,739,527
Dividends paid on equity shares	-	-	(8,000,000)	(8,000,000)
<b>At 30 June 2021</b>	7,000,000	500	14,981,774	21,982,274

## CONSOLIDATED BALANCE SHEET

As at 30 June 2021

		30 June 2021	30 June 2021	30 June 2020	30 June 2020
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible asset	12	9,431,070		11,168,730	
Tangible assets	13	2,835,024		3,539,074	
			12,266,094		14,707,804
<b>CURRENT ASSETS</b>					
Debtors	15	55,496,386		38,914,500	
Cash at bank and in hand		28,878,709		35,881,059	
		84,375,095		74,795,559	
<b>CREDITORS:</b>					
Amounts falling due within one year	17	(56,457,009)		(58,714,305)	
<b>NET CURRENT ASSETS</b>			27,918,086		16,081,254
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			40,184,180		30,789,058
<b>CREDITORS:</b>					
Amounts falling due after more than one year					
Other creditors, loans and accruals	18		(6,363,637)		(7,383,665)
Provisions for liabilities	19		(9,100,000)		(704,568)
<b>NET ASSETS</b>			24,720,543		22,700,825
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		7,000,000		7,000,000
Capital redemption reserve	20		500		500
Profit and loss account			17,720,043		15,700,325
<b>TOTAL SHAREHOLDERS' FUNDS</b>			24,720,543		22,700,825

These financial statements of Building Design Partnership Limited, registered number 02207415, on pages 17 to 39 were approved by the Board of Directors and authorised for issue on 19 November 2021.

Signed on behalf of the Board of Directors



Nick Fairham  
Group Chief Executive



Heather Wells  
Group Finance Director

## COMPANY BALANCE SHEET

As at 30 June 2021

	Note	30 June 2021 £	30 June 2021 £	30 June 2020 £	30 June 2020 £
<b>FIXED ASSETS</b>					
Intangible assets	12	-	-	-	-
Tangible assets	13	1,655,097		1,980,400	
Investments	14	7,815,151		7,815,151	
			9,470,248		9,795,551
<b>CURRENT ASSETS</b>					
Debtors	15	48,366,690		34,101,384	
Cash at bank and in hand		21,550,100		26,898,800	
		69,916,790		61,000,184	
<b>CREDITORS:</b>					
Amounts falling due within one year	17	(48,304,764)		(49,848,420)	
<b>NET CURRENT ASSETS</b>			21,612,026		11,151,764
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
Provisions for liabilities	19		(9,100,000)		(704,568)
<b>NET ASSETS</b>			21,982,274		20,242,747
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		7,000,000		7,000,000
Capital redemption reserve	20		500		500
Profit and loss account			5,242,247		4,036,437
Parent Company profit after tax for the year			9,739,527		9,205,810
<b>TOTAL SHAREHOLDERS' FUNDS</b>			21,982,274		20,242,747

These financial statements of Building Design Partnership Limited, registered number 02207415, on pages 17 to 39 were approved by the Board of Directors and authorised for issue on 19 November 2021.



Nick Fairham  
Group Chief Executive



Heather Wells  
Group Finance Director

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 June 2021

		Year ended 30 June 2021	Year ended 30 June 2021	Year ended 30 June 2020	Year ended 30 June 2020
	Note	£	£	£	£
<b>Net cash inflow from operating activities</b>	23		5,333,794		22,625,003
<b>Cash flows from investing activities</b>					
Receipts from sales of tangible fixed assets		5,505		8,744	
Purchase of tangible fixed assets		(936,416)		(1,330,428)	
Transfer of funds for post year end acquisition	27	(1,670,247)		-	
Interest element of finance lease rentals		(3,530)		(7,433)	
Interest received		52,744		111,612	
<b>Net cash used in investing activities</b>			(2,551,944)		(1,217,505)
<b>Cash flows from financing activities</b>					
Equity dividend paid to Parent Company		(8,000,000)		(8,000,000)	
Interest and other charges paid		(530,663)		(626,706)	
Capital element of finance lease rentals		(49,764)		(68,060)	
Repayment of loans		(875,884)		(890,609)	
<b>Net cash used in financing activities</b>			(9,456,311)		(9,585,375)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(6,674,461)		11,822,123
<b>Cash and cash equivalents at beginning of year</b>			35,881,059		24,028,518
Effect of foreign exchange rates			(327,889)		30,418
<b>Cash and cash equivalents at end of year</b>			28,878,709		35,881,059
<b>Reconciliation to cash at bank and in hand:</b>					
Cash at bank and in hand			28,878,709		35,881,059
Cash and cash equivalents			28,878,709		35,881,059

The company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under paragraph 1.12(b) if FRS 102 not to present the company statement of cash flows.

## **1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards under the historical cost convention. The accounting policies have been applied consistently in the current year and preceding period. Building Design Partnership Limited is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales. The registered office is disclosed on page 1.

### **BASIS OF CONSOLIDATION**

The Group financial statements comprise the financial statements of the Company and its subsidiary undertakings drawn up to the 30 June. The results of subsidiaries acquired and sold are consolidated for the period from or to the date on which control passed. All intergroup transactions, balances, income and expenses are eliminated on consolidation.

### **NON-CONTROLLING INTERESTS**

In circumstances where the Group does not own 100% of the share capital of a subsidiary but have deemed 100% control, this subsidiary is fully consolidated and as such no non-controlling interest is recognised.

### **GOING CONCERN**

As noted within the Directors' Report, the Directors have formed a judgement at the time of approving the financial statements, that there is a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. In forming this view, the Directors have reviewed the Group's detailed projected performance and cash flow forecasts against current cash reserves and the availability of financing in the market. The Directors have reviewed downside sensitivity analysis over the forecast period through to June 2023, and have also considered the impact on expected profit and cash flow of the Group's business plans for the period to June 2023.

The forecasts take account of the risks which the Directors have assessed to be pertinent in considering the Group and the Company's ability to continue to operate as a going concern. Despite the continuing uncertainties associated with the ongoing COVID-19 pandemic and the UK leaving the European Union, the Group has been able to maintain income in the UK and maintain a strong pipeline of future work across a range of sectors. The partnership with Quadrangle in Canada, the acquisition of Pattern Design Limited after the year end, and the growing strength of the Group's network of studios outside the UK, provide a more sustainable balance of activities across a range of geographies. This supports the Group's forecast of growth in turnover, and maintained profitability to be achieved in the coming year supported by continued cost control. The Directors have considered the appropriateness of the assumptions in the financial forecasts in light of ongoing risks and are satisfied that they have been adequately considered. As noted in the Future Prospects section within the Strategic Report, the Company and its subsidiaries work across many of the market sectors addressed by the construction industry as a whole, both in the UK and internationally. This flexibility and depth of expertise provides the Group with the ability to respond to changing market conditions, and take full advantage of the Group's diversified client base and growing international reputation and expertise.

As the results in the Consolidated Profit and Loss Account show, for the year ended 30 June 2021, the Group has achieved profit after tax of £10.0 million (2020 - £9.7 million). At 30 June 2021 the Group has cash resources available of £28.9 million (2020 - £35.9 million). The forecasts show that for the period to 31 December 2022, cash balances are expected to remain around 15% of turnover. Sensitivity analysis has been performed on the future cash flows such that a 15% decrease in operating profit would not affect the ability of the Group to continue to operate as a going concern. The cash objective of the Company is to sustain a positive cash balance supported by a £3 million collective overdraft facility, including bank guarantees via our main banker, HSBC plc. There continues to be an emphasis placed on managing cash reserves by focusing on agreed invoicing patterns with clients, managing improved efficiencies regarding debt recovery and on the overall credit awareness of key debtors. Support received through COVID-19 related government schemes are presented in Notes 7 and 17.

The Directors have concluded that the Group is able to meet its obligations when they fall due for a period of at least 12 months after the date of this report. For this reason, the Group continues to adopt the going concern basis for preparing the annual financial statements.

### **TURNOVER**

Turnover represents the movement over the year in the aggregate value of fee earning work undertaken on long term contracts.

### **LONG TERM CONTRACTS**

In accordance with FRS 102 Section 23 'Revenue', revenue is recognised on the basis of the stage of completion and the estimated outturn of the individual contracts.

Progress payments received and receivable, are deducted from fees earned and the balances are reported as amounts recoverable on contracts within debtors, unless the progress payments received or receivable are in excess of fees earned when the balances are reported as fees in advance under creditors. Loss provisions are recognised in full for all foreseeable losses in the year in which they are identified.

Cost comprises productive salaries, other direct costs and attributable overheads.



**1. ACCOUNTING POLICIES (continued)**

**OTHER INCOME, INTEREST INCOME/EXPENSE**

Other operating income comprises rental income, income from COVID-19 related government subsidy schemes, research and development relief and other income, which is recognised as earned.

Interest income is recognised when it is probable that the economic benefits will flow to the Company (income) and from the Company (expense) and the amount can be measured reliably. Interest is recognised using the effective interest rate method.

**DIVIDEND INCOME**

Dividend income is recognised when the right to receive payment is established.

**INTANGIBLE FIXED ASSETS**

Goodwill, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired is capitalised and amortised on a straight line basis over ten years which, in the opinion of the Directors, is its useful economic life. On acquisition, Goodwill is allocated to cash generating units ("CGUs") that are expected to benefit from the combination.

Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. No reversals of impairment are recognised.

**TANGIBLE FIXED ASSETS**

In accordance with FRS 102 Section 17 'Property, Plant and Equipment', depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Motor vehicles	Between 20% per annum and 33.333% per annum
Fixtures, fittings and equipment	Between 15% and 33.333% per annum

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

**LEASES**

The costs of operating leases are charged to the profit and loss account on a straight line basis over the lease term even if payments are not made on such a basis.

**INVESTMENTS**

Fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

**FOREIGN CURRENCIES**

Foreign currency balances included in current assets and liabilities have been converted into Sterling at the rate ruling at the balance sheet date.

The financial statements of foreign subsidiaries are translated into Sterling at the closing rates of exchange, and the difference arising from the translation of opening net investment in subsidiaries and the closing position are taken directly to reserves. All other exchange differences are included in the profit and loss account.

**CASH AND CASH EQUIVALENTS**

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

**TAXATION**

Current tax, including UK Corporation Tax and Foreign Tax, is provided at amounts expected to be paid, (or recovered), using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The current tax rate used for the year is 19% based on rates already enacted in previous periods. In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporate tax rate will increase to 25% and substantive enactment occurred on 24 May 2021. Deferred tax has been calculated using these rates based on the timing of when each individual deferred tax balance is expected to reverse in the future.

**1. ACCOUNTING POLICIES (continued)**

**TAXATION (continued)**

Deferred taxation is provided in full as timing differences which represent a liability at the balance sheet date at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Further details regarding deferred taxation is disclosed in note 10 and note 16. Deferred tax assets and liabilities are not discounted.

**PROVISIONS FOR LIABILITIES**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation; and if this amount is capable of being reliably estimated. If such an obligation is not capable of being reliably estimated, it is classified as a contingent liability. Related legal expenditure is expensed as incurred.

**INSURANCE REIMBURSEMENT ASSETS**

Where provisions for liabilities in relation to claims are recognised and the outcome will be met by professional indemnity insurance, an insurance reimbursement asset of an equivalent value is recognised in other debtors.

**FINANCIAL INSTRUMENTS**

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

*Financial assets*

Basic financial assets are initially recognised at transaction price, unless the arrangement constitutes a financing transaction where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when, (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

*Financial liabilities*

Basic financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction where the debt is measured at the present value of the future receipts discounted at a market rate of interest.

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. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

The Company uses derivatives to hedge its exposure to changes in foreign currency exchange rates. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**1. ACCOUNTING POLICIES (continued)**

**EXEMPTIONS FOR QUALIFYING ENTITIES UNDER FRS 102**

The company has taken advantage of the following exemptions in its individual financial statements

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures;
- from disclosing share-based payment arrangements, required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23, concerning its own equity instruments, as the company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein;
- from disclosing transactions with wholly owned members of the Group, as required by FRS 102 paragraph 33.1A; and
- from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

**2. STATEMENT OF COMPLIANCE**

The financial statements of Building Design Partnership Limited have been prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"), and the Companies Act 2006.

The functional currency of the Group is considered to be pounds sterling because this is the currency of the primary economic environment in which the Company operates.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

- i. *Revenue and attributable profit on long term contracts in progress* is recognised based on the estimated stage of completion and only when the outcome of the contract can be estimated reliably. The outcome of a contract is mainly determined by the contractual terms; the service provision and associated risks; and actual performance against forecast. The associated critical judgements include but are not limited to the percentage completion and basis for forecast including the recoverability of variations and allowances for contingencies and completion works. Critical judgements are also made regarding claims made against the Company to ensure allowances are also reflected in the level of revenue and attributable profit taken. Contract positions are subject to regular review from the project and senior management teams. In making the critical judgements management considered the detailed criteria for the recognition of revenue from the provision of services set out in FRS 102 Section 23 Revenue. The Directors are satisfied that the assessment of the stage of completion of works and associated recognition of the revenue in the current period is appropriate.

**4. TURNOVER**

**Analysis of turnover by class of business:**

	Group Year ended 30 June 2021 £	Group Year ended 30 June 2020 £
Building design consultancy	124,147,267	131,312,685

**4. TURNOVER (continued)**

**Geographical analysis by destination:**

	<b>Group Year ended 30 June 2021 £</b>	<b>Group Year ended 30 June 2020 £</b>
United Kingdom	87,833,211	87,959,693
Other European countries	8,082,591	10,219,704
Rest of World	28,231,465	33,133,288
	<b>124,147,267</b>	<b>131,312,685</b>

**Geographical analysis by origin:**

	<b>Group Year ended 30 June 2021 £</b>	<b>Group Year ended 30 June 2020 £</b>
United Kingdom	89,157,480	91,550,219
Other European countries	8,500,230	8,602,404
Rest of World	26,489,557	31,160,062
	<b>124,147,267</b>	<b>131,312,685</b>

**5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	<b>Group Year ended 30 June 2021 £</b>	<b>Group Year ended 30 June 2020 £</b>
Directors' emoluments	8,624,692	8,356,005

Emoluments were payable to 28 Directors in the year (2020 – 28). No Directors were members of a defined contribution occupational scheme (2020 - none). The pension payments recorded in the profit and loss account represent a flexible pension allowance paid to all Directors and staff on a monthly basis. This allowance can be paid in whole or in part into a defined contribution personal pension plan on behalf of Directors and staff at the choice of the individual Director or staff member. There are no key management personnel other than the Directors.

	<b>Year ended 30 June 2021 £</b>	<b>Year ended 30 June 2020 £</b>
Emoluments of the highest paid Director	404,923	400,900

	<b>Group Year ended 30 June 2021 No.</b>	<b>Group Year ended 30 June 2020 No.</b>
<b>Average monthly number of persons employed including Directors:</b>		
Architecture and related professions	810	862
Engineering	168	180
Management services	50	48
Support	175	178
	<b>1,203</b>	<b>1,268</b>

The average number of contractors in the Group during the year was 21 (2020 – 40).

**5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)**

	<b>Company</b> <b>Year ended</b> <b>30 June</b> <b>2021</b>	<b>Company</b> <b>Year ended</b> <b>30 June</b> <b>2021</b>
	<b>No.</b>	<b>No.</b>
<b>Average monthly number of persons employed including Directors</b>		
Architecture and related professions	539	594
Engineering	147	158
Management Services	49	47
Support	124	129
	<b>859</b>	<b>928</b>

The average number of contractors in the Company during the year was 16 (2020 – 31).

**6. OPERATING PROFIT AND PROFIT BEFORE INTEREST AND TAXATION**

	<b>Group</b> <b>Year ended</b> <b>30 June</b> <b>2021</b>	<b>Group</b> <b>Year ended</b> <b>30 June</b> <b>2020</b>
	<b>£</b>	<b>£</b>
Profit before interest and taxation is stated after charging/(crediting):		
Depreciation		
- owned assets	1,556,126	1,577,247
- leased assets	20,812	40,434
Goodwill amortisation	1,546,959	2,060,687
Loss/(profit) on sale of fixed assets	20,571	(963)
Rentals under operating leases		
- land and buildings	4,293,099	4,193,666
- other	1,672,782	1,177,291
Auditors' remuneration for audit services		
- subsidiary undertakings	55,000	15,000
- company	290,000	120,000

Amounts payable to PricewaterhouseCoopers LLP and their associates by the Company and its UK subsidiary undertakings in respect of non-audit services for the year ended 30 June 2021 were £nil (2020 - £nil).

During the previous financial year £185,000 was paid to the ultimate parent company in respect of an allocation of the audit fee incurred.

	<b>Group</b> <b>Year ended</b> <b>30 June</b> <b>2021</b>	<b>Group</b> <b>Year ended</b> <b>30 June</b> <b>2020</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	290,000	120,000
Fees payable to the Company's auditors and their associates for other services to the Group		
- The audit of the Company's subsidiaries pursuant to legislation	55,000	15,000
<b>Total audit fees</b>	<b>345,000</b>	<b>135,000</b>
- Assurance services	-	-
- Other audit-related services	-	-
- Tax services	-	-
<b>Total non-audit fees</b>	<b>-</b>	<b>-</b>

There were no non-audit services provided by PricewaterhouseCoopers LLP and their associates to the Company in the years ended 30 June 2021 and 30 June 2020.

**7. OTHER OPERATING INCOME**

	Group Year ended 30 June 2021 £	Group Year ended 30 June 2020 £  Re-stated
COVID-19 related government subsidy schemes (UK)	705,544	545,024
COVID-19 related government subsidy schemes (non-UK)	1,549,279	773,186
Research and development relief	1,211,307	653,893
Intragroup management charges	234,525	233,406
Rental income	20,229	144,862
(Loss)/profit from sale of tangible fixed assets	(20,571)	963
Other miscellaneous income	120,236	202,805
	<u>3,820,549</u>	<u>2,554,139</u>

See note 26 for additional comments on the re-statement of the 30 June 2020 other operating income.

**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	Group Year ended 30 June 2021 £	Group Year ended 30 June 2020 £
Interest on corporation tax overpayment	4,169	2,035
Bank interest including money market deposits	48,574	109,577
	<u>52,743</u>	<u>111,612</u>

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	Group Year ended 30 June 2021 £	Group Year ended 30 June 2020 £
Bank charges	56,148	58,610
Loan interest	306,709	351,080
Inter Group Interest	167,540	215,709
Finance leases and hire purchase contracts	3,530	7,433
Tax penalties and interest	266	1,307
	<u>534,193</u>	<u>634,139</u>

**10. TAX ON PROFIT**

The tax charge comprises:

	<b>Group Year ended 30 June 2021 £</b>	<b>Group Year ended 30 June 2020 £</b>
<b>Current tax on profit</b>		
UK corporation tax	2,120,224	1,975,250
Foreign taxation	919,943	890,521
	<u>3,040,167</u>	<u>2,865,771</u>
<b>Adjustments in respect of prior years:</b>		
UK corporation tax	94,988	(8,638)
Foreign taxation	846	94,560
<b>Total current tax</b>	<u>3,136,001</u>	<u>2,951,693</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	20,286	116,755
Adjustment in respect of prior years	(14,173)	61,921
Effect of change in rate on opening asset	-	(49,238)
<b>Total deferred tax (see note 15)</b>	<u>6,113</u>	<u>129,438</u>
<b>Total tax on profit</b>	<u>3,142,114</u>	<u>3,081,131</u>

The standard rate of tax applied to reported profit is 19% (2020 - 19%). In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporate tax rate will increase to 25%, and substantive enactment occurred on 24 May 2021. Deferred tax has been calculated for the UK based on this enacted rate. During the year commencing 1 July 2021, the net reversal of deferred tax assets is expected to decrease the corporation tax charge for the year by £132,375. The remainder of the deferred tax asset is expected to reverse in 2022 and later periods.

There is no expiry date on timing differences.

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	<b>Group Year ended 30 June 2021 £</b>	<b>Group Year ended 30 June 2020 £</b>
Profit before taxation	13,126,364	12,741,374
Tax on Group profit at standard UK corporation tax rate of 19%. (2020 – 19%)	2,494,009	2,420,861
Expenses not deductible for tax purposes	407,397	458,469
Income not taxable	(187,081)	(67,240)
Effects of group and other reliefs	-	33,819
Adjustments in respect of prior years	81,661	147,843
Effect of different statutory tax rates of overseas jurisdictions	382,453	136,618
Tax rate changes	(36,325)	(49,239)
<b>Group total tax charge for year</b>	<u>3,142,114</u>	<u>3,081,131</u>

**11. PROFIT OF THE PARENT COMPANY**

As permitted under Section 408 of the Companies Act 2006, the profit and loss account of the Parent Company is not presented as part of these financial statements.

The Parent Company's profit after tax for the year ended 30 June 2021 amounted to £9,739,527 (2020 - £9,205,810).

**12. INTANGIBLE ASSETS**

<b>Goodwill</b>	<b>Group</b>
<b>Cost</b>	<b>£</b>
At 1 July 2020	20,531,635
Foreign exchange adjustment	(222,629)
At 30 June 2021	<u>20,309,006</u>
<b>Accumulated amortisation</b>	
At 1 July 2020	9,362,905
Charge for the year	1,546,959
Foreign exchange adjustment	(31,928)
At 30 June 2021	<u>10,877,936</u>
<b>Net book value</b>	
At 30 June 2021	<u>9,431,070</u>
At 30 June 2020	<u>11,168,730</u>
<b>Goodwill</b>	<b>Company</b>
<b>Cost</b>	<b>£</b>
At 1 July 2020 and 30 June 2021	3,464,346
<b>Accumulated amortisation</b>	
At 1 July 2020 and 30 June 2021	3,464,346
<b>Net book value</b>	
At 30 June 2020 and 30 June 2021	<u>-</u>



**13. TANGIBLE ASSETS**

**GROUP**

	<b>Motor Vehicles</b>	<b>Fixtures, Fittings &amp; Equipment</b>	<b>Assets under Construction</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 July 2020	20,942	17,896,547	-	17,917,489
Additions	16,783	751,005	168,628	936,416
Disposals	(7,143)	(429,321)	-	(436,464)
Exchange differences	(1,424)	(89,628)	-	(91,052)
At 30 June 2021	29,158	18,128,603	168,628	18,326,389
<b>Accumulated depreciation</b>				
At 1 July 2020	19,379	14,359,036	-	14,378,415
Charge for the year	3,419	1,573,519	-	1,576,938
Disposals	(7,143)	(403,245)	-	(410,388)
Exchange differences	(1,400)	(52,200)	-	(53,600)
At 30 June 2021	14,255	15,477,110	-	15,491,365
<b>Net book value</b>				
At 30 June 2021	14,903	2,651,493	168,628	2,835,024
At 30 June 2020	1,563	3,537,511	-	3,539,074

**COMPANY**

	<b>Fixtures, Fittings &amp; Equipment</b>
	<b>£</b>
<b>Cost</b>	
At 1 July 2020	14,815,899
Additions	583,129
Disposals	(357,563)
At 30 June 2021	15,041,465
<b>Accumulated depreciation</b>	
At 1 July 2020	12,835,499
Charge for the year	896,843
Disposals	(345,974)
At 30 June 2021	13,386,368
<b>Net book value</b>	
At 30 June 2021	1,655,097
At 30 June 2020	1,980,400

**14. INVESTMENTS**

<b>COMPANY</b>		<b>Shares in Group Undertakings £</b>
<b>Cost or valuation</b>		
At 1 July 2020 and 30 June 2021		<u>11,506,560</u>
<b>Amounts written off</b>		
At 1 July 2020 and 30 June 2021		<u>3,691,409</u>
<b>Net book value</b>		
At 30 June 2021 and 30 June 2020		<u>7,815,151</u>

The ordinary shares in Group undertakings at the year end represent the following:

BDP Rotterdam B.V., a company registered in Holland. It is a 100% owned subsidiary. Its business is principally the provision of master planning and landscape architectural services in the Netherlands. The operating climate has remained difficult in Holland and as such there continues to be close scrutiny and review of performance in this subsidiary. This investment has been fully provided against in the Company Financial Statements in a prior year. In the consolidated financial statements, the full cost of the purchased goodwill arising on acquisition has already been charged to the Group profit and loss account in prior years during the period since acquisition through standard amortisation or through charges resulting from impairment reviews.

Whicheloe MacFarlane Partnership Limited, a company registered in England and Wales. It is a 100% owned subsidiary. Its principal activity was the provision of architectural and engineering services in the United Kingdom. The business, together with its assets and liabilities were transferred to Building Design Partnership Limited on 1 July 2003.

Building Design partnership (Architects, Designers, Engineers) Limited, a company registered in Ireland is a 100% owned subsidiary. Its business is principally the provision of architectural and engineering services in the Republic of Ireland.

BDP Design Engineering Private Limited, a company registered in New Delhi, India. It is a 100% owned subsidiary. Its business is principally the provision of design, master planning and landscape architectural services in India. This investment has been fully provided against in the Company Financial Statements in a prior year.

BDP MENA Limited, a company registered in England and Wales. It is a 100% owned subsidiary. Its business is principally a holding company for investments in companies operating in the Middle East and North Africa regions. Share capital of £100,000 was initially introduced to the Company and this investment was subsequently fully provided against in a prior year.

BDP MENA Consulting Engineers LLC, a company registered in Abu Dhabi. 49 ordinary shares, representing 100% is controlled by BDP MENA Limited. Its business is principally the provision of architectural and master planning services in the United Arab Emirates and the Middle East.

BDP Architectural Design Consulting (Shanghai) Co. Limited, a business incorporated in China. It is a 100% owned subsidiary. Its business is principally the provision of architectural and master planning consultancy services in China.

BDP Canada Inc. a business incorporated in Canada. It is a 100% owned subsidiary. Its principal activity is the provision of management services in relation to a large ongoing project in Toronto. Share capital in sum of Canadian \$100 was paid over in March 2016.

BDP Architects (Southeast Asia) Pte. Ltd, a business incorporated in Singapore. It is a 100% owned subsidiary. Its business is principally the provision of architectural and master planning consultancy services in Singapore.

Quadrangle Design Limited (formerly BDP Mapleleaf Investments Limited). It is a 100% owned subsidiary and its business is principally as a management company.

Quadrangle Architects Limited\* is controlled by Quadrangle Design Limited. Its business is principally the provision of architectural and interior design services in Canada.

**14. INVESTMENTS (continued)**

The registered office for all of the above investments are detailed in the Office and Investments section on pages 2 and 3.

The remaining subsidiary undertakings listed below are dormant, incorporated in England and Wales, carry out their principal operations in the country of incorporation, and the Company owns 100% of the ordinary share capital. The registered address for the undertakings listed below is, P O Box 85, 11 Ducie Street, Piccadilly Basin, Manchester, M60 3JA

BDP Acoustics Limited	BDP London Limited*
BDP Dublin Limited	BDP Manchester Limited*
BDP Europe Limited	BDP Middle East Limited*
BDP Landscape Limited	BDP Planning Limited*
BDP Lighting Limited	BDP Project Management Limited*
BDP Nominees (Properties & Subsidiary Operations) Limited	BDP Sheffield Limited*
BDP Planning Supervisors Limited	BDP Special Structures Group Limited*
Dixon Jones BDP Limited	BDP Sustainability Limited*
BDP Belfast Limited*	BDP Winchester Limited*
BDP Computing Services Limited*	Building Design Partnership Europe Limited*
BDP Design Limited*	Building Design Partnership International Limited*
BDP Edinburgh Limited*	Campus Projects Limited*
BDP Engineering Limited*	BDP Bristol Limited*
BDP Glasgow Limited*	Whicheloe Macfarlane MDP Limited*
BDP International Limited*	WM Southampton Limited*
BDP Advanced Technologies Limited	

\* Indicates the Company was owned by an intermediary company during the financial year.

**15. DEBTORS**

All amounts are due within one year.

	Group 30 June 2021 £	Group 30 June 2020 £	Company 30 June 2021 £	Company 30 June 2020 £
Amounts recoverable on contracts	9,972,148	9,378,264	5,201,636	4,930,930
Trade debtors	27,705,505	22,570,308	19,485,460	15,687,787
Amounts owed by ultimate parent undertakings	237,950	84,294	160,721	47,911
Amounts owed by Group undertakings	-	-	7,348,320	8,064,562
Deferred tax (see note 15 below)	359,128	366,617	331,579	350,798
Other debtors	9,362,344	729,096	9,118,534	666,535
Corporation and withholding tax receivable	602,621	573,910	301,932	-
Prepayments and accrued income	7,256,690	5,212,011	6,418,508	4,352,861
	<b>55,496,386</b>	<b>38,914,500</b>	<b>48,366,690</b>	<b>34,101,384</b>

Trade debtors are shown after a provision for doubtful debts of £1,267,768 (2020 – £1,072,714).

Amounts owed by the Ultimate Parent Company and Group undertakings are repayable on demand. Amounts owed by Group undertakings include loans of £6,277,152 (2020 – £7,757,131) that incur interest at base rate plus 1.5%.

Other debtors include £9,100,000 in relation to insurance reimbursement assets. See Note 19 for further details.

**16. DEFERRED TAX**

	<b>30 June 2021</b>	<b>30 June 2020</b>
<b>GROUP</b>	<b>£</b>	<b>£</b>
Capital allowances	334,459	356,632
General provisions/timing differences	24,669	9,985
	<u>359,128</u>	<u>366,617</u>
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>£</b>	<b>£</b>
Opening balance	366,617	496,241
Translation differences	(1,376)	(186)
Adjustment in respect of prior years	14,173	(61,921)
Charge for the year	(20,286)	(67,517)
Closing balance	<u>359,128</u>	<u>366,617</u>

Of the deferred tax asset, £132,375 is expected to be utilised within 12 months.

The Directors are comfortable that the deferred tax asset will be fully recoverable against future trading profits of the Group.

	<b>30 June 2021</b>	<b>30 June 2020</b>
<b>COMPANY</b>	<b>£</b>	<b>£</b>
Capital allowances	319,123	343,288
General provisions/timing differences	12,456	7,510
	<u>331,579</u>	<u>350,798</u>
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>£</b>	<b>£</b>
Opening balance	350,798	478,516
Adjustment in respect of prior years	4,043	(63,029)
Charge for the year	(23,262)	(64,689)
Closing balance	<u>331,579</u>	<u>350,798</u>

Of the deferred tax asset, £115,423 is expected to be utilised within 12 months.

The Directors are comfortable that the deferred tax asset will be fully recoverable against future trading profits of the Group.

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group 30 June 2021 £	Group 30 June 2020 £	Company 30 June 2021 £	Company 30 June 2020 £
Bank loans and overdrafts	875,882	890,610	-	-
Obligations under finance leases	20,779	41,178	-	-
Fees in advance	23,292,614	22,960,604	20,317,198	19,687,221
Trade creditors	2,154,242	3,459,884	1,457,806	2,400,736
Amounts owed to group undertakings	-	-	123,481	88,389
Amounts owed to parent	10,514,625	10,535,158	10,514,625	10,519,325
Amounts owed to ultimate parent undertakings	4,720	5,326	-	-
Taxation and social security	1,558,627	2,145,790	1,429,466	2,086,309
VAT payable	4,997,160	5,954,827	4,586,439	5,640,619
Other creditors	284,273	274,444	275,380	265,088
Accruals and deferred income	12,754,087	12,446,484	9,600,369	9,160,733
	<b>56,457,009</b>	<b>58,714,305</b>	<b>48,304,764</b>	<b>49,848,420</b>

Amounts owed to Parent Company and Group undertakings are repayable on demand. Amounts owed to Parent Company includes a loan of £10,500,000 (2020 - £10,500,000) that incurs interest at base rate plus 1.5%.

The UK government has made available a range of business support measures during COVID-19. The Group has benefited directly from government assistance in the form of payment deferrals for VAT. The VAT payments due to be paid between 20th March 2020 and 30th June 2020, were deferred, with the amount being spread over 11 monthly instalments from March 2021 to January 2022. The amount deferred as at 30 June 2021 is £2,156,584.50.

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

**Other creditors, loans and accruals**

	Group 30 June 2021 £	Group 30 June 2020 £	Company 30 June 2021 £	Company 30 June 2020 £
Bank loans and overdrafts	6,131,172	7,124,875	-	-
Obligations under finance leases	9,510	40,220	-	-
Other creditors and accruals	222,955	218,570	-	-
	<b>6,363,637</b>	<b>7,383,665</b>	<b>-</b>	<b>-</b>

The bank loan is repayable in instalments to 2029. Interest is payable on the bank loan at a fixed rate of 4.25% on the principal amount outstanding.

	Group 30 June 2021 £	Group 30 June 2020 £
<b>Bank loans</b>		
Between one and five years	3,503,527	3,562,437
After five years	2,627,645	3,562,438
	<b>6,131,172</b>	<b>7,124,875</b>

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

	<b>Group 30 June 2021 £</b>	<b>Group 30 June 2020 £</b>
Other creditors		
Between one and five years	222,955	218,570
	<u>222,955</u>	<u>218,570</u>

Finance leases are repayable as follows:

	<b>Group 30 June 2021 £</b>	<b>Group 30 June 2020 £</b>
<b>Minimum lease payments</b>		
Within one year	21,292	44,411
In the second to fifth years inclusive	9,637	41,272
Less: future finance charges	(640)	(4,285)
Present value of lease obligations	<u>30,289</u>	<u>81,398</u>

	<b>Group 30 June 2021 £</b>	<b>Group 30 June 2020 £</b>
<b>Present value of minimum lease payments</b>		
Within one year	20,779	41,178
In the second to fifth years inclusive	9,510	40,220
Present value of lease obligations	<u>30,289</u>	<u>81,398</u>

**19. PROVISIONS FOR LIABILITIES**

	<b>Group and Company Restructuring £</b>	<b>Group and Company Claims £</b>	<b>Group and Company Total £</b>
At 1 July 2020	704,568	-	704,568
Provided for in the current year	-	9,100,000	9,100,000
Utilised	(558,963)	-	(558,963)
Released	(145,605)	-	(145,605)
At 30 June 2021	<u>-</u>	<u>9,100,000</u>	<u>9,100,000</u>

During the current year, the Group recognised a provision of £9,100,000 relating to claims received in the ordinary course of business, where sufficient information has been received to estimate the outcome. In each case this value is well within the limit of indemnity under the professional indemnity insurance, therefore an equal amount has been recognised in other debtors (Note 15) and there is nothing recognised in the income statement.

During the previous year, the Group recognised a provision of £704,568 relating to redundancy and the restructuring of its operations in the United Kingdom. The provision was utilised and residual amount released within the year ended 30 June 2021 as expected.

**20. CALLED UP SHARE CAPITAL AND RESERVES**

	Company 30 June 2021 £	Company 30 June 2020 £
Called up, allotted and fully paid ordinary share capital		
7,000,000 (2020 – 7,000,000) ordinary shares of £1 each	7,000,000	7,000,000

The Company has one class of ordinary shares which carry no right to fixed income.

The Group and Company's other reserves are as follows :

The profit and loss reserve represents cumulative profits net of dividends paid.

The capital redemption reserve is a non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares, for which there has been no such transactions in the year.

**21. FINANCIAL COMMITMENTS**

**Capital Commitments - Group**

There were capital commitments contracted for but not provided at 30 June 2021 of £148,080 (2020 - £142,436).

**Capital Commitments - Company**

There were capital commitments contracted for but not provided at 30 June 2021 of £97,699 (2020 - £120,448).

**Operating lease commitments**

Total future minimum lease payments under non-cancellable operating leases are as follows:

GROUP	30 June 2021	30 June 2021	30 June 2020	30 June 2020
	Other	Land and Buildings	Other	Land and Buildings
	£	£	£	£
Leases which expire:				
Within one year	2,118,208	4,182,986	921,495	4,357,537
Within 2 to 5 years	2,843,735	18,346,037	899,391	17,976,560
After 5 years	-	15,022,232	-	19,775,649
	4,961,943	37,551,255	1,820,886	42,109,746
COMPANY	30 June 2021	30 June 2021	30 June 2020	30 June 2020
	Other	Land and Buildings	Other	Land and Buildings
	£	£	£	£
Leases which expire:				
Within one year	2,113,375	3,380,659	920,971	3,416,955
Within 2 to 5 years	2,837,883	12,594,559	899,391	12,592,513
After 5 years	-	5,641,171	-	8,949,913
	4,951,258	21,616,389	1,820,362	24,959,381

**Other commitments**

An unlimited multilateral guarantee has been given by the Company in favour of the bank, to secure all present and future indebtedness and liabilities to the bank arising of the Company and its immediate Parent Company, BDP Holdings Limited.

## 22. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption in FRS 102 Section 33 'Related Party Disclosures' not to disclose transactions with wholly owned members of the same group and from disclosing company key management personnel compensation.

## 23. CASH FLOW STATEMENT

Reconciliation of operating profit to cash generated by operations:

	Group Year ended 30 June 2021 £	Group year ended 30 June 2020 £
Operating profit	13,607,814	13,263,901
Adjustment for:		
Amortisation	1,546,959	2,060,687
Depreciation	1,576,938	1,617,681
Loss/(Profit) on sale of fixed assets	20,571	(963)
Operating cash flow before movement in working capital	16,752,282	16,941,306
(Increase)/decrease in amounts recoverable on contracts	(593,884)	117,497
Increase in debtors	(4,991,793)	(1,878,978)
(Decrease)/Increase in creditors	(2,877,820)	9,480,415
Cash generated by operations	8,288,785	24,660,240
Corporation tax paid	(2,139,634)	(1,221,452)
Foreign tax paid	(815,357)	(813,785)
Net cash inflow from operating activities	5,333,794	22,625,003

## 24. CONTINGENT LIABILITIES

Aside from the provision for claims recognised in Note 19; the Group has received notification of other claims in the normal course of business which are remote or not sufficiently progressed to reliably estimate therefore no provision has been made in relation to these. The Directors are satisfied that there is no exposure to the Group based on the status of these claims.

## 25. PARENT COMPANY

The Company's immediate Parent Company is BDP Holdings Limited, and the Company's Ultimate Parent Company is Nippon Koei Co. Ltd, a Japanese company listed on the Tokyo Stock Exchange. For the year ended 30 June 2021, the BDP Holdings Limited financial statements are the smallest group that the Company consolidates into. Copies of the Group financial statements of BDP Holdings Limited may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The largest group that the Company consolidates into is the consolidated financial statements of Nippon Koei Co. Ltd, whose financial statements are publicly available on their website or from the following address: Nippon Koei, 5-4 Kojimachi, Chiyoda-ku, Tokyo, 102-8539, Japan.



**26. RESTATEMENT OF COMPARATIVE INFORMATION**

The restatement of the prior year consolidated Profit and Loss account relates to receipts from government subsidy schemes being recognised as other income rather than being offset against staff costs, in line with requirements under FRS 102. The impact of the restatement has no impact on operating profit of the prior year.

	Year ended 30 June 2020		Year ended 30 June 2020
	£	£	£
	As reported	Adjustment	Re-stated
Turnover	131,312,685	-	131,312,685
Other operating income	1,235,929	1,318,210	2,554,139
	<u>132,548,614</u>	<u>1,318,210</u>	<u>133,866,824</u>
Staff costs			
- wages and salaries	(65,646,365)	(1,268,500)	(66,914,865)
- social security costs	(6,846,020)	(41,510)	(6,887,530)
- other pension costs	(2,904,179)	(8,200)	(2,912,379)
Depreciation and other amounts written off tangible and intangible fixed assets	(3,678,368)	-	(3,678,368)
Other operating expenses	(40,209,781)	-	(40,209,781)
	<u>(119,284,713)</u>	<u>(1,318,210)</u>	<u>(120,602,923)</u>
Operating profit and profit before interest and taxation	<u>13,263,901</u>	<u>-</u>	<u>13,263,901</u>

**27. SUBSEQUENT EVENTS**

On 1 July 2021, the Group completed the acquisition of Pattern Design Limited (Pattern), for total fair value purchase consideration of £2.8 million, of which £1.2 million is deferred. £1.7 million was transferred into escrow ahead of the year end and is included within prepayments in Note 15. The Group has strengthened its capabilities in the sports sector with this acquisition of Pattern, a global stadia design specialist.

At the time of approval of the financial statements the purchase price allocation was ongoing. There is anticipated goodwill and other intangible assets with a value of £2.3 million.

Additionally, a dividend of £8,000,000 (2020 - £8,000,000) was approved after the year end at the October 2021 Board meeting.