

No 01644989

Foster + Partners Limited

Annual Report & Financial Statements

For the year ended 30 April 2018

Registered Office:

Riverside Three
22 Hester Road
London
SW11 4AN



Foster + Partners Limited
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For the year ended 30 April 2018

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Foster + Partners Limited
Company information
For the year ended 30 April 2018

Board of directors	Lord Foster of Thames Bank, OM S Behling G A Brooker N V Dancey S T de Grey CBE G P Evenden L K Fox D B Nelson M A Streets D A Summerfield
Registered office	Riverside Three 22 Hester Road London, SW11 4AN
Bankers	HSBC Bank Plc 8 Canada Square London, E14 5HQ Lloyds TSB Bank Plc Threadneedle Street Branch 39 Threadneedle Street London, EC2R 8AU The Royal Bank of Scotland Plc 250 Bishopsgate London, EC2M 4AA
Solicitors	DWF Fishburns 60 Fenchurch Street London, EC3M 4AD Travers Smith 10 Snow Hill London, EC1A 2AL
Independent auditors	PricewaterhouseCoopers LLP Chartered accountants and statutory auditors 1 Embankment Place London, WC2N 6RH
Registered number	01644989

Foster + Partners Limited

Strategic report

For the year ended 30 April 2018

Business description

Foster + Partners is the leading global design practice covering every aspect of design including; architecture, interior and product design, engineering, project management, research and sustainability, urban design, master-planning, and workplace consultancy. We pursue innovative solutions to current day and future demands including but not limited to conserving environmental resources, creating signature buildings and enhancing the local environment in which our projects are located.

Foster + Partners is unique in the world as a design practice. We are constantly challenging; in our integrated design services; in new technologies – sustainable modelling, materials selection, 3D printing and through our research based approach to creative urban and building design all informed by hard analysis.

Founded five decades ago in 1967 the Practice has key offices in London, Abu Dhabi, Beijing, Dubai, Hong Kong, Madrid, New York, San Francisco, Shanghai and Sydney. Our projects are geographically diversified with projects outside the UK generating 87% of revenues (see Note 5 to the financial statements). Through the extensive use of technology and with the oversight of the design board, the London campus retains control of the design process and houses approximately 80% of the Group's employees.

Review of the year

This was another strong year of delivery for the practice encompassing architectural design, completed buildings, design awards, competition wins, expanded geographical footprint and financial performance. The practice has opened four new offices in Bangkok, San Francisco, Singapore and Sydney, and this year's annual promotions have seen ten new senior partners including four female senior partners. The practice website also underwent a comprehensive redesign, which has resulted in visitors spending double the amount of time on the site as compared to last year.

For the seventh year in a row, the practice has retained the top spot in the annual AJ100 survey of the UK's largest architectural practices. The practice was voted most admired in the BD World Architecture survey, and Norman Foster was voted 'most admired architect living or dead' by industry peers in the AJ100. The practice continued to be recognised as a 'Top Employer' for the second year running as well as being commended for its 'Exceptional Achievement by a Firm' at the Managing Partners' Forum. Our head of structural engineering, Roger Ridsdill Smith, was presented with the prestigious IABSE Milne Medal 2017.

Foster + Partners Limited

Strategic report (continued)

For the year ended 30 April 2018

The success of Maggie's Centre in Manchester continued, winning the RIBA National Award and the BBC North West Building of the Decade, among several others. Bloomberg in London, which opened only in October last year has already bagged eight awards, and other multi-award winning projects include Xiao Jing Wan University in Shenzhen, Ocean Terminal Extension, Hong Kong and Apple stores in Dubai, Chicago and London, bringing the total to 56 for the year. The practice claimed first prize in the NASA 3D-Printed Habitat Challenge, emerging as the overall winner at the end of the three-stage process. The total number of awards won by the practice now stands at 865.

2017-18 saw us complete 14 projects across the world, from the West Coast of USA to Hong Kong in the east. In addition to several Apple stores around the world, Apple Park – where work on the main building is rapidly progressing – saw two significant building openings, the Visitors' Center and The Steve Jobs Theater – both projects showcasing the incredible innovation and creativity that symbolises our partnership with Apple. This year also saw the completion of Bloomberg in the City of London, a building that sets new standards of innovation while making a positive contribution to its surroundings. It is a true exemplar of sustainable development, with a BREEAM Outstanding rating – the highest design-stage score ever achieved by any major office development. We also completed our first project in Lebanon with 3Beirut, a sustainable residential and retail development in the heart of the city. From the scale of the masterplan for the Bund Finance Center in Shanghai, to the new tableware designed for Stelton, the range of this year's completed projects illustrates the diversity of the practice's output.

The past year has seen us working in 46 countries across the globe. We are part of the first ever Pavilion of the Holy See, representing the Vatican, at the 2018 Venice Architecture Biennale, which takes the form of ten temporary chapels, each designed by a different architect. Foster + Partners has designed one of the chapels located in a wooded area at one end of the Venetian island of San Giorgio Maggiore. In Toronto, work has begun on The One, an 80-storey mixed-use tower that will be the country's tallest building, while in Narbonne, the museum of Roman antiquities, NarboVia was topped out. The Murray, a major new luxury hotel in Hong Kong has brought life back to a former government headquarters.

We have won several design competitions including the extension to Marseille Airport. We are designing several city masterplans in China and Southeast Asia as well as the masterplan for the governmental complex in Amaravati – a new capital for the state of Andhra Pradesh in India; the New International Airport in Mexico City, which represents a revolution in terminal design; and Comcast Innovation and Technology Center in Philadelphia.

Foster + Partners Limited

Strategic report (continued)

For the year ended 30 April 2018

Financial overview and key performance indicators

The Company continues to perform strongly, and although turnover fell to £165.8m (2017: £194.3m) and gross profit to £88.6m (2017: £91.4m), EBITDA before partnership payment and exceptionals¹ grew to £47.3m (2017: £38.4m). The financial performance this year, in particular the operating margin before partnership payments, has been positively impacted by a reduction in the quantum of pass through expenses and a reduction in the provision against trade debtors following significant recoveries in relation to turnover recorded in 2016. The average head count decreased to 1,075 (2017: 1,224) with turnover per employee remaining high in the UK for architects according to industry surveys.

	2018	2017	2016
	£'000	£'000	£'000
Gross turnover	165,831	194,273	221,879
EBITDA before exceptional items and before partnership payment ¹	47,316	38,416	35,516
Partnership payment ¹	(23,369)	(7,000)	-
EBITDA before exceptional items ²	23,947	31,416	35,516
Turnover per employee	154	159	175
Average number of employees	1,075	1,224	1,265

The income statement is set out on page 13 and shows a profit before income tax of £32.9m (2017: £37.2m) and a post-tax profit of £26.2m (2017: £33.3m) for the year. It is proposed that the profit for the financial year of £26.2m (2017: £33.3m) is transferred to reserves.

During the year the Company received dividends from its immediate subsidiary undertakings totalling £11.7m (2017: £11.2m).

As at 30 April 2018, the Company had cash of £37.6m (2017: £16.8m).

¹Partnership payments are described in more detail in Note 8.

²EBITDA refers to operating profit before depreciation and amortisation. Operating profit was £21.2m for the year (2017: £25.9m). The depreciation and amortisation charge for the year was £2.9m (2017: £3.4m). The £0.1m credit to operating expenses classed as exceptional in the year is a release of the unused balance of the £2.1m charge reflected in last year's income statement. Detailed disclosure of these amounts can be found in Note 7 of these financial statements.

Foster + Partners Limited

Strategic report (continued)

For the year ended 30 April 2018

Corporate Social and Environmental Responsibility

The work of the practice was the central focus of a major exhibition at the University of Montreal, entitled 'Fostering Society: Foster + Partners', examining the importance of human experience in our projects over the last five decades. We continue to open our doors to the public regularly and this year an extended Open House weekend saw over 2,000 visitors, and more than 800 walkers descend on the studio from the charity fundraising event – Maggie's Culture Crawl. Our work for local communities and charities included the design of a new playground for Ashburnham School in west London. Foster + Partners has also chaired the 'Architecture Trailblazer' – a group of 19 architectural practices that have come together to create the UK's first architecture apprentice scheme. The first intake of the scheme will commence in September 2018.

Principal risks

The management of the business and the execution of the Company'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;
- Treasury and financial risks; and
- Competition within the sector.

Each risk is addressed under the relevant heading below.

Attracting & retaining staff

The Company 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 Company's businesses.

The Company'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.

Global demand for construction projects

The Company 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.

Foster + Partners Limited

Strategic report (continued)

For the year ended 30 April 2018

Treasury and financial risk management

The Company's operations expose it to a variety of financial risks that include credit risk and foreign exchange risk.

Treasury policies are designed to manage the main financial risks faced by the Company in relation to funding, investment and hedging. These policies ensure that any 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 Company's exposure to interest rate and exchange rate movements is maintained within set limits. No transactions of a purely speculative nature are undertaken. The Board monitors the Company's financing through its regular review of trading performance and authorises all significant transactions.

Foreign exchange risk arises because the Company earns a proportion of its turnover in non-sterling currencies whereas the majority of the Company's cost base is in Sterling. This risk is mitigated by adopting conservative exchange rates when calculating the sterling equivalent of foreign currency denominated turnover. The Company 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 Company 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. The Company has access to a £10.9m revolving credit facility negotiated by an intermediate parent company. The Company remains focussed on liquidity and retains sufficient cash headroom so as to be able to address short term adverse cash fluctuations.

Competition risk

The Company 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.

On behalf of the Board:



M A Streets

Director

15th August 2018

Foster + Partners Limited

Directors' report

For the year ended 30 April 2018

The directors present their annual report and the audited financial statements of the Company for the year ended 30 April 2018.

The results for the year, together with the comparative figures for the year ended 30 April 2017, have been prepared under Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

The Company has branches registered in Abu Dhabi, Argentina, Dubai, China, the Republic of Ireland, Japan, Macau, Qatar, Saudi Arabia, South Korea and Vietnam. The Group generates revenue from projects located in the Middle East, North America, Asia, the United Kingdom, Continental Europe, South America, Africa and Australasia as set out in Note 5 to the financial statements.

Future developments

The practice intends to continue to invest, to innovate, to influence and ultimately to deliver high quality designs for our clients, all made possible through the effort and dedication of our employees.

Employee information

Foster + Partners are committed to setting appropriate levels of pay that attract, motivate and retain the best talent in our business. Men and women are paid equally for doing equivalent roles and we continue to ensure our policies and practices are fair for all. Foster + Partners recognise that we have a gender pay gap due to us having more men with longer service in senior positions. The Practice will continue to encourage more of our women into senior roles to improve diversity, in all its forms, at leader level. During the last 12 months we have introduced Diversity and Inclusion forums, together with development and mentoring initiatives. The Practice is proud to be partnering with AJ Women in Architecture, Stonewall, The London Living Wage, Stephen Lawrence Charitable Trust, Top Employers Institute, RIBA and Architecture Apprenticeships.

Employees are regularly communicated with and consulted by means of established communication channels such as monthly partner breakfast meetings, the group's intranet and email.

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

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

Disabled persons

Full and fair consideration is given to applications for employment made by disabled persons having regard to their aptitudes and abilities. Appropriate training is arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the organisation.

Dividends

During the year, Foster + Partners Limited paid a dividend of £2,697 (2017: £nil) per share. The directors do not propose the payment of a final dividend (2017: £nil).

Foster + Partners Limited

Directors' report (continued)

For the year ended 30 April 2018

Treasury and financial risk management

Details of treasury and financial risk management have been disclosed in the Strategic report.

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

S Behling

G A Brooker

N V Dancey

S T de Grey CBE

G P Evenden

L K Fox

D B Nelson

M A Streets

D A Summerfield

Going concern

These financial statements have been prepared on a going concern basis. The directors have reviewed the Company'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, debt, interest and capital expenditure flows. The directors are confident that the Company remains a going concern for the foreseeable future.

Research and development

The Company commits resources to research in many areas including, but not limited to, the development of sustainable environments, the application of the latest materials and advanced computer modelling.

Foster + Partners Limited

Directors' report (continued)

For the year ended 30 April 2018

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Directors' confirmations

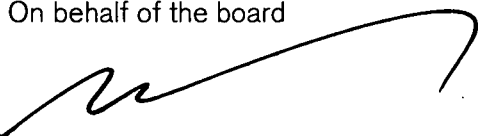
In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company'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

15th August 2018

Registered No. 01644989

Foster + Partners Limited

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

Report on the financial statements

Opinion

In our opinion, Foster + Partners Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 30 April 2018; the Income statement, and the Statement of changes in equity for the year then ended; and the Notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Foster + Partners Limited

Independent auditors' report to the members of Foster + Partners Limited (continued)

Reporting on other information

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

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

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

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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 April 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 9, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Foster + Partners Limited

Independent auditors' report to the members of Foster + Partners Limited (continued)

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Adri Loubser (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

15 August 2018

Foster + Partners Limited
Income statement
For the year ended 30 April 2018

	Note(s)	2018 £'000	2017 £'000
Revenue	5	165,831	194,273
Cost of sales		<u>(77,198)</u>	<u>(102,889)</u>
Gross profit		88,633	91,384
Administrative expenses		(67,562)	(63,354)
Administrative credit / (expenses) – exceptional items	7	<u>99</u>	<u>(2,100)</u>
Total administrative expenses		<u>(67,463)</u>	<u>(65,454)</u>
Operating profit before depreciation, amortisation and exceptional items		23,947	31,416
Depreciation and amortisation	11, 12	(2,876)	(3,386)
Exceptional items	7	<u>99</u>	<u>(2,100)</u>
Operating profit	6	21,170	25,930
Income from shares in group undertakings		<u>11,703</u>	<u>11,228</u>
Operating profit on ordinary activities before interest and taxation		32,873	37,158
Finance income	9	<u>47</u>	<u>21</u>
Profit before income tax		32,920	37,179
Income tax expense	10	<u>(6,675)</u>	<u>(3,834)</u>
Profit for the financial year		<u><u>26,245</u></u>	<u><u>33,345</u></u>

There was no other comprehensive income other than the profit for the financial year as set out above.

The accompanying notes on pages 16 to 35 form an integral part of these financial statements.

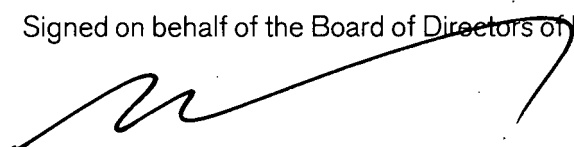
The above results relate to continuing operations of the Company.

Foster + Partners Limited
Statement of financial position
As at 30 April 2018

	Note	2018 £'000	2017 £'000
Assets			
Non-current assets			
Intangible assets	11	355	776
Property, plant and equipment	12	3,548	4,370
Investments	13	1,056	1,034
		<u>4,959</u>	<u>6,180</u>
Current assets			
Trade and other receivables	15	84,861	175,424
Income tax asset	10	-	332
Deferred tax asset	10	1,073	1,256
Cash and cash equivalents		37,574	16,763
		<u>123,508</u>	<u>193,775</u>
Total assets		<u>128,467</u>	<u>199,955</u>
Liabilities			
Current liabilities			
Trade and other payables	16	(101,374)	(89,452)
Income tax liability	10	(1,632)	-
		<u>(103,006)</u>	<u>(89,452)</u>
Non-current liabilities			
Provisions for liabilities	17	(822)	(598)
Total liabilities		<u>(103,828)</u>	<u>(90,050)</u>
Net assets		<u>24,639</u>	<u>109,905</u>
Equity			
Called up share capital	18	41	41
Share premium account		24	24
Retained earnings		24,574	109,840
Total equity		<u>24,639</u>	<u>109,905</u>

The accompanying notes on pages 16 to 35 form an integral part of these financial statements. The financial statements on pages 13 to 35 were approved by the Board of Directors on 15th August 2018.

Signed on behalf of the Board of Directors of Foster + Partners Limited (Registered no. 01644989).



M A Streets
Director

Foster + Partners Limited
Statement of changes in equity
For the year ended 30 April 2018

	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
Balance at 1 May 2016	41	24	76,495	76,560
Comprehensive income				
Profit for the financial year	-	-	33,345	33,345
Total comprehensive income for the year	-	-	33,345	33,345
Balance at 30 April 2017	41	24	109,840	109,905
Comprehensive income				
Profit for the financial year	-	-	26,245	26,245
Total comprehensive income for the year	-	-	26,245	26,245
Transactions with owners				
Dividends paid	-	-	(111,511)	(111,511)
Total transactions with owners	-	-	(111,511)	(111,511)
Balance at 30 April 2018	41	24	24,574	24,639

Foster + Partners Limited

Notes to the financial statements

For the year ended 30 April 2018

1 General information

Foster + Partners Limited ('the Company') is incorporated and domiciled in England and Wales under the Companies Act 2006. The Company is a private limited company limited by shares. The address of the registered office is Riverside Three, 22 Hester Road, London, SW11 4AN. The principal activities of the Company are disclosed in the Strategic report.

2 Significant accounting policies

The principle accounting policies applied in the preparation of these 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 financial statements of the Company have been prepared in accordance with the Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements of Foster + Partners Limited, have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

FRS 101 sets out amendments to EU adopted IFRS that are necessary to achieve compliance with the Companies Act 2006 and related regulations.

The Company is a wholly owned subsidiary of a group headed by Foster + Partners Group Limited, and is included in the consolidated financial statements of that company, which are publicly available.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1 Number of shares outstanding;
 - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
 - (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period).

Foster + Partners Limited

Notes to the financial statements (continued)

For the year ended 30 April 2018

2 Significant accounting policies (continued)

2.1 Basis of preparation (continued)

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (cash flow statement information); and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

2.2 Going concern

These financial statements have been prepared on a going concern basis. The directors have reviewed the Company's financial position, projections and cash flows for a period of at least one year from signing the financial statements. 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, debt, interest and capital expenditure flows. Accordingly, the directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements.

2.3 Consolidation

The Company is a wholly owned subsidiary of Foster + Partners Group Limited, a company incorporated in England and Wales, and its results are included in the consolidated financial statements of Foster + Partners Group Limited, which are publicly available. Consequently, the Company can take advantage of the exemption from preparing group financial statements as permitted by the Companies Act 2006, section 400(1) and (2). The Company is also exempt under the terms of FRS 101 paragraph 8(j) 'Related Party Disclosures' from disclosing related party transactions with entities that are part of the group of companies headed by Foster + Partners Group Limited.

These financial statements present information about Foster + Partners Limited as an individual entity.

Foster + Partners Limited

Notes to the financial statements (continued)

For the year ended 30 April 2018

2 Significant accounting policies (continued)

2.4 Joint arrangements

In accordance with the requirements of IFRS 11, Interests in Joint Ventures, where the company has an interest in a jointly controlled operation ('JCO') the Company 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 Company and its joint ventures are eliminated to the extent of the Company's interest in joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

2.5 Plant, property and equipment

Plant, property and equipment are 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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are disclosed as 'losses on disposal of fixed assets' in Note 6.

2.6 Intangible assets

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 Company 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.

2.7 Cash and cash equivalents

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

Foster + Partners Limited

Notes to the financial statements (continued)

For the year ended 30 April 2018

2 Significant accounting policies (continued)

2.8 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 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.

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 or different taxable entities where there is an intention to settle the balances on a net basis.

2.9 Investments in subsidiaries

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.

2.10 Foreign currency translation

(a) Functional and presentation currency

Transactions included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'Sterling' (£), which is the Company's functional and presentation currency.

Foster + Partners Limited

Notes to the financial statements (continued)

For the year ended 30 April 2018

2 Significant accounting policies (continued)

2.10 Foreign currency translation (continued)

(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.

2.101 Share capital

A ordinary shares are classified as equity.

2.12 Financial instruments

Financial assets and liabilities are recognised on the Company's Statement of financial position when the Company 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 Company identifies the following types of financial instrument.

(a) Trade receivables

Trade receivables are amounts due from customers for the sale of 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.

Foster + Partners Limited

Notes to the financial statements (continued)

For the year ended 30 April 2018

2 Significant accounting policies (continued)

2.13 Revenue

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

The Company 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 Company's activity as described below. The Company 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 Company 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.

2.14 Segmental reporting

The Company's principle activities of architecture and design are reportable as a single operating segment. A geographic split of revenue, determined by location of project, is disclosed in Note 5.

2.15 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 basis over the lease term.

Foster + Partners Limited

Notes to the financial statements (continued)

For the year ended 30 April 2018

2 Significant accounting policies (continued)

2.16 Pension scheme arrangements

The Company operates a defined contribution pension scheme for the benefit of employees. The amount charged to the income statement is the contribution payable in the year.

Payments made by the Company 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.

2.17 Related party transactions

In accordance with the applicable accounting standard, advantage has been taken of the exemption given under FRS 101 paragraph 8(j) 'Related Party Disclosures' not to disclose transactions between wholly owned group entities.

2.18 Provisions

Provisions are recognised when the Company 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.

2.19 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Company

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 May 2017 have had a material impact on the Company.

2.20 Employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations within accruals in the balance sheet.

Short-term obligations include any payments in relation to the partnership payment which is calculated in accordance with the relevant agreements that were entered into during the 2014 restructuring and is subject to meeting certain financial targets during the year the employee provided the service and is further subject to adequate cash levels in the business.

Foster + Partners Limited
Notes to the financial statements (continued)
For the year ended 30 April 2018

3 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.

4 Critical accounting estimates and judgements

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

(a) Impairment of trade receivables

The Company exercises judgement in its assessment of the collectability of trade receivables. The Company monitors debtors continually and reports on a weekly basis to company director level on any risks or trends evident among the Company's client base. This process allows the Company 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 receivables is performed on a project-by-project basis taking into account all relevant known factors.

(b) Revenue recognition

Note 2.13 contains details of accounting estimates and judgements in relation to revenue recognition.

(c) Deferred tax

Note 10 contains details of accounting estimates and judgements in relation to deferred tax.

5 Revenue

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

	2018	2017
	£'000	£'000
Geographical area		
Asia	50,419	39,856
Middle East	37,648	67,816
North America	26,197	20,575
United Kingdom	22,176	25,495
Continental Europe	20,643	16,316
South America	8,537	23,091
Africa	211	356
Australasia	-	768
Total	<u>165,831</u>	<u>194,273</u>

Foster + Partners Limited
Notes to the financial statements (continued)
For the year ended 30 April 2018

6 Operating profit

	2018	2017
	£'000	£'000
Operating profit is stated after charging		
Staff costs (Note 8)	96,600	84,454
Depreciation and amortisation		
- Property, plant and equipment	2,277	2,654
- Intangible assets	599	732
Loss on disposal of assets	16	8
Operating lease charges	4,848	4,334
Auditors' remuneration;		
Fees payable to company auditors for audit services	179	159
Fees payable to company auditors for taxation services	347	434
Fees payable to company auditors for other services	-	35
Exchange loss	2,013	968
Exceptional items (Note 7)	(99)	2,100

All operating leases are in respect of Land and Buildings.

7 Exceptional Items

During the year the Group recognised an exceptional restructuring cost reversal of £0.1m (2017: £2.1m debit). The credit comprises the unused portion of staff reduction costs provided in the prior year. In the prior year, the restructuring costs were included within accruals (Note 16).

8 Employees and directors

(a) Employee benefit expense

	2018	2017
	£'000	£'000
Wages and salaries	60,791	67,037
Partnership payment	20,027	6,151
Social security costs	12,614	8,243
Other pension costs (Note 21)	3,168	3,023
Total employee costs	96,600	84,454

The partnership payment refers to a payment to all partners which, in addition to the annual bonus, is to be paid post year end in recognition of services provided during the year. Arising under the partnership payment plan set up in 2014 this is the second such payment and it is expected to be an annual occurrence in future subject to meeting certain financial performance criteria. Social security of £3.3m (2017: £0.8m) on this partnership payment is included in social security costs.

Foster + Partners Limited
Notes to the financial statements (continued)
For the year ended 30 April 2018

8 Employees and directors (continued)

(b) Average number of people employed

The average monthly number of persons employed (including executive directors) by the Company during the year was:

	2018	2017
Monthly average number of people employed during the year (including directors)		
Technical	825	954
Administration	250	270
Total employee numbers	1,075	1,224

(c) Directors' emoluments and key management compensation

	2018 £'000	2017 £'000
Directors' emoluments		
Aggregate emoluments	19,430	10,747
Amounts paid to defined contribution pension scheme	129	167
Total directors' emoluments	19,559	10,914

The Company makes pension contributions on behalf of seven (2017: seven) of the Company's ten directors (2017: ten) who served during the year. The contributions are made into the Company's defined contribution scheme and a privately held defined contribution scheme.

Aggregate emoluments include partnership payments as described in Note 8(a) above.

	2018 £'000	2017 £'000
Highest paid director		
Aggregate emoluments	2,232	1,204
Total	2,232	1,204

Foster + Partners Limited
Notes to the financial statements (continued)
For the year ended 30 April 2018

9 Finance income

	2018	2017
	£'000	£'000
Other interest receivable and similar income	47	21
Total finance income	<u>47</u>	<u>21</u>

10 Income tax expense

(i) Income tax expense

	2018	2017
	£'000	£'000
Current tax		
UK Corporation tax	4,149	3,768
Adjustments in respect of prior years	(10)	(678)
Foreign tax	3,048	1,629
Double tax relief	(695)	(496)
Total tax charge	<u>6,492</u>	<u>4,223</u>
Deferred tax		
Origination and reversal of timing differences	175	(183)
Adjustments in respect of prior years	8	(206)
Total deferred tax expense / (credit)	<u>183</u>	<u>(389)</u>
Net income tax expense	<u>6,675</u>	<u>3,834</u>

(ii) Reconciliation of the total tax charge

The tax charge reported in the income statement for the year is higher (2017: lower) than the standard rate of Corporation Tax in the UK of 19.00% (2017: 19.92%). The differences are reconciled below:

Foster + Partners Limited
Notes to the financial statements (continued)
For the year ended 30 April 2018

10 Income tax expense (continued)

	2018 £'000	2017 £'000
Profit before income tax	32,920	37,179
Profit before income tax multiplied by the Company's effective rate of 19.00% (2017: 19.92%)	6,255	7,406
Expenses not deductible for tax purposes	142	113
Income not taxable for tax purposes	(2,224)	(2,272)
Group relief claimed	(242)	(2,411)
Transfer pricing adjustments	-	(22)
Tax rate change	126	(54)
Overseas tax suffered	2,620	1,699
Adjustments in respect of prior years	(2)	(885)
Other	-	260
Total tax charge	6,675	3,834

(iii) The deferred tax included in the statement of financial position is as follows:

	2018 £'000	2017 £'000
Deferred tax asset		
Depreciation in excess of capital allowances	854	914
Short term timing differences	219	342
Total deferred tax asset	1,073	1,256
As at 1 May 2017	1,256	867
Deferred tax (charge) / credit in the income statement for the financial year	(183)	389
As at 30 April 2018	1,073	1,256

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.

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

	2018 £'000	2017 £'000
Deferred tax to be recovered after more than 12 months	1,073	1,256
Total deferred tax asset	1,073	1,256

Foster + Partners Limited
Notes to the financial statements (continued)
For the year ended 30 April 2018

10 Income tax expense (continued)

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

(iv) Income tax (liability) / asset

	2018	2017
	£'000	£'000
Corporation tax (liability) / asset	(1,632)	332
Total income tax (liability) / asset	(1,632)	332

11 Intangible assets

	Software costs
	£'000
Cost	
At 1 May 2016	4,514
Additions	151
Disposals	(196)
At 30 April 2017	4,469
Additions	178
At 30 April 2018	4,647
Accumulated amortisation	
At 1 May 2016	3,157
Charge for the year	732
Disposals	(196)
At 30 April 2017	3,693
Charge for the year	599
At 30 April 2018	4,292
Net book value	
At 30 April 2018	355
At 30 April 2017	776

Intangible assets amortisation of £599,000 (2017: £732,000) is recorded in administrative expenses in the income statement.

Foster + Partners Limited
Notes to the financial statements (continued)
For the year ended 30 April 2018

12 Property, plant and equipment

	Motor Vehicles £'000	Fixtures & Fittings £'000	Total £'000
Cost			
At 1 May 2016	69	20,933	21,002
Additions	-	1,647	1,647
Disposals	-	(4,812)	(4,812)
At 30 April 2017	69	17,768	17,837
Additions	-	1,471	1,471
Disposals	-	(94)	(94)
At 30 April 2018	69	19,145	19,214
Accumulated depreciation			
At 1 May 2016	59	15,558	15,617
Charge for the year	3	2,651	2,654
Disposals	-	(4,804)	(4,804)
At 30 April 2017	62	13,405	13,467
Charge for the year	5	2,272	2,277
Disposals	-	(78)	(78)
At 30 April 2018	67	15,599	15,666
Net book value			
At 30 April 2018	2	3,546	3,548
At 30 April 2017	7	4,363	4,370

Depreciation expense of £2,277,000 (2017: £2,654,000) is included within 'administrative expenses'.

During the year the Company disposed of assets with a carrying value of £16,000 (2017: £8,000) and a cost of £94,000 (2017: £4,812,000).

Foster + Partners Limited
Notes to the financial statements (continued)
For the year ended 30 April 2018

13 Investments

	Investment in subsidiary undertakings £'000
Cost and net book value at 1 May 2016 and 30 April 2017	1,034
Additions	22
Cost and net book value at 30 April 2018	<u>1,056</u>

During the year, the Company paid £22,042 for 48% of the registered share capital of F&P (Thailand) Limited.

In the opinion of the directors, the aggregate value of the Company's investments in its subsidiary undertakings is not less than the amount included in the statement of financial position.

Holdings of more than 20%

The Company holds the issued share capital of the following companies in the percentages indicated:

Company	Registered Address	Principal activity	Shares held	
			Class	%
Subsidiary undertaking				
Foster and Partners (Japan) Limited	Riverside Three, 22 Hester Road, London, SW11 4AN	Dormant	Ordinary	100
Piers Heath Associates Limited	Riverside Three, 22 Hester Road, London, SW11 4AN	Dormant	Ordinary	100
Foster and Partners (Hong Kong) Limited	42/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	Architects	Ordinary	100
Foster and Partners (Singapore) Pte Ltd	133 Cecil Street #16-01 Keck Seng Tower, Singapore 069535	Architects	Ordinary	100
F & P Architekten GmbH	Unter den Linden 14 10117 Berlin	Architects	Ordinary	100
Office Design Services Limited	Riverside Three, 22 Hester Road, London, SW11 4AN	Printers	Ordinary	100
Foster (Nederland) BV	Riverside Three, 22 Hester Road, London, SW11 4AN	Dormant	Ordinary	100
Foster and Partners SL	Paseo De La Castellana Number 13, Madrid	Architects	Ordinary	100
F+P Architects New York Inc	300 W 57th Street, New York, NY 10009-3741	Architects	Ordinary	100
Foster and Partners Mimarlik Musavirlik Limited	Kagithane Ofis Park, Ofis Park, Merkez Mah, Baglar Cad No 14, Istanbul, Turkey	Architects	Ordinary	100

Foster + Partners Limited
Notes to the financial statements (continued)
For the year ended 30 April 2018

13 Investments (continued)

Company	Registered Address	Principal activity	Shares held	
			Class	%
Foster + Partners Architects (Tianjin) Co., Ltd	2903 The Exchange Tower Two, 189 Nanjing Road, Heping District Tianjin 300051, PRC	Architects	Ordinary	100
Foster Plus P India Private Limited	1 st Floor, Bandra Kurla Complex, Bandra East, Mumbai, India 400051	Architects	Ordinary	100
Foster + Partners Brasil Projetos E Constucoes LTDA.	Alameda Joaquim Eugênio de Lima, 187, 9 th floor, suites 92, Jardim Paulista, ZIP Code 01403-001 in the City of São Paulo, State of São Paulo	Architects	Ordinary	100
Foster + Partners Sweden AB	c/o Foyen Advokatfirma AB P.O. Box 7229 103 89 Stockholm Sweden	Architects	Ordinary	100
F&P Project Management Malaysia SDN. BHD.	Lot 6.05, Level 6 KPMG Tower, 8 First Avenue, Bandar Utama, 47800, Petaling Jaya, Selangor Darul Ehsan, Malaysia	Project Management	Ordinary	100
Rungruangpisarnkaona Co., Limited	No. 999/9 Central World, 26 th Floor, Rama 1 Road, Pathumwan Sub-District, Pathumwan District, Bangkok, Thailand	Holding	Ordinary	49
F&P (Thailand) Limited	388 Exchange Tower, Room No. 2901-2904, 29 th Floor, Sukhumvit Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Architects	Ordinary	74
Foster and Partners Mexico S.A de C.V.	Miguel Mendoza 64, Merced Gomez, Alvaro Obregon, Distrito Federal, 01600, Mexico	Architects	Ordinary	100
FP-FREE, S. de R.L. de C.V.	Paseo de la Reforma 404, Piso 9, Colonia Juarez C.P. 06600 Ciudad de Mexico	Architects	Ordinary	50
Foster and Partners Australia Pty Ltd	Level 11, 485 Bourke Street. Melbourne VIC 3000, Australia	Architects	Ordinary	100

100% of the voting rights are owned for all subsidiaries with the exception of Rungruangpisarnkaona Co., Limited and FP-FREE S. de R.L. de C.V. where the percentage of voting rights are equal to the percentage of ordinary shares indicated in the table above.

Foster + Partners Limited

Notes to the financial statements (continued)

For the year ended 30 April 2018

14 Joint operations

In the year to 30 April 2016, Foster + Partners Limited, entered into a joint arrangement with Hyder and Solaiman Elkhareiji Engineering Consulting Company (HEK). The joint arrangement was for the provision of architectural and management services for the design of metro stations as part of the Jeddah Integrated Public Transport Programme. To facilitate the joint arrangement an unincorporated joint operation known as The Foster and Partners Team was formed.

In the year to 30 April 2018, Foster + Partners Limited entered into an unincorporated joint arrangement with KEO International Consultants W.L.L., a Kuwaiti engineering consultancy in order to perform architectural services under the contract for South Sabah Al-Ahmad New City in Kuwait. Foster + Partners Limited holds 53% of the participating rights in this joint arrangement.

In the year to 30 April 2018, Foster + Partners Limited entered into an unincorporated joint arrangement with Dar Gulf Consult for Engineering Consultancy, a Kuwaiti architecture & engineering practice in order to perform architectural services under the contract for Kuwait International Airport. Foster + Partners Limited holds 60% of the participating rights in this joint arrangement.

In the year to 30 April 2018, Foster + Partners Limited recommenced work under an unincorporated joint arrangement with WSP UK Limited, a United Kingdom engineering practice in order to perform architectural services under the contract for Sheikh Zayed National Museum in Abu Dhabi. Foster + Partners Limited holds 43% of the participating rights in this joint arrangement.

Each of these joint arrangements are considered joint operations.

15 Trade and other receivables

	2018 £'000	2017 £'000
Trade receivables	75,857	83,683
Less provision for impairment	(8,351)	(25,011)
	<u>67,506</u>	<u>58,672</u>
Amounts recoverable on contracts	4,493	7,735
Amounts owed by group undertakings	8,594	91,625
Other receivables	328	606
Prepayments and accrued income	3,940	4,113
Loan to parent undertakings	-	12,673
Total	<u>84,861</u>	<u>175,424</u>

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Foster + Partners Limited
Notes to the financial statements (continued)
For the year ended 30 April 2018

16 Trade and other payables

	2018	2017
	£'000	£'000
Trade payables	5,364	9,570
Amounts owed to group undertakings	2,373	6,788
Other taxation and social security	1,725	2,118
Other payables	628	184
Accruals	39,654	25,130
Deferred income	51,630	45,662
Total	101,374	89,452

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

17 Provisions for liabilities

	Claims on contracts	Loss making contracts	Total
	£'000	£'000	£'000
Balance at 1 May 2016	200	233	433
Provided for in the current year	50	115	165
Balance at 30 April 2017	250	348	598
Utilised	(250)	-	(250)
Released	-	(26)	(26)
Provided for in the current year	500	-	500
Balance at 30 April 2018	500	322	822

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.

18 Called up share capital

	2018	2017
	£'000	£'000
Allotted, called up and fully paid		
41,347 (2017: 41,347) 'A' ordinary shares of £1 each	41	41

Foster + Partners Limited
Notes to the financial statements (continued)
For the year ended 30 April 2018

19 Dividends

	2018 £'000	2017 £'000
£2,697 (2017: £nil) per £1 share	111,511	-
Total	<u>111,511</u>	<u>-</u>

The directors do not propose the payment of a final dividend (2017: £nil)

20 Commitments

Operating lease commitments

The Company 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:

	2018 £'000	2017 £'000
Within one year	4,616	4,125
Within two to five years	16,432	15,384
After 5 years	13,728	14,996
Total	<u>34,776</u>	<u>34,505</u>

21 Pension schemes

The Company operates a defined contribution scheme for which the pension cost charge for the year amounted to £3.2m (2017: £3.0m). As at 30 April 2018 a £414,156 payable is held in the statement of financial position (2017: £373,651) for contributions to be paid over.

22 Related party transactions

Details of directors' emoluments are disclosed in Note 8.

During the year, the Company leased premises and other assets on arm's length, commercial terms from a director and a related party of the director, Foster Germany Limited amounting to £3.6m (2017: £3.4m).

The Company has taken advantage of the exemption from providing related party disclosures available in FRS 101 paragraph 8(j) 'Related Party Disclosures', as the consolidated financial statements of the ultimate parent company are publicly available as stated in Note 24.

Foster + Partners Limited

Notes to the financial statements (continued)

For the year ended 30 April 2018

23 Contingent assets and liabilities

At 30 April 2018, certain borrowings in Amber Bidco Limited, a fellow subsidiary undertaking of Foster + Partners Group Limited, were secured on the Company's assets. The amount of secured borrowings as at 30 April 2018 was £112.8m (2017: £88.5m).

24 Controlling parties

The immediate parent undertaking is Foster Holdings Limited.

The Company's ultimate parent undertaking is Foster + Partners Group Limited, a company incorporated in England and Wales.

Foster + Partners Group Limited is the parent company of the largest and smallest group of undertakings to consolidate these financial statements at 30 April 2018. Copies of the financial statements of Foster + Partners Group Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The Company is controlled by its directors.