

# **PLP Architecture Limited**

Report and Financial Statements

Year Ended

31 December 2017

Company number: 06956582

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# **PLP Architecture Limited**

## **Report and financial statements for the year ended 31 December 2017**

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### **Directors**

L Polisano  
D Leventhal

### **Secretary and registered office**

A C Plaw  
Ibex House  
42-47 Minories  
London  
EC3N 1DY

### **Company number**

06956582

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# PLP Architecture Limited

## Strategic report for the year ended 31 December 2017

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The Directors present their strategic report and the financial statements for the year ended 31 December 2017.

### Business review

The company is a multi-award winning firm of architects, designers and thinkers working on high profile projects internationally. It is based in London.

Architecture and design continues to be delivered to world-class standards. Buildings completed in the year include Nova, 73 Brook Street and Chiltern Place.

During the year, the staff transferred to PLP Architecture international Limited, an entity under common directorship. Since 1 October 2017, the company has no staff and its projects are staffed by PLP Architecture International Ltd. This has had a negative impact on both turnover and profit before tax but the business continues to have significant reserves.

### Principal risks and uncertainties

The business faces a number of risks including:

- *Fluctuations in the pipeline of work* – the pipeline of work is constantly updated and monitored, and appropriate actions taken where changes in the level of activity are expected.
- *Attracting and retaining high quality staff* – the London architectural market is enjoying a period of high activity and high quality staff are in demand. The business attracts and retains staff by offering competitive reward packages and through a focus on training and development. During the year, the company's staff transferred to PLP Architecture International Ltd, a company under common directorship.
- *Competition* – PLP operates in a highly competitive marketplace. The company remains vigilant and delivers highly innovative projects to mitigate this risk.
- *Treasury risks* – treasury risks include credit risk, liquidity risk, market risk, cash flow risk, and foreign exchange risk. The company has a conservative risk appetite and maintains a low exposure to these risks to minimise any potential impact. The company manages these risks by regularly monitoring and forecasting its cash flows and actively managing its debt book.

### Financial key performance indicators

The Directors measure the success of the company by looking at a range of indicators relating to project work and the allocation of resources to projects. Design excellence and a strong and sustainable financial base are the key areas of strategic performance monitored by the Board. The specific KPIs are tabled below.

- *Ensure that all major projects remain profitable* - The average operating profit of key projects continues to be above the level which maintains the financial strength of the business.
- *Maintain appropriate cash reserves to protect the business against economic uncertainty* - Cash reserves have been maintained at above £2 million, in line with expectations.
- *Maintain a strong presence in the London market with the majority of work being London based*. Our projects completed in 2017 include the Nova, 73 Brook Street and Chiltern Place.

# PLP Architecture Limited

Strategic report (*continued*)  
for the year ended 31 December 2017

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## Future developments

Whilst the business continues to flourish, there remain many uncertainties in the construction sector in the UK and worldwide. We will continue to carefully monitor developments in the market and respond appropriately.

This report was approved by the board and signed on its behalf.



L Polisano

Director

Date

24/2018

# **PLP Architecture Limited**

## **Report of the Directors for the year ended 31 December 2017**

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The Directors present their report and the financial statements for the year ended 31 December 2017.

### **Results**

The results of the company for the year ended 31 December 2017 are set out in the statement of comprehensive income and retained earnings on page 7 and show a loss for the year of £1,133,449 (2016: profit - £743,948).

No dividend was declared (2016: £1,026,217).

### **Directors**

The Directors who served during the year and to the date of this report were:

L Polisano  
D Leventhal

### **Going Concern**

The Directors have prepared the financial statements on a going concern basis which assumes that the company will continue in operation existence for the foreseeable future.

### **Directors' responsibilities**

The Directors are responsible for preparing the strategic report, the Directors' 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# PLP Architecture Limited

## Report of the Directors (*continued*) for the year ended 31 December 2017

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### Disclosure of information to auditors

The Directors have taken all of the steps that they ought to have taken to make themselves aware of any information needed by the auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

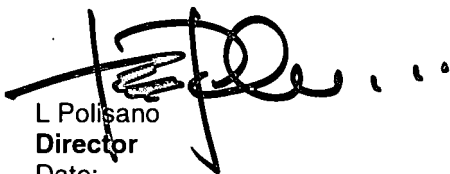

### Auditors

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

### Matters covered in the Strategic Report

As permitted by paragraph 1A of Schedule 7 to the large and medium sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 1-2. These matters relate to the principal activity and financial risk.

### On behalf of the Directors

  
L Polisano  
Director  
Date: 

# **PLP Architecture Limited**

## **Independent auditor's report**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLP ARCHITECTURE LIMITED**

#### **Opinion**

We have audited the financial statements of PLP Architecture Limited ("the Company") for the year ended 31 December 2017 which comprise the statement of comprehensive income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

# **PLP Architecture Limited**

## **Independent auditors' report (*continued*)**

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### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

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

# PLP Architecture Limited

## Independent auditors' report (continued)

### Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Carter-Pegg (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, UK  
Date

26/9/12

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# PLP Architecture Limited

## Statement of comprehensive income and retained earnings for the year ended 31 December 2017

	Note	2017 £	2016 £
<b>Turnover</b>	3	<b>13,861,688</b>	20,657,016
Cost of sales		<b>(10,877,571)</b>	(15,041,636)
<b>Gross profit</b>		<b>2,984,117</b>	5,615,380
Administrative expenses		<b>(4,494,044)</b>	(4,682,888)
<b>Operating (loss)/ profit</b>	4	<b>(1,509,927)</b>	932,492
Interest receivable and similar income		<b>25,466</b>	342
Interest payable and similar charges	7	<b>(12,532)</b>	(22,368)
<b>(Loss)/ profit on ordinary activities before taxation</b>		<b>(1,496,993)</b>	910,466
Taxation on loss/ profit from ordinary activities	8	<b>363,545</b>	(166,835)
<b>(Loss)/ profit for the year and total comprehensive income</b>		<b>(1,133,449)</b>	743,631
<b>Retained earnings at beginning of the reporting period</b>		<b>3,620,603</b>	3,903,189
Dividends	9	-	(1,026,217)
<b>Retained earnings at the end of the reporting period</b>		<b>2,487,155</b>	3,620,603

All amounts relate to continuing activities.

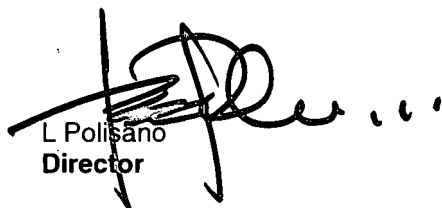
The notes on pages 10 to 24 form part of these financial statements.

# PLP Architecture Limited

## Balance sheet at 31 December 2017

Company number: 06956582	Note	2017 £	2017 £	2016 £	2016 £
<b>Fixed assets</b>					
Intangible assets	10		550,990		867,734
Tangible assets	11		1,547,778		1,857,412
Investments	12		149,526		149,526
			<u>2,248,294</u>		<u>2,874,672</u>
<b>Current assets</b>					
Debtors	13	2,831,690		5,589,414	
Cash at bank and in hand		2,384,815		2,100,992	
		<u>5,216,505</u>		<u>7,690,406</u>	
<b>Creditors: amounts falling due within one year</b>	14	(4,785,695)		(6,830,491)	
<b>Net current assets</b>			<u>430,810</u>		<u>859,915</u>
<b>Total assets less current liabilities</b>			<u>2,679,104</u>		<u>3,734,587</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(2,500)		(30,480)
<b>Provisions for liabilities</b>					
Deferred tax	16		(189,448)		(83,503)
<b>Net assets</b>			<u>2,487,156</u>		<u>3,620,604</u>
<b>Capital and reserves</b>					
Called up share capital	18		1		1
Retained earnings			2,487,155		3,620,603
<b>Shareholders' funds</b>			<u>2,487,156</u>		<u>3,620,604</u>

The financial statements were approved by the Board of Directors and authorised for issue on 24/9/18

  
L. Polignano  
Director

The notes on pages 10 to 24 form part of these financial statements.

# PLP Architecture Limited

## Statement of cash flows for the year ended 31 December 2017

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
<b>(Loss)/ profit for the financial year</b>		<b>(1,133,449)</b>	<b>743,631</b>
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	4	<b>824,362</b>	837,066
Net interest (receivable)/ payable		<b>(12,934)</b>	22,026
Taxation expense	8	<b>(363,545)</b>	166,835
Decrease in debtors		<b>3,538,087</b>	317,996
(Decrease) in trade and other creditors		<b>(2,061,087)</b>	(209,488)
<b>Cash from operations</b>		<b>791,434</b>	<b>1,878,066</b>
Interest paid	7	<b>(12,532)</b>	(22,368)
Taxation paid		<b>(288,611)</b>	(238,350)
<b>Net cash generated from operating activities</b>		<b>490,291</b>	<b>1,617,348</b>
<b>Cash flows from investing activities</b>			
Purchases of tangible fixed assets	11	<b>(197,984)</b>	(432,786)
Interest received		<b>25,466</b>	342
<b>Net cash from investing activities</b>		<b>(172,518)</b>	<b>(432,444)</b>
<b>Cash flows from financing activities</b>			
Repayment of loans		-	(468,000)
Repayment of finance leases		<b>(33,950)</b>	(52,095)
Equity dividends paid	9	-	(1,026,217)
<b>Net cash used in financing activities</b>		<b>(33,950)</b>	<b>(1,546,312)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>283,823</b>	<b>(361,408)</b>
Cash and cash equivalents at beginning of year		<b>2,100,992</b>	<b>2,462,400</b>
<b>Cash and cash equivalents at end of year</b>		<b>2,384,815</b>	<b>2,100,992</b>

The notes on pages 10 to 24 form part of these financial statements.

# **PLP Architecture Limited**

## **Notes forming part of the financial statements for the year ended 31 December 2017**

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### **1 Accounting policies**

PLP Architecture Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

The financial statements have been prepared under the historical cost convention.

Group accounts have not been prepared as all of the company's subsidiaries are permitted to be excluded from group accounts by virtue of sections 402 and 405 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

#### **Going concern**

The Board of Directors has, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The bank facility in place ensures adequate funds are available for the operations of the company. Thus the Board continues to adopt the going concern basis of accounting in preparing the financial statements.

#### **Turnover**

Turnover represents revenue arising from the provision of architectural services. It is stated at the fair value of the consideration receivable, net of value added tax, rebates and discounts and excluding disbursements.

Revenue from services provided by the company is recognised when the company has performed its obligations and in exchange obtained the right to consideration.

#### **Amounts recoverable on contracts**

Turnover under long term contracts of service has been recognised by an assessment of the percentage completion of a contract by reference to the proportion of the actual labour cost incurred as at the balance sheet date as a proportion of the total labour costs expected under the contract. Provision is made against unbilled amounts on those engagements where the right to receive payment is contingent on factors outside the control of the company. Unbilled revenue is included in accrued income, within debtors with payments on account being included in deferred income, within creditors.

#### **Intangible fixed assets and amortisation**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to profit and loss over its economic life, which is estimated to be ten years from the date of acquisition.

# PLP Architecture Limited

## Notes forming part of the financial statements (*continued*) for the year ended 31 December 2017

### 1 Accounting policies (*continued*)

#### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer software	-	Straight line over 5 years
Computer hardware	-	Straight line over 3 to 5 years
Fixtures and fittings	-	Straight line over 3 to 10 years

#### Investments

Investments held as fixed assets are shown at cost less provision for impairment.

#### Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. 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.

#### Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit and loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### Operating leases

Rentals under operating leases are charged to profit and loss on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

#### Current taxation

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

# PLP Architecture Limited

## Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

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### 1 Accounting policies (*continued*)

#### Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in profit and loss.

#### Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

#### Financial assets

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

#### Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

#### Pension costs

Contributions to the Group Personal Pension Plan that the company operates on behalf of employees are charged to profit or loss in the year in which they become payable.

#### Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

#### Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### Reserves

The Company's reserves are as follows:

- Called up share capital represents the nominal value of the shares issued.
- Retained earnings represent cumulative profits or losses, net of dividends paid and other adjustments.

# PLP Architecture Limited

## Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made judgements in applying accounting policies and acknowledge the below key sources of estimation uncertainty:

- Determination of the validity and appropriateness of estimates for labour costs remaining on long term contracts, to support the calculation of percentage completion and the recognition of turnover. Factors taken into consideration include the expected programme and expected staff levels together with historical data on previous projects.
- Determination of whether provisions should be made against long term debtors. Factors taken into consideration include the relationship with the debtor and an assessment of the debtor's ability to pay.
- Determination of whether leases entered into by the company, either as a lessor or a lessee, are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determination of whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

### 3 Analysis of Turnover

	2017 £	2016 £
<i>Rending of services:</i>		
Analysis of turnover by country of destination:		
United Kingdom	13,560,775	20,444,369
Rest of the world	300,913	212,647
	<u>13,861,688</u>	<u>20,657,016</u>

### 4 Operating (loss)/ profit

	2017 £	2016 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets - owned by the company	487,206	499,911
Depreciation of tangible fixed assets - leased assets	20,412	20,412
Amortisation - intangible fixed assets	316,744	316,744
Exchange gains	(191,741)	(40,353)
Auditor's remuneration	26,057	40,825
Operating lease expense	<u>630,277</u>	<u>665,550</u>

# PLP Architecture Limited

## Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

### 5 Employees

	2017 £	2016 £
Staff costs (including directors) consist of:		
Wages and salaries	7,248,380	12,171,855
Social security costs	865,116	1,457,820
Other pension costs	157,345	724,331
	<u>8,270,840</u>	<u>14,354,006</u>

The average number of employees (including directors) during the year was as follows:

	2017 Number	2016 Number
Number of staff	<u>135</u>	<u>187</u>

In the prior year, employee costs were recharged to PLP Architecture International Limited, a company under common directorship, where those employees were used to service the projects of that entity. During the 2017 financial year, this arrangement ceased and all employees transferred to PLP Architecture International Limited.

The company operated a group personal pension plan on behalf of its employees. The assets of the plan are held by the pension provider on behalf of each employee and the company has no interest in these assets. The pension charge represents contributions payable by the company to the plan and amounted to £157,345 (2016: £724,331). All contribution liabilities were met prior to year-end (2016: £558,415 payable to the fund at year end).

### 6 Directors' remuneration

	2017 £	2016 £
Directors' emoluments	-	964,643
Company contributions to the Group Personal Pension Plan	-	6,100
	<u>-</u>	<u>970,743</u>

There were no directors in the Group Personal Pension plan (2016 - two).

# PLP Architecture Limited

Notes forming part of the financial statements  
for the year ended 31 December 2017 (*continued*)

## 7 Interest payable and similar charges

	2017 £	2016 £
Bank loans and overdrafts	-	3,111
Finance leases and hire purchase contracts	12,532	19,257
	<u>12,532</u>	<u>22,368</u>

## 8 Taxation on profit on ordinary activities

	2017 £	2016 £
<i>UK corporation tax</i>		
Current tax on profits of the year	(469,490)	314,735
Total current tax	<u>(469,490)</u>	<u>314,735</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	105,945	(147,900)
Total deferred tax	<u>105,945</u>	<u>(147,900)</u>
Taxation on profit on ordinary activities	<u>(363,545)</u>	<u>166,835</u>

# PLP Architecture Limited

## Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

### 8 Taxation on (loss)/ profit on ordinary activities (*continued*)

The tax assessed for the year is lower (2016: lower) than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2017 £	2016 £
(Loss)/ profit on ordinary activities before tax	<b>(1,496,993)</b>	910,466
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2016 - 20%)	<b>(284,429)</b>	182,093
Effects of:		
Expenses not deductible for tax purposes	<b>7,351</b>	16,337
Capital allowances for year in excess of depreciation	-	-
Adjustments to tax charge in respect of prior periods	<b>(110,017)</b>	(11,595)
Research and development tax credits	<b>(65,053)</b>	(20,000)
Other timing differences	<b>88,603</b>	-
Total tax charge for period	<b>(363,545)</b>	166,835

### 9 Dividends

	2017 £	2016 £
No dividend declared (2016: £1,026,217 per share)	-	1,026,217

# PLP Architecture Limited

## Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

### 10 Intangible assets

	Goodwill £
<i>Cost or valuation</i>	
At 1 January 2017 and at 31 December 2017	2,870,884
<i>Amortisation</i>	
At 1 January 2017	2,003,150
Charge for year	316,744
At 31 December 2017	2,319,894
<i>Net book value</i>	
At 31 December 2017	550,990
At 31 December 2016	867,734

Goodwill arose on the acquisition of certain contracts for architectural services by PLP Architecture Limited, accounted for using the acquisition method.

# PLP Architecture Limited

## Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

### 11 Tangible fixed assets

	Computer software £	Computer hardware £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>				
At 1 January 2017	1,038,791	737,589	1,694,497	3,470,878
Additions	7,258	107,198	83,528	197,984
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	<b>1,046,049</b>	<b>844,787</b>	<b>1,778,025</b>	<b>3,668,861</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2017	652,549	510,647	450,269	1,613,465
Provision for year	131,365	148,728	227,524	507,618
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	<b>783,915</b>	<b>659,375</b>	<b>677,793</b>	<b>2,121,083</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2017	<b>262,134</b>	<b>185,412</b>	<b>1,100,233</b>	<b>1,547,779</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	<b>386,242</b>	<b>226,942</b>	<b>1,244,229</b>	<b>1,857,413</b>
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of fixtures and fittings includes an amount of £123,476 (2016: £143,887) in respect of assets held under finance leases and hire purchase contracts.

# PLP Architecture Limited

## Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

### 12 Fixed asset investments

Investments  
in subsidiary  
companies  
£

*Cost or valuation*

At 1 January 2017 and at 31 December 2017

149,526

*Subsidiary undertakings, associated undertakings and other investments*

The undertakings in which the company's interest at the year end is 20% or more are as follows:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held
<i>Subsidiary undertakings</i>		
PLP Architecture Emirates LLC	UAE	49%
<i>Registered Office Address: PO Box 44183, Abu Dhabi, UAE</i>		
PLP Architecture (Shanghai) Limited	Shanghai	100%
<i>Registered Office Address: Room 103-6, Block B, Zhenhua Heavy Industries R&amp;D Building, No.3261, Yongfang Road, Pudong New Area, Shanghai, China</i>		
PLP Architecture LLC	Qatar	49%
<i>Registered Office Address: P.O. Box 45444, Doha, Qatar</i>		

For each of the undertakings, the Nature of Business is Architecture.

The shareholders' funds and result for the year to 31 December 2017 were as follows:

	Shareholders' funds	Profit/(loss)
PLP Architecture Emirates LLC	16,689	-
PLP Architecture (Shanghai) Limited	10,138	21,079
PLP Architecture LLC	32,832	-

Both PLP Architecture Emirates LLC and PLP Architecture LLC have been treated as subsidiaries by virtue of the fact that PLP Architecture Limited exercises operational and financial control over them.

PLP Architecture Emirates LLC is incorporated in Abu Dhabi, PLP Architecture LLC is incorporated in Qatar and PLP Architecture (Shanghai) Limited is incorporated in China.

# PLP Architecture Limited

## Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

### 13 Debtors

	2017 £	2016 £
Trade debtors	329,120	4,565,091
Corporation tax	780,362	-
Other taxation and social security	613,915	-
Other debtors	205,689	231,710
Prepayments and accrued income	847,580	792,613
Amounts owed by group undertakings	55,024	-
	<u>2,831,690</u>	<u>5,589,414</u>

All amounts shown under debtors fall due for payment within one year. There are no amounts due from directors previously disclosed in Other Debtors (2016: £33,043).

### 14 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	667,637	480,736
Amounts owed to group undertakings	50,023	50,023
Corporation tax	-	11,689
Amounts due to PLP Architecture International Ltd	1,331,664	-
Other taxation and social security	-	1,896,438
Obligations under finance lease and hire purchase contracts (note 20)	27,980	33,950
Other creditors	500,746	946,788
Accruals and deferred income	2,207,645	3,410,867
	<u>4,785,695</u>	<u>6,830,491</u>

# PLP Architecture Limited

## Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

### 15 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Obligations under finance lease and hire purchase contracts (note 20)	-	27,980
Other creditors	2,500	2,500
	<u>2,500</u>	<u>30,480</u>

### 16 Deferred taxation

	2017 £	2016 £
At beginning of year	83,503	231,403
Charge for the year (note 8)	105,945	(147,900)
	<u>189,448</u>	<u>83,503</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	65,738	195,186
Other timing differences	123,710	(111,683)
	<u>189,448</u>	<u>83,503</u>

# PLP Architecture Limited

## Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

### 17 Financial instruments

The Company's financial instruments may be analysed as follows:

	2017 £	2016 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<b>3,822,228</b>	7,723,775
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>4,788,195</b>	4,800,396

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors, prepayments and accrued income.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, amounts owed to group undertakings, obligations under finance lease and hire purchase contracts, other creditors, accruals and deferred income.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow risk and foreign exchange risk is included in the Strategic report.

### 18 Share capital

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

### 19 Commitments under operating leases

The company had minimum lease payments under non-cancellable operating leases as set out below:

	2017 £	2016 £
Not later than 1 year	<b>768,347</b>	601,095
Later than 1 year and not later than 5 years	<b>2,781,670</b>	2,868,295
Later than 5 years	<b>1,216,425</b>	2,085,300
<b>Total</b>	<b>4,766,442</b>	5,554,690

# PLP Architecture Limited

## Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

### 20 Commitments under finance leases

The company had minimum payments under finance leases as set out below:

	2017 £	2016 £
Not later than 1 year (note 14)	27,980	33,950
Later than 1 year and not later than 5 years (note 15)	-	27,980
	<hr/>	<hr/>
Total	27,980	61,930
	<hr/>	<hr/>

### 21 Related party disclosures

During the year, £6,778,048 (2016: £11,809,887) (net of VAT) was recharged to, and £1,320,887 (2016: Nil) (net of VAT) was recharged from PLP Architecture International Limited, a company under common directorship and in which the shareholder of PLP Architecture has an interest in the shares. At the year end, the balance due from PLP Architecture International Limited was £1,331,665 (2016: due to - £2,569,667).

### 22 Control

L Polisano, a director of the company, has ultimate control of the company by virtue of his ownership of 100% of the issued ordinary shares of the company.