Registered Number 05976343

Foster + Partners Group Limited

Annual Report & Consolidated Financial Statements

For the year ended 30 April 2012

Registered Office:

Riverside Three Albert Wharf
22 Hester Road
London
SW11 4AN

Foster + Partners Group Limited

Annual report and consolidated financial statements for the year ended 30 April 2012

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Foster + Partners Group Limited

Report and consolidated financial statements for the year ended 30 April 2012

Directors and professional advisors

BOARD OF DIRECTORS	Lord Foster of Thames Bank, OM M Majidi D B Nelson M A Streets V Ganzi D Whileman
COMPANY SECRETARY	M Sutcliffe
REGISTERED OFFICE	Riverside Three Albert Wharf, 22 Hester Road, London, SW11 4AN
BANKERS	Lloyds TSB Bank plc Threadneedle Street Branch 39 Threadneedle Street, London, EC2R 8AU
SOLICITORS	Fishburns 60 Fenchurch Street, London, EC3M 4AD Travers Smith 10 Snow Hill, London, EC1A 2AL Squire, Sanders & Dempsey (UK) LLP 7 Devonshire Square, London, EC2M 4YH
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place, London, WC2N 6RH
REGISTERED NUMBER	5976343

Chairman's statement
For the year ended 30 April 2012

Anyone who has qualified to fly an aircraft on instruments will be familiar with the adage that "the pilot has to look at some of the instruments all of the time and all of the instruments some of the time"

If the word "projects" is substituted for "instruments" then this sentence would describe a significant part of my activities As a designer leading a design-led practice my close personal attachment to several designated projects ensures that as Chairman and Founder I do not lose touch with the everyday realities of what is involved in running a job This role takes me to regular monthly client meetings on the East and West coasts of the United States In Europe I am similarly active on research-led infrastructure initiatives as well as a small number of selected projects This intimate relationship to individual works is complemented by my wider role as Chairman of the Design Board which oversees all of our work

Looking back over the year my main emphasis has been leading the growth of the practice and its activities into North America and South America with important visits to Rio de Janeiro and Sao Paulo This is in addition to one major Asian trip focussed on the work of our Hong Kong office

These expansionist activities have been combined with personal contributions to the wider debate on the future of cities, infrastructure and the role of individual buildings In Rio de Janeiro I joined with the Mayor, the artist Vic Muniz and the curator Hans Ulrich Obrist to publically debate urban issues In September I addressed the local and international press on the expansion of Hong Kong with our West Kowloon Cultural District proposals Through a televised conversation with the architect Oscar Niemeyer I discussed the lessons of Brasilia for a rapidly urbanising world In New York I presented our School of Management at Yale University to Deans and Heads of universities from around the world, with a strong emphasis on the emerging economies I showed our Campus for Apple at the select "Top 100" event in Carmel Valley In London I launched our Thames Hub proposals in November and followed this up three months later with a second press initiative These proposals also featured in my keynote address to the international engineering conference of the IABS

I continue to be the senior link with our studios in Madrid and New York, as well as London, engaging directly with the local team, our clients and potential customers in both cities Over the space of the year I have seen some of these exchanges blossom into active projects and competitions for which we have subsequently been shortlisted

On a more personal front I contributed the Dymaxion Car to Design Miami and gave the opening address to the Ivorypress Buckminster Fuller show at the Marta Herford Museum in Germany I also officiated on the annual Swiss Solar Prize created in my name in Geneva On the integration of Art and Architecture in our Yale SOM project I presented works by the late Sol LeWitt together with site specific installations by the Swiss artist Adrian Schiess In January I received the Degree Honoris Causa from the Polytechnic University of Madrid and combined this with an address to students and faculty With my colleagues I attended the presentations of the practices first sponsored chair at Oxford University to Glenn Lowry, Director of New York's Museum of Modern Art At the same university I also delivered my annual address as part of the Humanitas series of Honorary Professors

Foster + Partners Group Limited

A recurring theme in these annual reports is my continuing strategy to encourage diversification This can be in the range of services that we can provide (to promote better integration of design), the scope of our building types and the geographical spread of our work as a global practice The beginning of these strategies can be traced back to the early nineteen seventies, when we opened an office in Oslo for the Fred Olsen projects From its early roots in designing for industry the practice has expanded over the years to serve the arts, transportation, business, education and medicine Reflecting my personal view of design as all–embracing, the skill base has in parallel expanded into city planning and infrastructure at the mega scale to furniture and products at the domestic scale This year has seen a further expansion of these trends and it is the extent of this diversification which has enabled us to perform so well in the challenging economic climate of this year

We also continue to increase our research teams in the fields of materials, climatology and operational studies   A prime example this year was our ability to directly monitor and evaluate the performance of our Masdar project after the completion of its first stage The in–house team with its own specialised equipment was able to undertake such studies which are traditionally outside the scope of the normal engineering consultancies

With internal expansion into the related professions of structural and environmental engineering we have also, in this last year, returned to our roots by integrating structural and environmental engineering into the practice It is easy to forget that projects of the early years such as the Sainsbury Centre, Willis Faber and Stansted Airport, were all the products of an holistic design approach with in-house engineering expertise To keep pace with progressive change our organisational structure encourages a wide spread of longer term investment by individuals in the practice

I find it reassuring in our increasingly digital world that the demands for physical modelling, whether scaled models or full–sized mocks-up, continues to grow In part this reflects my belief that nothing can tell the story of a building as well as a physical simulation This personal philosophy has now become an integral part of our design approach It is not only valuable for us as designers but offers the client a true insight into the appearance and function of a building at an early stage This year marks a significant increase in the creation of full-size prototypes ahead of the start of construction We have also in the last twelve months grown our facilities for creating sketch models–accessible to all of our designers–as well as more sophisticated workshops and prototyping machines for our specialist teams

2012 was a significant year with the move from rental work spaces into new custom-designed studio and support spaces alongside our original Riverside building That we have been able to invest in our future during a time of economic uncertainty is a sign of the energy and optimism that continues to drive the practice forward in the quest for quality of design, execution and innovation Significantly the average age remains the same as forty five years ago and reflects the ongoing strength of our being able to attract the best young graduates from around the world as well as retaining the most talented senior individuals who bring almost forty years experience with the practice I am grateful for the efforts of the total team and proud to be a part of it

Lord Foster of Thames Bank OM
Founder and Chairman
15 June 2012

Chief executive's review
For the year ended 30 April 2012

This year is significant in being the first in which we have provided a complete, integrated design service across a range of projects This integrated approach allows us to take on some of the largest and most complex projects worldwide while at the same time delivering a very personal service to our clients and maintaining high standards of quality in all aspects of our work Our six design groups and two engineering groups are supported internally by a range of highly skilled specialist teams that include, research and development, urban planning, project management, workplace planning, industrial design, interior design, specialist modelling and applied research, design communications, construction review and materials research and information

We are a global design practice, with projects on five continents Our clients come from a diverse range of geographic areas including high growth economies where we continue to generate significant amounts of revenue Our current order book stands at £207m with turnover for the year at £161 5m (2011 £159 3m) and EBITDA (earnings before interest, taxation, depreciation and amortisation) before exceptionals ending the year at £46 0m (2011 £49 6m) It has been a record year for the number of enquiries, fee proposals and conversions despite a difficult trading environment Our geographic diversification reduces our exposure to economic conditions in any single region The team now numbers some 1,170 (2011 1,115) and we have maintained our very solid earnings per head levels

Over the past year, we have completed a number of landmark projects, including The Troika in Kuala Lumpur, the souk at Central Market in Abu Dhabi, the Annette Strauss Artist Square in Dallas, and The Walbrook in the City of London Several projects passed significant milestones Planning permission was granted for two towers at Hermitage Plaza in Paris, for the Bloomberg Headquarters (after just four months), and for the first phase of our strategic masterplan for the Imperial War Museum's We also won the international competition for the Musée de la Romanitée in Narbonne and launched significant projects in the USA, including the New York Public Library, Yale University School of Management and a residential tower at UN Plaza We opened an office in California for the Apple Campus and another in Shanghai, which occupies one floor of our Jiu Shi tower

We began the year by winning the masterplan for the West Kowloon Cultural District in Hong Kong Further competition successes include a high-speed-rail station in Ourense, northern Spain, the Quartier des Carmes, Nîmes, and masterplans for ancient ports in Casablanca and Marseilles

We continue to invest in innovation and growth We opened a new sketch model shop facility with 3D printing and industrial design workshop, which is a hive of activity and a magnet for our architects and designers The enhanced Materials Research Centre (MRC) has greatly increased its floor space for materials display and has a new presentation area for the use of architects, clients and suppliers

Once again, Foster + Partners was voted the 'Most Admired Practice' by its peers in the BD World Architecture 100 poll, and we won 26 awards for our buildings, including the McLaren Production Centre, the UAE Pavilion at the Shanghai Expo, Khan Shatyr, The Index and the Sperone Westwater Gallery We were also recognised for our work in the Gulf with the British Business Forum Kuwait's 'Award for Business Excellence'

The practice values its collaborations with architecture schools, encouraging relevant areas of study through scholarships, prizes and lectures This was the sixth year of the RIBA Norman Foster Travelling Scholarship, and we supported graduate shows at the Bartlett, and the Architectural Association, where we also presented the annual AA Foster + Partners Prize As Humanitas Visiting Professor at the University of Oxford, Norman Foster delivered key lectures on infrastructure development, including the Thames Hub vision, and our annual Humanitas sponsored Visiting Chair for Museums, Galleries and Libraries this year was Glenn Lowry, Director of the Museum of Modern Art New York

We also exhibited widely In London, our work featured in the 'British Design' retrospective at the V&A, and the 'Designs of the Year' exhibition at the Design Museum We staged 'The Art of Architecture Foster + Partners' in the Hong Kong Arts Centre and the exhibition will tour to SPSI, Shanghai in August, raising our profile in this important market.

Staying ahead, creatively and innovatively, and building on our strengths have been the fundamental goals during a year that has proved challenging The practice's reputation rests not simply on the strength of its output – which uniquely spans a range from eco-cities to product design – but also on its ability to add value This is reflected in a design approach which is rooted in research, allied with a willingness to challenge conventions and ask the right questions Our continued investigation into sustainable solutions for architecture and infrastructure is just one area where we have made significant progress, thus strengthening our capabilities in this crucial area of design Foster + Partners continues to be recognised globally both for the quality of its products and the service it provides

In summary, it has been another year of significant progress We remain well-placed to embrace opportunities and react to the vagaries of the global economic scene As ever, none of this could be achieved without the talent and dedication of an incredible team

M Majidi
Chief Executive Officer
15 June 2012

Foster + Partners Group Limited

Directors' report
For the year ended 30 April 2012

The directors present their Group annual report and the audited consolidated financial statements of the Company and the Group for the year ended 30 April 2012

The results for the year, together with the comparative figures for the year ended 30 April 2011, have been prepared under International Financial Reporting Standards ("IFRS") as adopted by the European Union

Principal activities

The principal activities of the Group are architecture and design The Group has subsidiaries in Hong Kong, USA, Spain, Turkey, India, China, Germany, the Netherlands, Singapore, Brazil and Sweden, as well as the United Kingdom

The principal activity of the Company is that of a holding company of its direct and indirect subsidiaries

The Group differentiates itself by focussing on leading conceptual designs, which accommodate current day demands including, but not limited to, conserving environmental resources, creating signature buildings and enhancing the local environment in which the projects are located

Business review

A comprehensive business review and key performance indicators are contained in the Chief Executive's Review on pages 4 to 5

Business highlights

	2012	2011	2010
	£'000	£'000	£'000
Group turnover	161,514	159,266	134,113
EBITDA before exceptional items	46,014	49,640	43,795
Turnover per employee	141	154	143
Average number of employees (no)	1,150	1,036	936

EBITDA refers to operating profit before depreciation and exceptional items

Principal risks

The management of the business and the execution of the Group's strategy are subject to a number of risks These include but are not limited to

- Attracting and retaining staff of the appropriate calibre,
- The global demand for construction projects,
- Financial risks as described below, and
- Competition within the sector

Each risk is addressed under the relevant heading below

Employee involvement

The Group mitigates staff related risks through its commitment to creating an environment which will attract, retain and motivate employees of high calibre, taking into account the specific requirements of the Group's businesses

The Group's commitment to training and development is endorsed in the form of a Performance and Development Review Scheme, which forms part of the ongoing process of employee development

Employees are regularly communicated with and consulted by means of established communication channels such as team briefings and electronic mail

The Group has a firm policy of non-discrimination on grounds of gender, race, disability or other irrelevant factors

The Group recognises its duties to make proper provision for the health, safety and welfare at work of its employees

Global demand for construction projects

The Group mitigates the risk of fluctuating global demand by constantly monitoring the pipeline of work (contracted projects and potential projects) including analysis by region, work type and value and projecting the demand for staff of the appropriate technical ability accordingly This monitoring process, coupled with feedback from clients, potential clients and other key business contacts, also provides management with a sense of the competitive environment with which to influence, as necessary, business decisions Trading results, projections and economic indicators are continually monitored which allows for speedy action when required

Treasury and financial risk management

The Group's operations expose it to a variety of financial risks that include interest rate risk, foreign exchange risk, credit risk and liquidity risk

Treasury policies are designed to manage the main financial risks faced by the Group in relation to funding, investment and hedging These policies ensure that the borrowings and investments are with high quality counterparties, are limited to specific instruments, the exposure to any one counterparty or type of instrument is controlled, and the Group's exposure to interest rate movements is maintained within set limits To mitigate interest rate risk the treasury function enters into derivatives transactions, principally interest rate caps and collars The purpose of these transactions is to manage the interest rate risks arising from the Group's underlying business operations No transactions of a purely speculative nature are undertaken The Board monitors the Group's financing through its regular review of trading performance and authorises all significant transactions

Foreign exchange risk arises because the group earns a proportion of its revenue in non-sterling currencies whereas the majority of the group's cost base is in Sterling This risk is mitigated by adopting conservative exchange rates when calculating the sterling equivalent of foreign currency denominated revenues The Group further manages its exposure to foreign exchange movements by converting those significant foreign currency cash balances in excess of future cash outflows in the same foreign currency, into sterling as soon as practicable The Group does not hold any financial instruments designed to manage fluctuations in foreign exchange rates

Credit risk is mitigated by adopting a policy of requesting fees in advance for its projects in addition to regular project reviews and constant monitoring of trade receivables

Liquidity risk is managed by regular cash and bank covenant forecasting In addition to cash balances the group has available an undrawn revolving credit facility of £10m

Competition risk

The Group mitigates the risks of competition by delivering leading edge designs, utilising the latest materials, recruiting the highest quality staff and continually broadening its geographic footprint.

The Board reviews and agrees policies for managing each of the above risks and they are summarised in note 28 to the financial statements

Going concern

The directors have reviewed the Group's financial position, projections and cash flows for the foreseeable future The process involved considering the critical assumptions which underpin the projections for operating profit, interest and taxation in addition to the projections for working capital flows, tax, interest and capital expenditure flows These projections generate significant headroom on the Group's banking covenants The combined effect of the strong operating cash flows and the significant covenant headroom support the directors' view that the Group has sufficient funds available to meet its foreseeable working capital requirements The directors have concluded that the going concern basis remains appropriate for the financial statements

The Company is to be provided financial support by the main trading company within the Group as necessary for at least one year after these financial statements are signed, thereby enabling the Company to meet its liabilities as they fall due and to continue as a going concern

Research and development

The Group commits resources to research in many areas including, but not limited to, the development of sustainable environments, the application of the latest materials, advanced computer modelling and sustainable housing models for application around the world

Charitable contributions

During the year the Group made donations in relation to sponsorship of £33,795 (2011 £66,287) to charitable bodies involved in the field of architecture and design

Disabled persons

The Group has continued the policy regarding the employment of disabled persons Full and fair consideration is given to applications for employment made by disabled persons having regard to their particular aptitudes and abilities Appropriate training is arranged for disabled persons, including re-training for alternative work of employees who become disabled, to promote their career development within the organisation

Future developments

Future developments are addressed within the reviews on pages 2 to 5

Results and dividends

The consolidated income statement is set out on page 13 and shows EBITDA of £46 0 million (2011 £49 6 million), a pre-tax profit of £5 7 million (2011 £11 0 million) and a post-tax profit of £0 2 million (2011 £5 2 million) for the year An analysis of turnover by geographical segment is shown in note 4 to these consolidated financial statements

As at 30 April 2012, the Group had cash of £14 1 million (2011 £7 4 million) Total net debt as of 30 April 2012 was £340 9 million (2011 £319 3 million) Total net debt comprises total bank loans and shareholder loan notes (note 17) less cash balances (note 16)

It is proposed that the profit for the financial year of £0 2 million (2011 £5 2 million) is transferred to reserves

The directors do not propose the payment of a dividend (2011 £nil)

Directors

The directors of the Company during the year and up to the date of approval of these financial statements were

Lord Foster of Thames Bank, OM
M Majidi
D B Nelson
M A Streets
V Ganzi *(Non-executive)*
D Whileman *(Non-executive)*

Company Secretary
M Sutcliffe

Foreign branches

Foster + Partners Limited, an indirect subsidiary undertaking, has a branch registered in Dublin, Republic of Ireland

Statement of directors' responsibilities

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Provision of information to auditors

Having taken appropriate steps to make themselves and their auditors aware of relevant audit information, each of the persons who is a director at the date of approval of this report confirms that the directors are not aware of any such information which has not been made available to the auditors The directors have taken all 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 auditors are aware of that information

Independent Auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

On behalf of the board

M A Streets
Director
15 June 2012

Registered No 5976343

Independent auditors' report to the members of Foster + Partners Group Limited

We have audited the group and parent company financial statements (the "financial statements") of Foster + Partners Group Limited for the year ended 30 April 2012 which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated and Company statements of financial position, the Consolidated and Company statement of changes in equity and the Consolidated and Company statement of cashflows and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' responsibilities set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the group's and company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Foster + Partners Group Limited Annual Report and Consolidated Financial Statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2012 and of the group's profit and group's and parent company's cash flows for the year then ended,

- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,

- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006, and

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

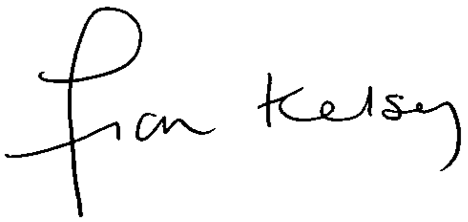
Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or

- the parent company financial statements are not in agreement with the accounting records and returns, or

- certain disclosures of directors' remuneration specified by law are not made, or

- we have not received all the information and explanations we require for our audit



Fiona Kelsey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 June 2012

Consolidated income statement
For the year ended 30 April 2012

	Notes	2012 £'000	2011 £'000
Revenue	4	161,514	159,266
Cost of sales		(73,150)	(63,580)
Gross profit		88,364	95,686
Administrative expenses		(45,154)	(48,559)
Administrative expenses – exceptional items	5	(1,089)	-
Total administrative expenses		(46,243)	(48,559)
Operating profit before depreciation and exceptional items		46,014	49,640
Depreciation	12	(2,804)	(2,513)
Exceptional items	5	(1,089)	-
Operating profit on ordinary activities before interest and taxation	6	42,121	47,127
Finance income	7	6	66
Finance costs	7	(36,465)	(36,214)
Finance costs - net		(36,459)	(36,148)
Profit before income tax		5,662	10,979
Income tax expense	9	(5,451)	(5,775)
Profit for the year attributable to equity shareholders		211	5,204

The notes on pages 21 to 52 are an integral part of these consolidated financial statements

The company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company income statement

The profit for the parent company for the year was £78,000 (2011 £74,000)

Consolidated statement of comprehensive income
For the year ended 30 April 2012

	2012 £'000	2011 £'000
Profit for the year	211	5,204
Other comprehensive income:		
Currency translation differences	(170)	(55)
Total comprehensive income attributable to equity holders	41	5,149

The notes on pages 21 to 52 are an integral part of these consolidated financial statements

Consolidated statement of financial position
As at 30 April 2012

	Notes	30 April 2012 £'000	30 April 2011 £'000
Assets			
Non-current assets			
Intangible assets	10	464	464
Goodwill	11	279,438	279,494
Property, plant and equipment	12	8,216	7,079
Deferred income tax assets	9	1,274	1,137
Derivative financial instruments	18	327	-
		289,719	288,174
Current assets			
Trade and other receivables	14	64,740	50,921
Cash and cash equivalents	16	14,106	7,385
		78,846	58,306
Total assets		368,565	346,480
Liabilities			
Current liabilities			
Borrowings	17	-	(4,000)
Derivative financial instruments	18	(1,233)	-
Trade and other payables	19	(50,020)	(50,406)
Income tax liabilities	9	(2,487)	(2,788)
		(53,740)	(57,194)
Non-current liabilities			
Borrowings	17	(355,014)	(322,637)
Derivative financial instruments	18	-	(6,481)
Other non-current payables	20	-	(182)
Provisions for liabilities and charges	22	(816)	(1,032)
		(355,830)	(330,332)
Total liabilities		(409,570)	(387,526)
Net liabilities		(41,005)	(41,046)
Equity			
Share capital	23	1,200	1,200
Share premium	23	559	559
Other reserves	24	(522)	(522)
Accumulated losses		(42,242)	(42,283)
Total equity		(41,005)	(41,046)

The accompanying notes on pages 21 to 52 form an integral part of these financial statements

These financial statements were approved by the Board of Directors on 15 June 2012

Signed on behalf of the Board of Directors

M A Streets
Director

M Majidi
Director

Consolidated statement of changes in equity
As at 30 April 2012

	Notes	Share capital £'000	Share premium £'000	ESOP reserve £'000	Treasury share reserve £'000	Accumulated losses £'000	Total equity £'000
Balance at 1 May 2010	24	1,200	514	(200)	(516)	(47,432)	(46,434)
Comprehensive income							
Profit for the year		-	-	-	-	5,204	5,204
Other comprehensive income							
Currency translation differences		-	-	-	-	(55)	(55)
Total other comprehensive income		-	-	-	-	(55)	(55)
Total comprehensive income		-	-	-	-	5,149	5,149
Transactions with owners							
Shares allotted		-	45	194	-	-	239
Total transactions with owners		-	45	194	-	-	239
Balance at 30 April 2011	23 & 24	1,200	559	(6)	(516)	(42,283)	(41,046)
Comprehensive income							
Profit for the year		-	-	-	-	211	211
Other comprehensive income							
Currency translation differences		-	-	-	-	(170)	(170)
Total other comprehensive income		-	-	-	-	(170)	(170)
Total comprehensive income for the period		-	-	-	-	41	41
Balance at 30 April 2012	23 & 24	1,200	559	(6)	(516)	(42,242)	(41,005)

The accompanying notes on pages 21 to 52 form an integral part of these financial statements

Consolidated statement of cash flows
For the year ended 30 April 2012

	Notes	2012 £'000	2011 £'000
Cash flows from operating activities			
Cash generated from operations	25	30,511	47,258
Interest received		6	66
Interest paid		(9,693)	(9,946)
Income tax paid		(5,839)	(2,146)
Net cash generated from operating activities		14,985	35,232
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	27	(154)	(1,586)
Purchase of property, plant and equipment	12	(3,940)	(3,670)
Net cash used in investing activities		(4,094)	(5,256)
Cash flows from financing activities			
Proceeds from allotted shares		-	239
Repayments of borrowings		(4,000)	(30,000)
Net cash used in financing activities		(4,000)	(29,761)
Net increase in cash and cash equivalents		6,891	215
Cash and cash equivalents at beginning of year	16	7,385	7,225
Exchange gains and losses		(170)	(55)
Cash and cash equivalents at end of year	16	14,106	7,385

The accompanying notes on pages 21 to 52 form an integral part of these financial statements

Company statement of financial position
As at 30 April 2012

	Notes	30 April 2012 £'000	30 April 2011 £'000
Assets			
Non-current assets			
Investments	13	-	-
Loans to group companies	15	935	851
		935	851
Current assets			
Trade and other receivables	14	1,428	1,200
Cash and cash equivalents	16	2	239
		1,430	1,439
Total assets		2,365	2,290
Liabilities			
Current liabilities			
Trade and other payables	19	-	(10)
		-	(10)
Non-current liabilities			
Loans from group companies	21	(251)	(244)
Provisions for liabilities and charges	22	(516)	(516)
		(767)	(760)
Total liabilities		(767)	(770)
Net asset		1,598	1,520
Equity			
Share capital	23	1,200	1,200
Share premium	23	559	559
Other reserves	24	(522)	(522)
Retained earnings		361	283
Total equity		1,598	1,520

The accompanying notes on pages 21 to 52 form an integral part of these financial statements

These financial statements were approved by the Board of Directors on 15 June 2012

Signed on behalf of the Board of Directors

M A Streets
Director

M Majidi
Director

Company statement of changes in equity
As at 30 April 2012

	Notes	Share capital £'000	Share premium £'000	ESOP reserve £'000	Treasury share reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 May 2010	24	1,200	514	(200)	(516)	209	1,207
Comprehensive income							
Profit for the year		-	-	-	-	74	74
Total comprehensive income	23 & 24	-	-	-	-	74	74
Transactions with owners							
Proceeds from allotted shares		-	45	194	-	-	239
Total transactions with owners		-	45	194	-	-	239
Balance at 30 April 2011	23 & 24	1,200	559	(6)	(516)	283	1,520
Comprehensive income							
Profit for the year		-	-	-	-	78	78
Total comprehensive income for the period		-	-	-	-	78	78
Balance at 30 April 2012		1,200	559	(6)	(516)	361	1,598

Company statement of cash flows
As at 30 April 2012

	Notes	2012 £'000	2011 £'000
Cash flows from operating activities			
Cash generated from operations	25	-	-
Net cash generated from operating activities		-	-
Cash flows from financing activities			
Amounts transferred to subsidiary undertakings		(237)	-
Proceeds from allotted shares		-	239
Net cash (used in) from financing activities		(237)	239
Net (decrease)/increase in cash and cash equivalents		(237)	239
Cash and cash equivalents at beginning of year		239	-
Cash and cash equivalents at end of year	16	2	239

The accompanying notes on pages 21 to 52 form an integral part of these financial statements

Notes to the Financial Statements

For the year ended 30 April 2012

1 General information

Foster + Partners Group Limited ('the Company') is incorporated and domiciled in the United Kingdom under the Companies Act 2006 The address of the registered office is Riverside Three, 22 Hester Road, London, SW11 4AN The principal activities of the company and its subsidiaries ('the Group') are disclosed in the director's report.

2 Summary of significant accounting policies

The principle accounting policies applied in the preparation of these consolidated financial statements are set out below The policies have been consistently applied to all the years presented, unless otherwise stated

2 1 Basis of preparation

The consolidated financial statements of Foster + Partners Group Limited have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments at fair value through profit or loss

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates It also requires management to exercise its judgement in the process of applying the Group's accounting policies The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3

2.1.1 Going concern

The directors have reviewed the Group's financial position, projections and cash flows for the foreseeable future The process involved considering the critical assumptions which underpin the projections for operating profit, interest and taxation in addition to the projections for working capital flows, tax, interest and capital expenditure flows These projections generate significant headroom on the Group's banking covenants The combined effect of the strong operating cash flows and the significant covenant headroom support the directors' view that the Group has sufficient funds available to meet its foreseeable working capital requirements The directors have concluded that the going concern basis remains appropriate for the financial statements

2 1.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 May 2011 that would be expected to have a material impact on the Group

Notes to the Financial Statements

For the year ended 30 April 2012

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 May 2011 and not early adopted

IAS 19, 'Employee benefits' was amended in June 2011 The Group is yet to assess the full impact of the amendments but additional disclosures may be required to present the characteristics of benefit plans and the amounts recognised in the financial statements The Group intends to adopt IAS 19 no later than the accounting period beginning on or after 1 January 2013, subject to endorsement by the EU

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities IFRS 9 was issued in November 2009 and October 2010 It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments IFRS 9 requires financial assets to be classified into two measurement categories those measured as at fair value and those measured at amortised cost The determination is made at initial recognition The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument For financial liabilities, the standard retains most of the IAS 39 requirements The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2013, subject to endorsement by the EU

IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company The standard provides additional guidance to assist in the determination of control where this is difficult to assess The Group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on or after 1 January 2013, subject to endorsement by the EU

IFRS 11, 'Joint arrangements' Changes in the definitions have reduced the 'types' of joint arrangements to two joint operations and joint ventures The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated Equity accounting is mandatory for participants in joint ventures Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today The Group is yet to assess IFRS 11's full impact and intends to adopt IFRS 11 no later than the accounting period beginning on or after 1 January 2013, subject to endorsement by the EU

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other vehicles held off the Statement of Financial Position The Group is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2013, subject to endorsement by the EU

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP The Group is yet to assess IFRS13's full impact and intends to adopt IFRS 13 no later than the accounting period beginning on or after 1 January 2012, subject to endorsement by the EU

2 2 Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights Subsidiaries are fully consolidated from the date on which control is transferred to the Group They are de-consolidated from the date that control ceases

The Group uses the acquisition method of accounting to account for business combinations The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group Acquisition costs are expensed as incurred The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill

Investments in subsidiaries are accounted for at cost less impairment.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation

The accounting reference date of the Company and its subsidiary undertakings is 30 April, apart from Foster and Partners Mimarlik Musavirlik Limited, Foster + Partners Architects (Tianjin) Co, Ltd, Foster Plus Partners Inc and F+P Architects New York Inc which have 31 December as their accounting reference date which are in line with local regulatory requirements

2.3 Goodwill and other intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition As permitted by IFRS 1, goodwill arising on acquisitions prior to 1 May 2009 (the date of transition to IFRS) has been grandfathered at the UK GAAP carrying value at that date

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses Any identified impairments would be charged directly to the income statement. Impairment losses on goodwill are not reversed

Goodwill is allocated to cash-generating units for the purpose of impairment testing The allocation is made to those cash generating units that are expected to benefit from the business combination in which the goodwill arose

Notes to the Financial Statements

For the year ended 30 April 2012

(b) Other intangible assets

Licences are shown at historical cost Licences acquired in a business combination are recognised at fair value at the acquisition date Licences are deemed to have an indefinite useful life and are tested annually for impairment and carried at cost less accumulated impairment losses Any identified impairments would be charged directly to the income statement

(c) Software licences

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software These costs are depreciated on a straight line basis over their estimated useful lives, being three years

Computer software which is integral to a related item of hardware equipment is capitalised as part of that equipment

Costs associated with maintaining computer software programmes are recognised as an expense as incurred

At each statement of financial position date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss

2.4 Property, plant and equipment

Property, plant and equipment is stated at cost or their fair value at acquisition less accumulated depreciation Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use

Depreciation is provided so as to write off the cost, or valuation, less any residual value, on a straight-line basis over the expected useful economic lives of the assets concerned by applying the following annual rates

Motor vehicles	25% per annum
Fixtures and fittings	12 5%-33 3% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period (note 2 5)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains – net' in the income statement.

Notes to the Financial Statements

For the year ended 30 April 2012

2 5 Impairment of non-financial assets

Assets that have an indefinite useful life – for example goodwill – are not subject to amortisation and are tested annually for impairment Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units) Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date

2 6 Cash and cash equivalents

Cash and cash equivalents shown in the statement of financial position includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less

2 7 Current and deferred income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company and its subsidiaries operate and generate taxable income Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future

Notes to the Financial Statements

For the year ended 30 April 2012

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity of different taxable entities where there is an intention to settle the balances on a net basis

2 8 Investments

Investments in subsidiaries are stated at cost less provision for any impairment Impairment reviews are performed whenever there has been an indication of potential impairment

2.9 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') The consolidated financial statements are presented in 'Sterling' (£), which is the company's functional and the Group's presentation currency

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement

(c) Group companies

The results and financial position of all Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions), and

(iii) All resulting exchange differences are recognised in other comprehensive income

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowing and other currency instruments designated as hedges of such investment, are taken to other comprehensive income When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale

Notes to the Financial Statements

For the year ended 30 April 2012

2.10 Financial instruments

Financial assets and liabilities are recognised on the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangement entered into An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities The Group identifies the following types of financial instrument

(a) Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets If not, they are presented as non-current assets

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment

(b) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer) If not, they are presented as non-current liabilities

Trade payables are recognised initially at fair value and subsequently measured at amortised cost

(c) Capital markets and bank borrowings

All borrowings are initially stated at the fair value of the consideration received after deduction of issue costs Issue costs together with finance costs are charged to the profit and loss account over the term of the borrowings and represent a constant proportion of the balance of capital repayments outstanding

(d) Derivative financial instruments

Derivative financial instruments are recognised at fair value The gain or loss on re-measurement to fair value is recognised immediately in profit or loss

The fair value of the interest rate cap and collar is the estimated amount that the Group would receive or pay to terminate the instrument at the statement of financial position date, taking into account current interest rates The interest rate cap and collar is not designated as a hedging relationship

Any income and expense arising through the use of the cap and collar is immediately recognised in income statement

Notes to the Financial Statements

For the year ended 30 April 2012

2 11 Segmental reporting

The Groups principle activities of architecture and design are reportable as a single operating segment Group wide geographic split of revenue, determined by location of project, is disclosed in note 4

2 12 Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for the Group's activity as described below The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement

Sales of services

The Group sells architectural and design services These services are provided on a fixed-price or a time based contract, with contracts generally ranging from less than one year to five years

Revenue is recognised progressively in line with the completion of projects, percentage completion is determined by the proportion of project cost incurred to date compared to total project cost to completion Profit on any work stage is only recognised to the extent that the total contract is assessed to be profitable Profitability is assessed at contract inception and is continually assessed throughout the term of the contract The amount by which recorded revenue is in excess of payments on account is included in debtors as amounts recoverable on contracts The amounts by which payments on account is in excess of recorded revenue is included in creditors as deferred income Full provision is made for any foreseeable losses

2 13 Leasing

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases Rentals payable under operating leases are charged against income on a straight-line basis over the lease term

Rentals receivable under sublease arrangements are recognised against rental expense on a straight-line bases over the lease term

2.14 Pension scheme arrangements

The Group operates several defined contribution pension schemes for the benefit of employees The amount charged to the profit and loss account is the contribution payable in the year

Payments made by the Group to personal pension schemes of employees are also charged to the income statement in the year they are incurred Differences between contributions payable and contributions actually paid are shown as either accruals or prepayments in the statement of financial position

Notes to the Financial Statements

For the year ended 30 April 2012

2.15 Joint arrangements that are not entities

In accordance with the requirements of IAS 31, Associates and Joint Ventures, where the Group has an interest in a jointly controlled operation ('JCO'), the Group accounts for its share of the income, expenses, assets, liabilities and cash flows relating to joint arrangements into which it has entered Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in joint ventures Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred

2.16 Provisions

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

2 17 Accounting for ESOP trusts

Own shares are held on the Group's behalf by the Employee Share Ownership ('ESOP') Trust to facilitate the operation of the Group's share ownership for senior management The entity's own shares are held in an ESOP trust as a deduction from shareholders' funds until they vest unconditionally with employees

2.18 Exceptional items

In order to understand the underlying performance of the business, material, non-recurring items are separately disclosed as exceptional items in the income statement

2 19 Share capital

Ordinary shares are classified as equity

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds

Notes to the Financial Statements

For the year ended 30 April 2012

3. Accounting estimates and judgements

The key sources of estimation uncertainty at the statement of financial position date are discussed below

(a) Carrying value of goodwill and intangible assets

Determining whether goodwill and intangible assets are impaired requires an estimation of the value in use of the cash generating units to which goodwill and intangible assets have been allocated The value in use calculation requires the entity to estimate the future cash flows expected to arise from each cash generating unit and a suitable discount rate in order to calculate present value Details of impairment reviews are provided in notes 10 and 11

(b) Impairment of trade debtors

The Group exercises judgement in its assessment of the collectability of trade debtors The Group monitors debtors continually and reports on a weekly basis to Group director level on any risks or trends evident among the Group's client base This process allows the Group to assess potential impairments caused by specific client or project related factors in addition to wider macro economic effects The assessment of the impairment of trade debtors is performed on a project by project basis taking into account all relevant known factors

(c) Fair value of derivative financial instruments

Note 18 includes details of the fair value of the derivative instruments that the Group holds at 30 April 2012

(d) Revenue recognition

Note 2 12 contains details of accounting estimates and judgements in relation to revenue recognition

Notes to the Financial Statements

For the year ended 30 April 2012

4 Revenue

Revenue is wholly attributable to the principal activity of the Group. The analysis by geographical area, based upon the location of each project, is set out below

Geographical area	2012 £'000	2011 £'000
Asia	52,245	50,080
Middle East	32,672	39,960
North America	27,419	29,053
Continental Europe	19,952	17,500
United Kingdom	16,433	11,466
Africa	6,515	7,087
South America	5,728	3,189
Australasia	550	931
	161,514	159,266

5 Exceptional items

The 2011 acquisition of Piers Heath Associates Limited involved cash consideration of £1 717 million and deferred consideration up to a maximum of £2.178 million The deferred consideration is payable in the form of loan notes to be issued in February 2013 In accordance with IFRS 3 the deferred consideration, which has been treated as remuneration payments, is being accrued on a straight line basis over the period to February 2013 This results in a charge for the year of £1 089 million

This is classed as exceptional due to its size and non-recurring nature

Notes to the Financial Statements

For the year ended 30 April 2012

6 Operating profit

	2012 £'000	2011 £'000
Operating profit is stated after charging		
Staff costs (note 8)	59,331	58,277
Depreciation of property, plant and equipment	2,804	2,513
Operating lease charges	5,088	4,472
Auditors remuneration (see below)	582	430
Exchange (gain)/loss	(1,725)	1,957

Auditors, remuneration	2012 £'000	2011 £'000
Fees payable to company auditors for the audit of parent company and consolidated financial statements	18	18
Fees payable to company auditors for the audit of company's subsidiaries	72	72
Fees payable for taxation services	367	157
Fees payable for other services	125	183
	582	430

7 Finance income and costs

	2012 £'000	2011 £'000
Finance expense		
Interest expense on secured bank loans	(9,868)	(10,347)
Interest expense on unsecured loan notes	(31,930)	(29,464)
Other interest payable	(126)	(117)
Interest rate cap and collar fair value	5,459	3,714
Total finance costs	(36,465)	(36,214)
Finance income		
Interest income	6	66
Total finance income	6	66
Net finance costs	(36,459)	(36,148)

Notes to the Financial Statements

For the year ended 30 April 2012

8 Directors emoluments and employees

Group

(a) Employee benefit expense

	2012 £'000	2011 £'000
Employee costs during the year (including directors)		
Wages and salaries	52,060	51,482
Social security costs	5,111	5,009
Pension costs - defined contribution (note 30)	2,160	1,786
Total	59,331	58,277

In addition to the above costs there are £1 089 million of employee remuneration payments as disclosed in note 5, exceptional items

(b) Average number of people employed

	2012 Number	2011 Number
Average number of people employed during the year (including directors)		
Technical	911	823
Administration	239	213
	1,150	1,036

The company had no employees in the current and preceding year

(c) Directors emoluments and key management compensation

Key management are considered to be the directors

	2012 £'000	2011 £'000
Directors' emoluments		
Aggregate emoluments	2,540	4,675
Pension costs - defined contribution (note 30)	187	198
Total	2,727	4,873

Three of the company's six directors were in the Group's defined contribution pension scheme during the year (2011 3)

Notes to the Financial Statements

For the year ended 30 April 2012

The Company directors' remuneration is borne by the subsidiary undertaking Foster + Partners Limited

The Group's activities are conducted through Foster + Partners Limited and its subsidiaries and accordingly no remuneration cost is reflected in the Company

	2012 £'000	2011 £'000
Highest paid director		
Aggregate emoluments	920	1,825

Company directors holding C ordinary shares are entitled to participate in the Group's cash settled share based payments scheme See note 22

9 Income tax expense

(a) Tax on profit on ordinary activities:

	2012 £'000	2011 £'000
Current tax		
UK corporation tax	3,948	4,700
Overseas tax	1,311	1,219
Adjustments in respect of prior periods	329	(14)
Total tax charge	5,588	5,905
Deferred tax		
Origination and reversal of timing differences	(221)	(85)
Adjustments in respect of prior periods	84	(45)
Total deferred tax charge	(137)	(130)
Tax on profit on ordinary activities	5,451	5,775

Notes to the Financial Statements

For the year ended 30 April 2012

(b) Reconciliation of the total tax charge

The tax charge reported in the income statement for the year is different to the standard rate of Corporation Tax in the UK of 25 84% (2011 27 92%) The differences are reconciled below

	2012 £'000	2011 £'000
Profit on ordinary activities before taxation	5,662	10,979
Accounting profit multiplied by the UK standard rate of Corporation Tax of 25 84% (2011 27 92%)	1,463	3,065
Expenses not deductible for tax purposes	3,038	2,748
Overseas tax paid	1,311	1,219
Double tax relief	(847)	(1,218)
Adjustments in respect of prior periods	413	(59)
Impact of change in rates	-	6
Temporary differences for which no deferred tax asset has been recognised	74	14
Other	(1)	-
Total tax charge	5,451	5,775

Temporary difference for which no deferred tax asset has been recognised is in respect of overseas losses which may not be recoverable

(c) The deferred tax included in the statement of financial position is as follows·

Deferred tax asset	2012 £'000	2011 £'000
Depreciation in excess of capital allowances	765	842
Short term timing differences	509	295
	1,274	1,137

At start of period	1,137
Deferred tax charge in the profit and loss account for the financial year	137
	1,274

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements

Notes to the Financial Statements

For the year ended 30 April 2012

The deferred tax asset has been analysed between current and non-current as follows

	2012 £'000	2011 £'000
Depreciation in excess of capital allowances		
Deferred tax to be recovered within 12 months	-	134
Deferred tax to be recovered after more than 12 months	765	708
	765	842
Short term timing differences		
Deferred tax to be recovered within 12 months	50	46
Deferred tax to be recovered after more than 12 months	459	249
	509	295

Deferred tax assets have been recognised in respect of temporary differences giving rise to deferred tax assets where it is considered probable that these assets will be recovered

(d) Income tax liabilities

	2012 £'000	2011 £'000
Corporation tax liability	2,487	2,788
	2,487	2,788

(e) Factors that may affect future tax charges

Changes in tax rate

A number of changes to the main rate of UK corporation tax were introduced in the 2010, 2011 and 2012 UK Budgets The Finance Act (No 2) which was substantively enacted on 20 July 2010 includes legislation reducing the main rate of corporation tax from 28% to 27% from 1 April 2011 In March 2011 a further reduction in the main rate of corporation tax to 26% from 1 April 2011 was announced following the conclusion of the March 2011 Budget statements Legislation was introduced in the Finance Act 2011 to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 Finally, in the 2012 Budget statement it was announced that the main rate of corporation tax would be reduced to 24% from 1 April 2012 This was substantively enacted on 26 March 2012 These changes have been appropriately reflected in the financial statements

The 2012 Budget also proposes to reduce the main rate of corporation tax to 23% from 1 April 2013 and 22% from 1 April 2014 These changes have not been substantively enacted as at the statement of financial position date and so have not been included The impact on the financial statements of these changes is not expected to be significant.

Notes to the Financial Statements

For the year ended 30 April 2012

Deferred tax on overseas earnings

Since 1 July 2009, the receipt of overseas dividends is largely exempt from UK tax consequently, no deferred tax is recognised on unremitted earnings from overseas subsidiaries

10 Intangible assets

Group (Company. £nil)	Intangible assets £'000
Cost	
At 30 April 2010, 2011 and 2012	464
Impairment	
At 30 April 2010, 2011 and 2012	-
Net book value	
At 30 April 2012	464
At 30 April 2011	464
At 30 April 2010	464

Intangible assets are comprised solely of the value of indefinite architectural licenses in New York, USA The carrying value has been tested for impairment based on a value in use calculation The calculation of recoverable amount used pre tax cash flows taken from relevant project plans approved by management

Notes to the Financial Statements

For the year ended 30 April 2012

11 Goodwill

Group	Goodwill £'000
Cost	
30 April 2010	**277,634**
Acquisition of subsidiary	1,860
At 30 April 2011	**279,494**
Adjustment to goodwill	(56)
At 30 April 2012	**279,438**
Impairment	
At 30 April 2010, 2011 and 2012	-
Net book value	
At 30 April 2012	**279,438**
At 30 April 2011	279,494
At 30 April 2010	277,634

The carrying amount of goodwill relates to the business of Foster Group (International) Limited acquired in 2007 and the 2011 acquisition of Piers Heath Associates Limited The acquired businesses are managed as a single unit and accordingly goodwill is not allocated on a segmental basis The carrying value has been tested for impairment with the recoverable amount based on a value in use calculation The calculation of recoverable amount used pre-tax cash flows taken from medium term business plans approved by management and adopted reasonable assumptions based on historical information and external market expectations for periods beyond those plans The assumption in the impairment test for growth beyond the 5 year medium term plans has been set at 1% and the pre-tax discount rate used was 13% which was based on the weighted average cost of capital (2011 13%)

The current year adjustment to goodwill of £(56,000) is a result of an adjustment to the fair value estimations in relation to the 2011 acquisition of Piers Heath Associates Limited, note 27

Notes to the Financial Statements

For the year ended 30 April 2012

12 Property, plant and equipment

Group (Company £nil)	Motor vehicles £'000	Fixtures & fittings £'000	Total £'000
Cost			
At 30 April 2010	92	23,298	23,390
Additions	18	3,652	3,670
Disposals	-	(27)	(27)
Foreign exchange	-	(29)	(29)
At 30 April 2011	110	26,894	27,004
Additions	-	3,940	3,940
Disposals	-	(52)	(52)
Foreign exchange	-	(15)	(15)
At 30 April 2012	110	30,767	30,877
Accumulated depreciation			
At 30 April 2010	84	17,384	17,468
Charge for the year	2	2,511	2,513
Disposals	-	(19)	(19)
Foreign exchange	-	(37)	(37)
At 30 April 2011	86	19,839	19,925
Charge for the year	2	2,802	2,804
Disposals	-	(52)	(52)
Foreign exchange	-	(16)	(16)
At 30 April 2012	88	22,573	22,661
Net book value			
At 30 April 2012	22	8,194	8,216
At 30 April 2011	24	7,055	7,079
At 30 April 2010	8	5,914	5,992

Depreciation expense of £2,804,000 (2011 £2,513,000) is included within 'administrative expenses'

Notes to the Financial Statements

For the year ended 30 April 2012

13 Investments

The Company holds the entire issued share capital of the following companies

Company	Country of incorporation	Principal activity	Shares held Class	%
Subsidiary undertaking				
Amber Midco Limited	England & Wales	Holding	Ordinary	100
Indirectly held subsidiary undertakings				
Amber Bidco Limited	England & Wales	Holding	Ordinary	100
Foster Group (International) Limited	England & Wales	Holding	Ordinary	100
Foster Holdings Limited	England & Wales	Holding	Ordinary	100
Foster + Partners Limited	England & Wales	Architects	Ordinary	100
Foster and Partners (Japan) Limited	England & Wales	Dormant	Ordinary	100
Piers Heath Associates Limited	England & Wales	Engineering	Ordinary	100
Foster and Partners (Hong Kong) Limited	Hong Kong	Architects	Ordinary	100
Foster and Partners (Singapore) Pte Ltd	Singapore	Architects	Ordinary	100
F & P Architekten GmbH	Germany	Architects	Ordinary	100
Office Design Services Limited	England & Wales	Printers	Ordinary	100
Foster (Nederland) BV	Netherlands	Dormant	Ordinary	100
Foster and Partners, S L	Spain	Architects	Ordinary	100
Foster Plus Partners Inc	USA	Architects	Ordinary	100
F+P Architects New York Inc	USA	Architects	Ordinary	100
Foster and Partners Mimarlik Musavirlik Limited	Turkey	Architects	Ordinary	100
Foster + Partners Architects (Tianjin) Co, Ltd	China	Architects	Ordinary	100
Foster Plus P India Private Limited	India	Architects	Ordinary	100
Foster + Partners Brasil Projetos E Constucoes LTDA	Brazil	Architects	Ordinary	100
Foster + Partners Sweden AB	Sweden	Architects	Ordinary	100

The directors believe that their underlying net assets support the carrying value of the investments

100% of the voting rights are owned for all subsidiaries

All subsidiary undertakings have been included in the consolidated financial statements

The investment in shares of Amber Midco Limited as at 30 April 2012 was £2 (2011 £2)

Notes to the Financial Statements

For the year ended 30 April 2012

14 Trade and other receivables

	Group 2012 £'000	Company 2012 £'000	Group 2011 £'000	Company 2011 £'000
Trade receivables	59,046	-	48,961	-
Less provision for impairment	(6,834)	-	(6,746)	-
	52,212	-	42,215	-
Amounts recoverable on contracts	7,920	-	4,986	-
Other receivables	1,905	-	1,398	-
Prepayments and accrued income	2,703	-	2,322	-
Amounts owed by subsidiary undertakings	-	1,428	-	1,200
	64,740	1,428	50,921	1,200

As at 30 April 2012, trade receivables of £187m (2011 £15 2m) were impaired by a bad debt provision The amount of the debt provision was £6 8m (2011 £6 7m) The individually impaired receivables relate to projects or clients where risks to collection or partial collection exist Some of those receivables deemed partially impaired may also have non-impaired balances of less than 120 days overdue and accordingly are also disclosed in the table below The ageing of these receivables is as follows

Group (Company: £nil)	2012 £'000	2011 £'000
Less than 120 days	4,241	4,187
More than 120 days	14,435	11,003
	18,676	15,190

As of 30 April 2012, trade receivables of £23 6m (2011 £21 7m) were past due but not impaired These relate to projects and clients where there is considered to be no risk of default The ageing of these trade receivables is as follows

Group (Company £nil)	2012 £'000	2011 £'000
Less than 120 days	19,035	16,318
More than 120 days	4,559	5,408
	23,594	21,726

Notes to the Financial Statements

For the year ended 30 April 2012

The carrying amounts of receivables are denominated in the following currencies

Group (Company. £nil)	2012 £'000	2011 £'000
US Dollar	33,025	20,674
Sterling	9,730	11,862
Euro	2,968	4,155
Kuwaiti Dinar	2,165	730
United Arab Emirates Dirhams	1,598	-
Hong Kong Dollar	1,142	624
Saudi Riyal	817	1,881
Chinese Renminbi	469	608
Brazilian Real	210	-
Danish Kroner	88	-
Australian Dollar	-	74
Canadian Dollar	-	131
Russian Rouble		1,476
	52,212	42,215

Movements on the provision for impairment of trade receivables are as follows

Group (Company £nil)	2012 £'000	2011 £'000
At 1 May	6,746	5,584
Provision for receivables impairment	4,128	3,513
Amounts reversed	(106)	(409)
Amounts utilised	(3,934)	(1,942)
At 30 April	6,834	6,746

The other classes of trade and other receivables do not contain impaired assets

The maximum exposure to credit risk at the reporting date is the book value of the receivable balances mentioned above

15 Loans to group companies

	Group 2012 £'000	Company 2012 £'000	Group 2011 £'000	Company 2011 £'000
Loans to other group companies	-	935	-	851

The interest rate on intercompany loans is set at 16 50% per annum The loans are unsecured and repayable upon maturity in May 2016 Loans are denominated in Sterling

Notes to the Financial Statements

For the year ended 30 April 2012

16 Cash and cash equivalents

	Group 2012 £'000	Company 2012 £'000	Group 2011 £'000	Company 2011 £'000
Cash at bank and in hand	14,106	2	7,385	239

17 Borrowings

Current liabilities

	Group 2012 £'000	Company 2012 £'000	Group 2011 £'000	Company 2011 £'000
Bank Loan	-	-	4,000	-

Non-current liabilities

	Group 2012 £'000	Company 2012 £'000	Group 2011 £'000	Company 2011 £'000
Bank loans	114,939	-	114,492	-
Unsecured loan notes	240,075	-	208,145	-
	355,014	-	322,637	-

The fair values of the financial liabilities at 30 April 2012 were the same as their carrying value

Bank loans (secured)

The secured bank loans have been arranged through Lloyds TSB Bank plc and arose as a result of the Foster Group (International) Limited acquisition Bank loans comprise a series of senior facilities with applicable interest rate margins of 1 50% to 4 25% above LIBOR All loans are denominated in Sterling

The issue costs are being amortised over the expected lives of the loans using the effective interest method

The above facilities are secured on the Group's assets and mature between 2013 and 2015

Notes to the Financial Statements

For the year ended 30 April 2012

Loan Notes (unsecured)

The Group issued unsecured loan notes on 10 May 2007 as part of the Foster Group (International) Limited acquisition The final redemption date is 9 May 2017 The interest rate on these unsecured loan notes ranges from 15% to 20% All of the loan notes carry a voluntary early redemption right, subject to prior agreement of a note holder majority and bank consent. All Loan Notes are denominated in Sterling

Loan Notes are listed at par value on the Channel Islands Stock Exchange During the year, the Group listed PIK Loan Notes at par value on the Channel Islands Stock Exchange Only certain PIK notes are listed at par value to satisfy interest obligations with respective Loan Notes The Loan Notes are transferable only amongst the existing holders, with note holder majority agreement

As at 30 April 2012 Lord Foster, M Majidi and M A Streets held loan notes with an aggregate par value of £51,666,000 (2011 £51,666,000)

18 Derivative financial instruments

Current liabilities

	Group 2012 £'000	Company 2012 £'000	Group 2011 £'000	Company 2011 £'000
Interest rate cap and collar	(1,269)	-	-	-
Unamortised interest cap and collar premium	850	-	-	-
Interest rate cap and collar premium amortisation	(814)	-	-	-
	(1,233)	-	-	-

Non-current assets/(liabilities)

	Group 2012 £'000	Company 2012 £'000	Group 2011 £'000	Company 2011 £'000
Interest rate cap and collar	69	-	(6,659)	-
Unamortised interest cap and collar premium	258	-	850	-
Interest rate cap and collar premium amortisation	-	-	(672)	-
	327	-	(6,481)	-

Derivative financial instruments are held at fair value There is no difference between carrying value and fair value The fair values assigned are considered to be level 2 fair values as they require the use of a valuation technique and a market price is not readily available

During the year the group secured a further cap covering a portion of borrowings which commences on the expiry of the existing cap and collar instrument in July 2012 and expires July 2014, note 28

Notes to the Financial Statements

For the year ended 30 April 2012

19 Trade and other payables

	Group 2012 £'000	Company 2012 £'000	Group 2011 £'000	Company 2011 £'000
Trade payables	2,716	-	2,870	-
Other taxation and social security	1,408	-	1,300	-
Other payables	269	-	545	-
Accruals	9,207	-	16,344	-
Deferred income	36,420	-	29,347	-
Amounts due to subsidiary undertakings	-	-	-	10
	50,020	-	50,406	10

The carrying amount of trade and other payables approximates to their fair value

Advances received in relation to contracts in progress amount to £11 8 million (2011 £10 641 million)

20 Other non-current payables

	Group 2012 £'000	Company 2012 £'000	Group 2011 £'000	Company 2011 £'000
Accruals	-	-	182	-

Prior year non-current accruals relate to employee remuneration payments in relation to the 2011 acquisition of Piers Heath Associates Limited The maximum employee remuneration payment of £2 178 million is payable in the form of loan notes to be issued in February 2013 with a final redemption date of 23 February Earlier repayment could occur upon a sale or listing of Foster + Partners Group Limited

The current year accrual of £1 271m is included within accruals under trade and other payables (note 19)

21 Loans from group companies

	Group 2012 £'000	Company 2012 £'000	Group 2011 £'000	Company 2011 £'000
Loans from other group companies	-	251	-	244

The coupon rate on intercompany loans is set at LIBOR plus 2 50% per annum on the principal balance The loans are unsecured and repayable upon maturity March 2017 Loans are denominated in Sterling

Notes to the Financial Statements

For the year ended 30 April 2012

22 Provisions for liabilities and charges

Group	Claims on contracts £'000	Loss making contracts £'000	Treasury share provision £'000	Restructuring provision £'000	Total £'000
At 30 April 2010	737	114	516	150	1,517
Profit and loss account charge	-	28	-	-	28
Released	(250)	-	-	(114)	(364)
Utilised	-	(113)	-	(36)	(149)
Balance at 30 April 2011	487	29	516	-	1,032
Released	(187)	-	-	-	(187)
Utilised	-	(29)	-	-	(29)
Balance at 30 April 2012	300	-	516	-	816

Company	Claims on contracts £'000	Loss making contracts £'000	Treasury share provision £'000	Restructuring provision £'000	Total £'000
At 30 April 2010	-	-	516	-	516
Movement	-	-	-	-	-
Balance at 30 April 2011	-	-	516	-	516
Movement	-	-	-	-	-
Balance at 30 April 2012	-	-	516	-	516

The provision for claims on contracts represent the directors' estimate of the potential cost of claims in respect of contracts There are several other notifications, which in the opinion of the directors, are not valid and have not been provided for

The provision for loss making contracts relates to anticipated future losses, which are expected to be utilised within one year

Treasury share provision relates to the Group's cash settled share based payment scheme As the Company has a stated intention to repurchase the C ordinary shares of eligible leavers, all C ordinary shares currently held by potential leavers are treated as cash-settled and in accordance with IAS 32

The restructuring provision as at the 30 April 2010 of £150,000 was fully released or utilised in the financial year ending 30 April 2011

Notes to the Financial Statements

For the year ended 30 April 2012

23 Called up equity share capital and share premium

Group and Company	Percentage	2012 £'000	2011 £'000
Authorised capital			
1,200,000 ordinary shares £1 each		1,200	1,200
Allotted, called up and fully paid			
479,774 £1 A ordinary shares	40%	480	480
338,705 £1 B ordinary shares	28%	339	339
381,521 £1 C ordinary shares	32%	381	381
Total	100%	1,200	1,200

All classes of shares carry one vote per share and are entitled to dividends subject to prior written consent by the holders of the A shares A shares may be redeemed at the price paid upon subscription, at the option of the holder provided a new subscriber subscribes for the same number of A shares.

The difference between the total consideration for share capital of £1,759,000 and the total nominal value of £1,200,000 has been credited to the share premium reserve (£559,000).

All shares held by employee trusts are deducted from shareholders' funds and are not classified as assets.

As at 30 April 2012 the ESOP trust owns 4,313 C ordinary shares in the Company (2011. 4,313)

24 Other reserves

Group and Company	ESOP reserve £'000	Treasury share reserve £'000	Total £'000
At 30 April 2010	(200)	(516)	(716)
Shares allotted	194	-	194
At 30 April 2011	(6)	(516)	(522)
Movement	-	-	-
At 30 April 2012	(6)	(516)	(522)

The treasury share reserve relates to the Group's cash settled share based payment scheme. As the Company has a stated intention to repurchase the C ordinary shares of eligible leavers, all C ordinary shares currently held by potential leavers are treated as cash-settled

The ESOP reserve represents the deduction in arriving at shareholders' funds for the consideration paid for the Company's shares purchased by the trust There is no charge to the profit and loss account because the shares were issued at market value

Notes to the Financial Statements

For the year ended 30 April 2012

25 Cash generated from operations

	Group 2012 £'000	Company 2012 £'000	Group 2011 £'000	Company 2011 £'000
Profit before income tax	5,662	-	10,979	-
Adjustment for				
Depreciation of property, plant and equipment	2,804	-	2,513	-
Finance costs - net	36,459	-	36,148	
(Increase)/Decrease in trade and other receivables	(13,625)	-	766	-
Decrease in trade and other payables	(789)	-	(3,158)	-
Cash generated from operations	30,511	-	47,258	-

26 Reconciliation of net cash flow to movement in net debt

	2012 £'000	2011 £'000
Increase in cash and cash equivalents in the year	6,721	160
Repayment of debt and lease financing	4,000	30,000
Changes in net debt from cash flows	10,721	30,160
Non-cash movements		
Interest rolled up into loans	(31,677)	(29,164)
Amortisation of bank and loan note fees	(699)	(852)
	(32,376)	(30,016)
Movement in net debt for the year	(21,655)	144
Net debt balance at 1 May	(319,253)	(319,397)
Net balance at 30 April	(340,908)	(319,253)

27 Acquisition of subsidiary undertakings

On 23 February 2011, the Group acquired, through its 100% owned indirect subsidiary Foster + Partners Limited, the entire share capital of Piers Heath Associates Limited for a cash consideration of £1 717 million The fair value of identifiable net liabilities acquired of £(0 143) million resulted in a goodwill addition of £1 860 million, note 11

During the current financial year additional cash consideration of £0 154 million was paid for additional identifiable assets of £0 210 million thereby reducing goodwill by £0 056 million, note 11

Notes to the Financial Statements

For the year ended 30 April 2012

28 Financial risk management

The Group's activities expose it to a variety of financial risks market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance The Group uses derivative financial instruments to hedge certain risk exposures

Risk management is led by senior management and treasury policies are designed to manage the main financial risks

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises because the group earns a proportion of its revenue in non-sterling currencies whereas the majority of the group's cost base is in Sterling This risk is mitigated by adopting conservative exchange rates when calculating the sterling equivalent of foreign currency denominated revenues The Group further manages its exposure to foreign exchange movements by converting those significant foreign currency cash balances in excess of future cash outflows in the same foreign currency, into sterling as soon as practicable The Group does not hold any financial instruments designed to manage fluctuations in foreign exchange rates The Group's primary currency exposure is to the US dollar At 30 April 2012, if Sterling had weakened/strengthened by 10 cents against the US dollar with all other variables constant, post tax profit for the year would have been £1 7m (2011 £1 030m) higher/lower due to foreign exchange gains/losses on translation of US dollar denominated trade receivables at that date Other currencies are not significant and therefore the impact to the post tax profit would be immaterial

(ii) Interest rate risk

The Group's policy is to minimise interest charges and to limit its exposure to volatility within the market The Group does not actively use derivative financial instruments as part of its risk management with the exception of a cap and collar on its interest rates This instrument mitigates the risk of rising interest rates by capping the rate at 6 30% on approximately 85% of the Group's current bank debt During 2011 and 2012, the Group's bank borrowings were denominated in Sterling At 30 April 2012 an increase or decrease of one percentage point in LIBOR would decrease or increase the Group's profit before tax for the year by £0 1m

The group has secured a new cap instrument that comes into effect in July 2012 and caps LIBOR on bank borrowings at 3% on approximately 85% of current bank debt, note 18

(b) Credit risk

The Group has implemented policies that require appropriate credit checks on potential clients before projects commence In addition, the Group has a policy of requesting fees in advance for its projects

Notes to the Financial Statements

For the year ended 30 April 2012

(c) Liquidity risk

The Group ensures it has sufficient cash and available funding through regular cash flow and covenant forecasting and regular invoicing on long term contracts The Group also has an undrawn revolving credit facility of £10 million available

The Group has £14 1 million of cash and cash equivalents (2011. £7.4 million) at the year-end held in bank accounts which is immediately available for use

Maturity analysis

The table below shows a maturity analysis of contractual undiscounted cash flows, showing items at the earliest date on which the Group could be required to pay the liability

At 30 April 2012	Less than 1 year £'000	Between 1 and 5 years £'000	Over 5 years £'000
Bank loans	-	115,845	-
Unsecured loan notes	-	-	240,075
Trade and other payables	12,329	-	-
Deferred consideration	1,271	-	-
	13,600	115,845	240,075
At 30 April 2011			
Bank loans	4,000	115,845	-
Unsecured loan notes	-	-	208,145
Trade and other payables	17,100	-	-
Deferred consideration	-	182	-
	20,170	116,027	208,145

In addition to the carrying value of the unsecured loan notes disclosed above, the undiscounted value of rolled up interest also falling due at maturity is £243 939 million (2011· £275.086 million)

(d) Capital risk management

The Group's objectives when managing capital are to maximise shareholder value while safeguarding the Group's ability to continue as a going concern In common with other private equity portfolio companies, the Group carries a high level of net debt compared to equity

Total capital is calculated as total equity as shown in the consolidated statement of financial position, plus net debt Net debt is calculated as the total of 'borrowings' as shown in the consolidated statement of financial position, less cash and cash equivalents

Notes to the Financial Statements

For the year ended 30 April 2012

(e) Fair value estimation

The Group maintains one derivative financial instrument, a cap and collar over a portion of secured bank loans This instrument's fair value is calculated as the present value of the estimated future cash flows based on observable yield curves (note 18)

29 Commitments

(a) Operating lease commitments

The Group leases various land and buildings under non-cancellable operating lease agreements The lease terms are between 1 and 20 years and have various terms and renewal rights

The lease expenditure charged to the income statement during the year is disclosed in note 6

The future aggregate lease payments under non-cancellable operating leases are as follows

Group	2012 £'000	2011 £'000
Within one year	4,880	4,247
Within two to five years	14,144	15,157
After 5 years	17,519	20,126
Total	36,543	39,530

The total future minimum sublease payments expected to be received under non-cancellable subleases are as follows

Group	2012 £'000	2011 £'000
Within one year	7	8
Within two to five years	27	32
After 5 years	-	5
Total	34	45

(b) Capital expenditure commitments

	Land and Buildings 2012 £'000	Land and buildings 2011 £'000
Total capital expenditure commitments contracted with third parties but not provided for at 30 April	90	293

Notes to the Financial Statements

For the year ended 30 April 2012

30 Pension schemes

The Group operates several defined contribution schemes for which the pension cost charges for the year amounted to £2,160,000 (2011 £1,786,000) As at 30 April 2012 a £207,000 creditor is held in the statement of financial position (2011 £178,000) for contributions to be paid over

31 Related party transactions

Key management are considered to be the Directors Details of emoluments and loan notes held are disclosed in notes 8 and 17 respectively

During the year, the Group leased premises on arms length, commercial terms from Foster Germany Limited, a related party entity, registered in England and Wales

The Company has intercompany loan amounts receivable and payable as disclosed in notes 15 and 21 respectively

32 Contingent assets and liabilities

At 30 April 2012, certain borrowings in Amber Bidco Limited, a subsidiary undertaking of Foster + Partners Group Limited, were secured on the Company's assets The amount of secured borrowings excluding finance leases as at 30 April 2012 was £101 7 million (2011 £112 5 million)

33 Ultimate parent company

The directors regard Foster + Partners Group Limited, incorporated in the United Kingdom, as the ultimate parent company of the Group

Foster + Partners Group Limited is the parent company of the largest and smallest Group of undertakings to consolidate these financial statements at 30 April 2012 Copies of the financial statements of Foster + Partners Group Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

The Group is controlled by senior management and 3i group of companies