

No 01644989

**Foster + Partners Limited**

**Annual Report & Financial Statements**

**For the year ended 30 April 2021**

Registered Office:

Riverside Three  
22 Hester Road  
London  
SW11 4AN



# **Foster + Partners Limited**

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### **For the year ended 30 April 2021**

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**Foster + Partners Limited**  
**Company information**  
**For the year ended 30 April 2021**

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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 25 Gresham Street, London, EC2V 7HN  National Westminster Bank Plc 250 Bishopsgate, London, EC2M 4AA  Bank of Ireland (UK) Plc Bow Bells House, 1 Bread St, London, EC4M 9BE
Solicitors	DWF 20 Fenchurch Street, London, EC3M 3NG  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 2021**

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#### **Business Description**

Foster + Partners Limited ("Foster + Partners") is the main trading entity of a group of companies headed by Foster + Partners Group Limited ("the Practice / the Group"). Foster + Partners is the leading global design practice covering every aspect of design including; architecture, interior and product design, engineering, project management, research, 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 by Norman and Wendy Foster in 1967, the Practice has key offices in London, Abu Dhabi, Beijing, Dubai, Hong Kong, Madrid, New York, San Francisco, Shanghai, Shenzhen and Sydney. Our projects are geographically diversified with projects outside the UK generating over 90% of revenues (see Note 4 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**

The past year has largely been defined by a singular global health emergency, the Covid-19 pandemic, which has fundamentally altered the world around us. While some of our offices have managed to return to partial occupancy, the majority of our teams continue to work remotely. Thanks to their dedication and tenacity, we have managed to minimise the disruption to our workflow and maintain a healthy position, gaining many new projects throughout the various global lockdowns. Construction has been relatively unaffected by the pandemic which has allowed work to progress on site around the world. We remain on a strong footing to deal with the uncertainties of the future.

This year has been about consolidation; there have been no new office openings or closures and we have been firmly focussed on the wellbeing of our staff. In the UK, only 5 per cent of our team were furloughed, only consisting of roles that necessitated being in the office. However, owing to our strong financial position, we have been able to return our furlough payments to the government. During successive lockdowns we have had over 90 per cent of our staff continuing to work solely from home. Business travel and teams such as modelmaking and print room were most affected by the restrictions due to the pandemic. We continue to move towards more agile ways of working, while ensuring our clients and projects continue to receive the same high-quality service.

For the tenth year in a row, we retained the top spot in the annual AJ100 survey of the UK's largest architectural practices and once again won the International Practice of the Year award, as well as being most admired practice. The practice was commended as the Best XI Firm in the World at the Architizer A+ Firm Awards. We have continued to be recognised as a 'Top Employer' for the fifth year running and our Professional Practice Academy students have maintained their 100 per cent pass rate. Throughout the past year, we have sought to improve and enhance our IT infrastructure and online support platforms to better serve our remote workforce, hosting over seventy online talks and events for staff for training, wellbeing and entertainment

# **Foster + Partners Limited**

## **Strategic report (continued)**

### **For the year ended 30 April 2021**

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#### **Review of the year (continued)**

During 2020-21, we completed thirteen projects across the world, including the practice's first office building in Russia – the RCC Headquarters, Hankook Technoplex in Pangyo, the House of Wisdom – a 21st century library that is a social hub for learning, supported by innovation and technology, The Edmond and Lily Safra Center for Brain Sciences at The Hebrew University of Jerusalem, a pioneering research facility for the scientific exploration of the brain and The Global Home of the PGA TOUR in Florida – an innovative workplace inspired by the natural landscape that offers a progressive vision for a post-pandemic world. We also completed four new stores for Apple including Apple Marina Bay Sands in Singapore, a distinctive presence on the bay with its 30-metre diameter glazed dome and Apple Via Del Corso at the historic Palazzo Marignoli, revealing the building's fascinating and multi-layered history by unveiling painted ceilings and frescoes from the 1890s juxtaposed with modern graffiti artworks from the 1950s.

Several ongoing projects reached significant milestones this year. Seven projects broke ground, while three of the practice's tall buildings were topped out in Warsaw, Budapest and New York. Given the challenges faced in the past few months, it has been a great source of strength and belief that we managed to take on 107 new projects including the revitalisation of an industrial site in Dogpatch, San Francisco and thirteen new luxury resorts in the Red Sea.

2020-21 saw more success and recognition for our projects with several award wins. The Comcast Technology Center in Philadelphia and The Samson Pavilion for the CWRU and Cleveland Clinic in Cleveland, as well as Apple stores in New York, Washington DC and Miami won multiple awards, bringing the total to 48 for the year with the historic total now at 1,017.

We currently have over 96 projects under construction in 61 cities including Buenos Aires, Datong, Istanbul, New York, Sydney and Toronto. We have won several design competitions this year including a transport-led masterplan for Guangming Hub in China and the Hellinikon residential tower in Athens and a new winery in Kent. We are also designing several city masterplans in China and the Middle East.

As part of Boston Dynamics' Early Adopter Program, Foster + Partners has been exploring the use of Spot®, the agile robot that climbs stairs and traverses rough terrain with ease as a tool to capture and monitor progression on-site. The practice has also been working with NVIDIA to test its Omniverse Enterprise, a collaborative platform that breaks down boundaries between 3D design and visualisation by enabling a seamless interface between these two disciplines. The face visors for healthcare workers designed by the practice were further refined and modified, with the designs shared freely with manufacturers worldwide.

#### **Financial overview and key performance indicators**

The Company demonstrated remarkable financial resilience this year despite the Covid-19 pandemic. Turnover fell by £32.8m to £200.2m (2020: £233.0m), largely due to this year's mix of projects leading to a lower demand for sub-consultants and related direct costs. This resulted in a corresponding reduction in cost of sales, limiting the impact on gross profit to a reduction of £14.4m to £104.7m (2020: £119.1m). Lower administrative expenses arising from reduced travel and the enforced remote working regime ensured EBITDA before partnership payments only fell by £10.0m to £47.1m (2020: £57.1m). The average head count decreased to an average 1,195 (2020: 1,211) with turnover per employee falling to £168,000 (2020: 192,000).

# Foster + Partners Limited

## Strategic report (continued)

### For the year ended 30 April 2021

#### Financial overview and key performance indicators (continued)

	2021 £'000	2020 £'000	2019 £'000
Gross turnover	200,226	233,004	201,991
Pre-IFRS 16 EBITDA before exceptional items <sup>1</sup> and before partnership payment <sup>2</sup>	41,379	51,746	55,566
EBITDA impact of IFRS 16 <sup>3</sup>	5,683	5,373	-
EBITDA before exceptional items and partnership payment <sup>2</sup>	47,062	57,118	55,566
Partnership payment <sup>2</sup>	(10,086)	-	(28,881)
EBITDA before exceptional items	36,976	57,118	26,685
Turnover per employee	168	192	184
Average number of employees	1,195	1,211	1,099

<sup>1</sup>'Pre-IFRS 16 EBITDA' is a non-GAAP measure that refers to operating profits before IFRS 16 adjustments and before depreciation and amortisation. The measure is reported as it is unaffected by the transition to IFRS 16 and is a stable measure of performance over the three year period. Operating profit was £30.2m for the year (2020: £19.9m). The depreciation and amortisation charge for the year was £6.7m (2020: £6.9m). Disclosure of exceptional items (2021: £nil; 2020: £30.4m) can be found in Note 6 of these financial statements.

<sup>2</sup>Partnership payments include social security and are described in Note 7.

<sup>3</sup>2020 was the year of transition to IFRS 16 and consequently EBITDA is higher by £5.7m (2020: £5.4m) due to rental charges now capitalised and foreign exchange. The modified retrospective approach was applied on transition and 2019 comparatives were not restated.

The income statement is set out on page 18 and shows a profit before income tax of £36.2m (2020: £19.8m) and a post-tax profit of £29.7m (2020: £14.2m) for the year. It is proposed that the profit for the financial year of £29.7m (2020: £14.2m) is transferred to reserves.

During the year the Company received dividends from its immediate subsidiary undertakings totalling £8.6m (2020: £1.3m).

As at 30 April 2021, the Company had cash of £17.5m (2020: £22.0m).

#### Corporate, social and environmental responsibility

Sustainability remains a strong focus for the practice with the launch of the Sustainability Barometer tool that measures whole life embodied and operational carbon for all projects, with an ambition to ensure they meet the 2015 Paris Agreement targets. The practice also completed its first Environmental Product Declaration (EPD) of the LEVA chair designed for Mattiazzi, with a view to encourage and challenge the manufacturers we work with to embrace more sustainable production processes.

# **Foster + Partners Limited**

## **Strategic report (continued)**

### **For the year ended 30 April 2021**

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#### **Corporate, social and environmental responsibility (continued)**

At the start of the Covid-19 pandemic, we launched a social media-led campaign called #architecturefromhome as part of the Learning for Children initiative. This was aimed primarily at children who were not able to go to school due to the ongoing lockdown. The campaign saw some of the highest ever online engagement on our social media channels, creating wholesome interactive content for children all around the world. The industry press covered and hosted several of the at home activities we posted. This year saw the launch of Plus, a new online journal that is a forum for non-traditional stories and case studies on the innovation and processes that reinforce the diverse projects in the practice. We also joined the Future Cities Qianhai Shenzhen Biennale with an exhibition of projects that demonstrate our sustainable approach to world cities.

#### **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
- Competition within the sector
- Treasury and financial risks

Each of these risks is addressed under the relevant heading below.

#### **Attracting and retaining staff**

The Company mitigates staff related risks through its commitment to creating an environment that will attract, retain and motivate employees of high calibre, considering 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 to ensure our colleagues have the expertise and capabilities to deliver to our clients.

#### **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, 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 rapid action when required.

# **Foster + Partners Limited**

## **Strategic report (continued)**

### **For the year ended 30 April 2021**

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#### **Principal risks (continued)**

##### **Competition risk**

The Company mitigates the risks of competition by delivering leading edge designs, utilising the latest materials, recruiting the highest quality staff and maintaining a broad geographic footprint.

##### **Treasury and financial risk management**

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

Treasury policies are designed to manage the main financial risks faced by the Company in relation to funding, investment and hedging. These policies ensure that the borrowings and investments are with high quality counterparties; are limited to specific instruments; the exposure to any one counterparty or type of instrument is controlled and the Company's exposure to interest 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 revenue and carries significant levels of trade debtors in non-Sterling currencies (largely the US Dollar) though the majority of the Company's cost base is in Sterling. This risk is mitigated by denominating a portion of bank debt in US Dollars. The Group further manages its exposure to foreign exchange movements by converting those significant foreign currency cash balances in excess of future cash outflows in the same foreign currency, into Sterling as soon as practicable. The 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. At 30 April 2021, the Company had access to unutilised revolving credit facilities of £12.8m (2020: £10.8m) which can be utilised to address short term cash requirements. The Company remains focussed on liquidity and retains enough cash headroom so as to be able to address short term adverse cash fluctuations.



# **Foster + Partners Limited**

## **Strategic report (continued)**

### **For the year ended 30 April 2021**

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#### **Covid-19**

The performance reported in these financial statements for the year to 30 April 2021 is testament to the resilience and ingenuity of the practice and its employees, clients, business partners and suppliers when faced with the extraordinary challenges posed by the Covid-19 pandemic. Prior to national lockdowns being imposed the practice had trialled, and consequently was able to quickly adapt to, a largely 'working from home' operating model. A small number of staff, mostly those in our model making and printing operations, were unable to work from home for a period but as soon as circumstances allowed, they returned to their office locations. Although the extent of home working fluctuated throughout the year and across the various offices around the world as local guidance changed, the practice has continued, through the hard work of all staff, to deliver high quality results for our clients. The restrictions on travel accelerated our adoption of remote working techniques and online collaboration with business partners, suppliers and clients. We have continued to win new work despite being unable to travel to meet potential clients. Although this lack of travel has generated some cost savings, we have invested in other techniques to enhance the client experience – the use of film alongside the more traditional animated and still imagery has burgeoned this year as we sought to bolster online presentation capability. The lack of travel is likely also to have restrained, to an unquantifiable extent, our winning of new work and although we can learn from the successes of this year and build them into our operating model going forwards, the practice will undeniably benefit from the resumption of travel, not only in client relationships but also in the education of our younger employee base as they experience the best of international architecture.

The Company remains on a sound footing and is even better placed financially than a year ago to ride out any unforeseen short-term adverse movements that may arise through the remainder of the pandemic.

#### **Section 172 (1) Statement**

The revised UK Corporate Governance Code ('2018 Code') was published in July 2018 and applies to accounting periods beginning on or after 1 January 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This S172 statement, explains how the Directors:

- have engaged with employees, suppliers, customers and others; and
- have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and other, and the effect of that regard, including on the principal decisions taken by the company during the financial year.

When making decisions, each Director ensures that he/she acts in the way he/she considers, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

#### **S172(1) (A) "The likely consequences of any decision in the long term"**

At the heart of all our work is the knowledge that our designs will be in existence for the long term and that decisions made today will have consequences far into the future.

# **Foster + Partners Limited**

## **Strategic report (continued)**

### **For the year ended 30 April 2021**

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#### **Section 172 (1) Statement (continued)**

##### *S172(1) (B) "The interests of the company's employees"*

The Directors recognise that the Company's employees are fundamental and core to our business and delivery of our ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

Our policies and practices are benchmarked and audited as part of the Top Employers accreditation.

##### *S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"*

Delivering our architectural and engineering designs requires strong mutually beneficial relationships with customers, joint venture partners, suppliers, sub-consultants and debt providers. The Directors promote open and healthy dialogue with all parties.

##### *S172(1) (D) "The impact of the company's operations on the community and the environment"*

The impact of the company's designs on the community and the environment is central to our work. Every aspect of our designs and of our influence in the sphere of design has an impact on either the community or the environment.

##### *S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"*

Our business relies on our employees. The Directors understand the importance of the ongoing delivery of support, training and professional development to provide our employees with the necessary skills and attitudes to enable them to continue to deliver the high standards the business requires.

##### *S172(1) (F) "The need to act fairly as between members of the company"*

The Directors consider which course of action best enables delivery of successful outcomes that are balanced and fair as between the members of the Company.

#### **Section 172 - Stakeholder Engagement**

The Board recognises the important role the business has to play in society and is deeply committed to stakeholder engagement for the good of the public and the environment. The Board strongly believes that the company will only prosper by working with clients, governments, business partners, investors and other stakeholders. Working together is critical, particularly at a time when society, including businesses, governments and consumers, faces issues as complex and challenging as climate change. Promoting sustainable architecture, engineering and design is central to the future of the practice and society and the practice engages from customer level right up to governmental level.

# **Foster + Partners Limited**

## **Strategic report (continued)**

### **For the year ended 30 April 2021**

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#### **Section 172 - Employee Engagement**

The Practice recognises that a motivated and diverse workforce produces significantly better results and designs for our clients. We believe that creating a culture where everyone feels welcome and that fosters talent will allow our people to achieve their full potential. An inclusive workplace gives all our people the chance to achieve and contribute. The Practice maintains diversity forums to look at inclusion in 5 key areas and the Board engages with these forums on a regular basis to listen and formulate strategy. There is a focus on improving inclusion in four key areas: gender, parents and carers, LGBT+ and ethnicity. The Practice continues to engage with our people, via surveys across the world especially during the COVID crisis to ensure we continue to inspire, motivate and innovate during this difficult time and are able to respond to their suggestions and concerns. Our approach during this time took a number of steps to ensure our people felt supported and connected. This was demonstrated by decisive action at an early stage which enabled colleagues to move to remote working, developed a daily 'missive' from our Managing Partner to ensure our colleagues remained informed of our plans and created a home working policy and remote health and safety training and support programme. We invested in engagement programmes, qualified mental health support and wellbeing initiatives.

On behalf of the Board:



M A Streets  
**Managing Partner & Director**  
17<sup>th</sup> August 2021

# **Foster + Partners Limited**

## **Directors' report**

### **For the year ended 30 April 2021**

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The directors present their annual report and the audited financial statements of the Company for the year ended 30 April 2021.

The results for the year, together with the comparative figures for the year ended 30 April 2020, have been prepared under Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

The Company has branches registered in Abu Dhabi, Argentina, Dubai, the Republic of Ireland, Japan, Qatar, Saudi Arabia, South Korea and Vietnam. The Company generates revenue from projects located in the Middle East, Asia, North America, the United Kingdom, Continental Europe, South America and Africa as set out in Note 4 to the financial statements.

#### **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, comprising a period of no less than 12 months from the approval of the financial statements. The process involved considering the critical assumptions which underpin the projections for operating profit in addition to the cash projections for working capital, tax and capital expenditure flows. In the context of the particular macro-economic uncertainty posed by Covid-19 the Directors have modelled a downside scenario containing a reduction in revenue of up to 20% for the remainder of FY2021/22 together with the benefit of mitigating cost savings and growth of 2% (in line with long term economic growth rates) from 1 May 2022. The outcome of this modelling demonstrates the Company's continued ability to meet its obligations. Consequently, the Directors are confident that the Company remains a going concern for the foreseeable future.

#### **Treasury and financial risk management**

Details of treasury and financial risk management have been disclosed in the Strategic report (page 6).

#### **Dividends**

During the year, Foster + Partners Limited paid a dividend of £nil (2020: nil) per share. The directors do not propose the payment of a final dividend (2020: £nil).

#### **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 2021**

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#### **Employee involvement**

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. The Practice is proud to be partnering with Inclusive Employers, AJ Women in Architecture, Architecture LGBT+, The London Living Wage, Top Employers Institute, RIBA and Architecture Apprenticeships. Conversations about diversity and inclusion have been a big focal point this year, especially given global events such as Black Lives Matter. Foster + Partners has several forums and champions that allow people to raise awareness, increase education and encourage conversations within the practice. We are now part of Black professionals in Construction (BPIC) and continue to partner with organisations, such as the Stephen Lawrence Charitable Trust (SLTC) to close the skills gap by providing workshops and training. We are also working with the Black Business Institute to create a pop-up showcase for diverse talent in the creative sector.

The practice has established several community groups to celebrate, inform and educate our teams including the LGBT+ group, Ethnicity and Diversity group and the Women's Forum. 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 the 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 re-training for alternative work of employees who become disabled, to promote their career development within the organisation.

#### **S172 (1) Reporting**

The revised UK Corporate Governance Code ('2018 Code') was published in July 2018 and applies to accounting periods beginning on or after 1 January 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they have complied with their duty to have regard to the matters in Section 172 (1) (a) – (f) of the Companies Act 2006 when performing their duties and to summarise how directors have engaged with employees, suppliers, customers, and others in a business relationship with the company. These explanations are provided within the Section 172 (1) Statement and related headings included in the Strategic Report.

#### **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.

# **Foster + Partners Limited**

## **Directors' report (continued)**

### **For the year ended 30 April 2021**

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#### **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

#### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and at the date of approval of these financial statements. The Company purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

#### **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, 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.

# **Foster + Partners Limited**

## **Directors' report (continued)**

### **For the year ended 30 April 2021**

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#### **Statement of directors' responsibilities in respect of the financial statements (continued)**

The directors are 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 also 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.

#### **Streamlined Energy and Carbon Reporting**

From the perspective of the Company, issues surrounding streamlined energy and carbon reporting are integrated with those of Foster + Partners Group Limited, its ultimate parent company, and are not managed separately. Accordingly, the streamlined energy and carbon reporting of Foster + Partners Group Limited, which includes that of the Company, is addressed in the Directors' report of the consolidated financial statements of Foster + Partners Group Limited, which does not form part of this report.

On behalf of the board



M A Streets  
**Director**  
17<sup>th</sup> August 2021

Registered No. 01644989

# **Foster + Partners Limited**

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

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### **Report on the audit of 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 2021 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 2021; 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**

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

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

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

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



# **Foster + Partners Limited**

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

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### **Reporting on other information**

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

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

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### *Strategic report and Directors' report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 April 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the 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, 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)**

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### *Auditors' responsibilities for the audit of the financial statements*

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

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

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

- Evaluating management's controls designed to prevent and detect irregularities
- Enquiries of management (including the in-house legal counsel) in respect of known or suspected instances of fraud and non-compliance with laws and regulations
- Challenging assumptions, judgements and estimates made by management, in particular in relation to long term contracts, impairment reviews and expected credit losses
- Identifying and testing journal entries and period end adjustments, including those posted with double entries to unusual account combinations or posted with unusual descriptions
- Incorporating unpredictability into our testing, including testing a sample of projects which would not otherwise have been selected through our testing criteria

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

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

# **Foster + Partners Limited**

## **Independent auditors' report to the members of**

### **Foster + Partners Limited (continued)**

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#### *Use of this report*

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

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Nadir Guessoum (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
18<sup>th</sup> August 2021

**Foster + Partners Limited**  
**Income statement**  
**For the year ended 30 April 2021**

	Note(s)	2021 £'000	2020 £'000
Revenue	4	200,226	233,004
Cost of sales		(95,552)	(113,899)
<b>Gross profit</b>		104,674	119,105
Administrative expenses		(73,522)	(62,227)
Net impairment losses on contract assets	15	(914)	(6,616)
Administrative expenses – exceptional items	6	-	(30,366)
Total administrative expenses		(74,436)	(99,209)
Operating profit before depreciation, amortisation and exceptional items		36,976	57,118
Depreciation and amortisation	10, 11, 12	(6,738)	(6,856)
Exceptional items	6	-	(30,366)
<b>Operating profit</b>	5	30,238	19,896
Income from shares in group undertakings		8,562	1,335
<b>Operating profit on ordinary activities before interest and taxation</b>		38,800	21,231
Finance income	8	15	167
Finance expense	8	(2,606)	(1,628)
Finance expenses - net		(2,591)	(1,461)
<b>Profit before income tax</b>		36,209	19,770
Income tax expense	9	(6,535)	(5,548)
<b>Profit for the financial year</b>		29,674	14,222

There was no other comprehensive income other than the profit for the financial year as set out above (2020: £nil).

The accompanying notes on pages 22 to 46 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 2021**

	Note	2021 £'000	2020 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible assets	10	290	257
Property, plant and equipment	11	4,349	4,549
Right-of-use assets	12	72,392	76,565
Investments	13	1,030	1,030
Deferred tax asset	9	1,765	1,862
		<u>79,826</u>	<u>84,263</u>
<b>Current assets</b>			
Trade and other receivables	15	192,300	140,341
Income tax receivable	9	2,985	2,622
Cash and cash equivalents		17,494	21,965
		<u>212,779</u>	<u>164,928</u>
<b>Total assets</b>		<u>292,605</u>	<u>249,191</u>
<b>Liabilities</b>			
<b>Creditors: amounts falling due within one year</b>			
Trade and other payables	17	(101,688)	(85,352)
Lease liabilities	16	(3,123)	(3,007)
		<u>(104,811)</u>	<u>(88,359)</u>
<b>Creditors: amounts falling due after more than one year</b>			
Provisions for liabilities	18	(1,505)	(1,125)
Lease liabilities	16	(69,175)	(72,267)
		<u>(70,680)</u>	<u>(73,392)</u>
<b>Total liabilities</b>		<u>(175,491)</u>	<u>(161,751)</u>
<b>Net assets</b>		<u>117,114</u>	<u>87,440</u>
<b>Equity</b>			
Called up share capital	19	41	41
Share premium account		24	24
Capital contribution reserve		28,500	28,500
Retained earnings		88,549	58,875
<b>Total equity</b>		<u>117,114</u>	<u>87,440</u>

**Foster + Partners Limited**  
**Statement of financial position (continued)**  
**For the year ended 30 April 2021**

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The accompanying notes on pages 22 to 46 form an integral part of these financial statements.  
The financial statements on pages 18 to 46 were approved by the Board of Directors on 17<sup>th</sup>  
August 2021.

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 2021**

	<b>Called up share capital £'000</b>	<b>Share premium account £'000</b>	<b>Capital contribution reserve £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 May 2019</b>	41	24	-	44,653	44,718
Comprehensive income					
Profit for the financial year	-	-	-	14,222	14,222
Total comprehensive income for the year	-	-	-	14,222	14,222
Transactions with owners					
Capital contribution from ultimate parent company	-	-	28,500	-	28,500
Total transactions with owners	-	-	28,500	-	28,500
<b>Balance at 30 April 2020</b>	41	24	28,500	58,875	87,440
Comprehensive income					
Profit for the financial year	-	-	-	29,674	29,674
Total comprehensive income for the year	-	-	-	29,674	29,674
<b>Balance at 30 April 2021</b>	41	24	28,500	88,549	117,114

# **Foster + Partners Limited**

## **Notes to the financial statements**

### **For the year ended 30 April 2021**

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#### **1 General information**

Foster + Partners Limited ('the Company') is incorporated in the United Kingdom 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 principal 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 as applicable to companies using FRS 101.

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 3.

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

- 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).
- 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);



# **Foster + Partners Limited**

## **Notes to the financial statements (continued)**

### **For the year ended 30 April 2021**

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## **2 Significant accounting policies (continued)**

### **2.1 Basis of preparation (continued)**

- 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.

#### **2.1.1 Changes in accounting policy and disclosures**

##### **(a) New and amended standards adopted by the Company**

The following new standards are effective for annual periods beginning on or after 1 May 2020, and have been applied in preparing these financial statements:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting

##### **(b) New standards, amendments and interpretations not yet adopted by the Company**

The Company has taken advantage of the exemption from making disclosures about new standards that have been issued but are not yet effective, available under FRS 101 paragraph 8(i) 'Accounting Policies, Changes in Accounting Estimates and Errors.'

### **2.2 Going concern**

These financial statements have been prepared on a going concern basis.

The directors of the Company have reviewed the financial position, projections and cash flows for the foreseeable future of the Company comprising a period of no less than 12 months from the approval of the financial statements of the Company. 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 will be able to meet its liabilities as they fall due. Accordingly, the directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. Further details are included in the Directors' report on page 10.

# **Foster + Partners Limited**

## **Notes to the financial statements (continued)**

### **For the year ended 30 April 2021**

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## **2 Significant accounting policies (continued)**

### **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. 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.

### **2.4 Joint arrangements**

In accordance with the requirements of IFRS 11, Joint Arrangements, 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. Unrealised gains on transactions between the Company and its joint operations are eliminated to the extent of the Company's interest in joint operations. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

### **2.5 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 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.

# **Foster + Partners Limited**

## **Notes to the financial statements (continued)**

### **For the year ended 30 April 2021**

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## **2 Significant accounting policies (continued)**

### **2.6 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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised as 'gains/losses on disposal of fixed assets' in the income statement.

### **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.

### **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.

# **Foster + Partners Limited**

## **Notes to the financial statements (continued)**

### **For the year ended 30 April 2021**

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## **2 Significant accounting policies (continued)**

### **2.8 Current and deferred income taxes (continued)**

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.

#### **(b) Transactions and balances**

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

#### **(c) Foreign branches**

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

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) All resulting exchange differences are recognised in the income statement.

# **Foster + Partners Limited**

## **Notes to the financial statements (continued)**

### **For the year ended 30 April 2021**

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## **2 Significant accounting policies (continued)**

### **2.11 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 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, the Company has applied the simplified approach to recognise lifetime expected credit losses.

The Company considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor;
- probability that the debtor would enter bankruptcy or financial reorganisation; and
- default or late payments (more than 30 days overdue).

Trade receivables are written off when management form a judgement that the outstanding debt is irrecoverable.

# **Foster + Partners Limited**

## **Notes to the financial statements (continued)**

### **For the year ended 30 April 2021**

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## **2 Significant accounting policies (continued)**

### **2.12 Financial instruments (continued)**

#### **(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.

### **2.13 Revenue**

The Company generates revenue from the provision of Architecture and Design services on projects located worldwide. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Company.

The Company assesses contracts using the five-step approach specified by IFRS 15:

- identify the contract(s) with the customer
- identify the performance obligations in the contract
- determine the transaction price
- allocate the transaction price to the performance obligations in the contract
- recognise revenue when (or as) a performance obligation is satisfied

The Company recognises revenue under the input method. 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.

When contract modifications arise, the Company assesses whether these represent a new performance obligation, and a corresponding change to the transaction price, or an extension to an existing performance obligation. Revenue is adjusted accordingly based on the revision of project costs to completion under the revised performance obligations.

# **Foster + Partners Limited**

## **Notes to the financial statements (continued)**

### **For the year ended 30 April 2021**

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## **2 Significant accounting policies (continued)**

### **2.13 Revenue (continued)**

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. Upon determining the fair value of each performance obligation, the transaction price is allocated accordingly.

The amount by which recorded revenue is in excess of payments on account is included in trade and other receivables as amounts recoverable on contracts. The amounts by which payments on account are in excess of recorded revenue is included in trade and other payables as deferred income.

A portion of the Company's contracts with customers are denominated in non-sterling currencies. Given the long-term nature of the contracts, a level of estimation is required in the determination of foreign exchange rates applied to revenue, deferred income and amounts recoverable on contracts.

### **2.14 Cost of sales**

Cost of sales principally comprises staff salaries, sub-consultant costs and other costs directly related to the Company's revenue.

### **2.15 Segmental reporting**

The Company's principal 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 4.

### **2.16 Leasing**

Any contract entered into, which contains an identified asset, whose use the Company has the right to direct throughout the period of the lease, and the right to obtain substantially all of the economic benefits from, is accounted for as a lease.

At the lease commencement date, the Company recognises a right-of-use asset and a lease liability on the Statement of financial position. The lease liability is measured at the present value of the total lease payments due, discounted using the interest rate implicit in the lease if readily available, or at the Company's incremental borrowing rate. The right-of-use asset is measured at cost, being the lease liability, plus any initial direct costs incurred by the Company, or lease payments made in advance of the commencement date.

Right-of-use assets are depreciated on a straight-line basis to the end of the lease term. The Company assesses the right-of-use asset for impairment when such indicators exist. Lease liabilities are remeasured to reflect any reassessment or modification of the lease – when the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use leased asset, or in the Income statement if the asset is already reduced to zero.

# **Foster + Partners Limited**

## **Notes to the financial statements (continued)**

### **For the year ended 30 April 2021**

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#### **2 Significant accounting policies (continued)**

##### **2.16 Leasing (continued)**

The Company accounts for leases with a lease term of less than 12 months as short term leases.

##### **2.17 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.

##### **2.18 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.

##### **2.19 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.

Contracts are assessed continually for profitability. Provisions are recognised in full for loss making contracts.

##### **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 Statement of financial position.

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.

##### **2.21 Income from shares in group undertakings**

Income from shares in group undertakings is recognised when the right to receive payment is established.



# **Foster + Partners Limited**

## **Notes to the financial statements (continued)**

### **For the year ended 30 April 2021**

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## **2 Significant accounting policies (continued)**

### **2.22 Capital contribution reserve**

The capital contribution reserve arose as part of the corporate restructuring in the year to 30 April 2020.

### **2.23 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.

## **3 Critical accounting estimates and judgements**

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

### **(a) Revenue recognition**

Revenue is recognised under the input method. 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. Revenue, deferred income and amounts recoverable on contracts are sensitive to changes in those estimates.

### **(b) Lease Liabilities**

The Company estimates the incremental borrowing rate used to measure lease liabilities based on expected third party financing costs when the interest rate implicit in the lease cannot be readily determined. This is explained further in the leases accounting policy.

Key judgements 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 debtors is performed on a project by project basis considering all relevant known factors. In addition to any specific impairments identified through this process, the Company carries an estimate for expected credit losses based on recent historical experience of amounts written off.

# Foster + Partners Limited

## Notes to the financial statements (continued)

### For the year ended 30 April 2021

#### 4 Revenue

Revenue is derived entirely from contracts with customers and 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:

	2021 £'000	2020 £'000
<b>Geographical area</b>		
Middle East	88,629	84,358
Asia	55,163	52,896
North America	21,613	51,992
United Kingdom	17,763	18,796
Continental Europe	14,398	15,628
South America	2,318	7,975
Africa	342	1,359
<b>Total</b>	<b>200,226</b>	<b>233,004</b>

Assets and liabilities related to contracts with customers are as follows:

	2021 £'000	2020 £'000
<b>Current assets</b>		
Trade receivables (Note 15)	53,529	54,797
Less provision for impairment (Note 15)	(7,418)	(6,815)
Amounts recoverable on contracts (Note 15)	7,502	5,765
	<b>53,613</b>	<b>53,747</b>
	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Current liabilities</b>		
Deferred income (Note 17)	59,772	52,628
	<b>59,772</b>	<b>52,628</b>

During the year the Company recognised £39.1m of revenue that was held in deferred income at 30 April 2020 (2020: £42.5m related to amounts as at 30 April 2019).

**Foster + Partners Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 30 April 2021**

**5 Operating profit**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Operating profit is stated after charging / (crediting)</b>		
Staff costs (Note 7)	98,503	115,243
Depreciation and amortisation		
- Property, plant and equipment	2,337	2,140
- Right-of-use assets	4,233	4,534
- Intangible assets	168	182
Gain on disposal of assets	(10)	(57)
Operating lease charges	13	178
Loss on disposal of leases	-	137
Foreign exchange loss	6,561	1,262
Auditors' remuneration:		
- Fees payable to company auditors for audit services	195	215
- Fees payable to company auditors for taxation services	375	275
- Fees payable to company auditors for other services	5	5

All operating leases are in respect of Land and Buildings.

**6 Exceptional Items**

As part of the 2019 restructuring a bonus was paid to partners in the prior year. The total cost to the Company was £30.4m including £2.9m of social security costs. There were no exceptional items in the current year.

**7 Employees and directors**

(a) Employee benefit expense

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	75,824	72,609
Partnership payment	8,824	-
Social security costs	10,012	8,592
Other pension costs (Note 21)	3,843	3,676
<b>Total employee costs before exceptional items</b>	<b>98,503</b>	<b>84,877</b>
Restructuring bonus and related social security costs (exceptional item)	-	30,366
<b>Total employee costs</b>	<b>98,503</b>	<b>115,243</b>

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, £8.8m is accrued in respect of the financial year ending 30 April 2021 (2020: £nil). Social security of £1.3m (2020: £nil) 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 2021**

**7 Employees and directors (continued)**

(b) Average number of people employed

	<b>2021</b>	<b>2020</b>
<b>Monthly average number of people employed during the year (including directors)</b>		
Technical	936	952
Administration	259	259
<b>Total employee numbers</b>	<b>1,195</b>	<b>1,211</b>

(c) Directors' emoluments and key management compensation

Key management are considered to be the directors.

	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Directors' emoluments</b>		
Aggregate emoluments	12,269	20,362
Amounts paid to defined contribution pension scheme	22	60
<b>Total directors' emoluments</b>	<b>12,291</b>	<b>20,422</b>

The Company makes pension contributions on behalf of six (2020: six) of the Company's ten directors (2020: 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 and restructuring bonus charges as described in Note 7(a) above.

	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Highest paid director</b>		
Aggregate emoluments	1,379	2,297
<b>Total</b>	<b>1,379</b>	<b>2,297</b>

The Company has not made any pension contributions on behalf of the highest paid director (2020: none).

**Foster + Partners Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 30 April 2021**

**8 Finance income and expense**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Finance expense</b>		
Interest expense on lease liabilities	(2,606)	(1,628)
<b>Total finance expense</b>	<u>(2,606)</u>	<u>(1,628)</u>
<b>Finance income</b>		
Interest income	15	167
<b>Total finance income</b>	<u>15</u>	<u>167</u>
<b>Net finance expenses</b>	<u>(2,591)</u>	<u>(1,461)</u>

**9 Income tax expense**

(i) Income tax expense

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
UK Corporation tax	5,428	2,040
Adjustments in respect of prior years	(709)	(156)
Overseas tax	3,495	5,061
Double tax relief	(1,776)	(1,211)
<b>Total tax charge</b>	<u>6,438</u>	<u>5,734</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(197)	(540)
Adjustments in respect of prior years	294	354
<b>Total deferred tax charge / (credit)</b>	<u>97</u>	<u>(186)</u>
<b>Net income tax expense</b>	<u>6,535</u>	<u>5,548</u>

UK corporation tax is calculated at 19.00% (2020: 19.00%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in those jurisdictions.

**Foster + Partners Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 30 April 2021**

**9 Income tax expense (continued)**

(ii) Reconciliation of the total tax charge

The tax charge reported in the income statement for the year is lower (2020: higher) than the standard rate of Corporation Tax in the UK of 19.00% (2020: 19.00%). The differences are reconciled below:

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Profit before income tax	36,209	19,770
Profit before income tax multiplied by the UK standard rate of 19.00% (2020: 19.00%)	6,880	3,756
Expenses not deductible for tax purposes	84	100
Income not taxable for tax purposes	(1,627)	(254)
Group relief claimed	(89)	(1,564)
Transfer pricing adjustments	(13)	(15)
Tax rate change	-	(156)
Overseas tax paid	1,715	3,483
Adjustments in respect of prior years	(415)	198
<b>Total tax charge</b>	<b>6,535</b>	<b>5,548</b>

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

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
<b>Deferred tax asset</b>		
Depreciation in excess of capital allowances	711	453
Short term timing differences	1,054	1,409
<b>Total deferred tax asset</b>	<b>1,765</b>	<b>1,862</b>
	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
<b>Depreciation in excess of capital allowances</b>		
<b>At the start of the year</b>	453	834
Deferred tax credit / (charge) in the income statement for the financial year	258	(381)
<b>At the end of the year</b>	<b>711</b>	<b>453</b>

**Foster + Partners Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 30 April 2021**

**9 Income tax expense (continued)**

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Short term timing differences</b>		
<b>At the start of the year</b>	1,409	842
Deferred tax (charge) / credit in the income statement for the financial year	(355)	567
<b>At the end of the year</b>	<u>1,054</u>	<u>1,409</u>

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:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Deferred tax to be recovered after more than 12 months	1,765	1,862
<b>Total deferred tax asset</b>	<u>1,765</u>	<u>1,862</u>

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 asset

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Corporation tax asset	2,985	2,622
<b>Total income tax asset</b>	<u>2,985</u>	<u>2,622</u>

(v) Factors that may affect future tax charges

In the Spring Budget of 2021, the Government announced that the rate of corporation tax will increase from 1 April 2023 to 25% on profits over £250,000. The rate for small profits under £50,000 will remain at 19% and there will be taper relief for businesses with profits between £50,000 and £250,000. The corporation tax rate increase was included in Finance Bill 2021 and the Bill was substantively enacted on 24 May 2021. Deferred taxes at the statement of financial position date have been measured using these enacted tax rates and reflected in these financial statements.

**Foster + Partners Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 30 April 2021**

**10 Intangible assets**

	<b>Software £'000</b>
<b>Cost</b>	
<b>At 1 May 2019</b>	4,882
Additions	157
<b>At 30 April 2020</b>	5,039
Additions	201
<b>At 30 April 2021</b>	5,240
<b>Accumulated amortisation</b>	
<b>At 1 May 2019</b>	4,600
Charge for the year	182
<b>At 30 April 2020</b>	4,782
Charge for the year	168
<b>At 30 April 2021</b>	4,950
<b>Net book value</b>	
<b>At 30 April 2021</b>	290
<b>At 30 April 2020</b>	257

Intangible assets amortisation of £168,000 (2020: £182,000) is recorded in administrative expenses in the income statement.



**Foster + Partners Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 30 April 2021**

**11 Property, plant and equipment**

	<b>Motor Vehicles £'000</b>	<b>Fixtures &amp; Fittings £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
<b>At 1 May 2019</b>	92	21,683	21,775
Additions	-	2,578	2,578
Disposals	(24)	(232)	(256)
Foreign exchange movement	-	10	10
<b>At 30 April 2020</b>	68	24,039	24,107
Additions	-	2,134	2,134
Disposals	-	(5,297)	(5,297)
Foreign exchange movement	-	(21)	(21)
<b>At 30 April 2021</b>	68	20,855	20,923
<b>Accumulated depreciation</b>			
<b>At 1 May 2019</b>	68	17,598	17,666
Charge for the year	6	2,134	2,140
Disposals	(24)	(232)	(256)
Foreign exchange movement	-	8	8
<b>At 30 April 2020</b>	50	19,508	19,558
Charge for the year	6	2,331	2,337
Disposals	-	(5,296)	(5,296)
Foreign exchange movement	-	(25)	(25)
<b>At 30 April 2021</b>	56	16,518	16,574
<b>Net book value</b>			
<b>At 30 April 2021</b>	12	4,337	4,349
<b>At 30 April 2020</b>	18	4,531	4,549

Depreciation expense of £2,337,000 (2020: £2,140,000) is included within 'administrative expenses' in the income statement.

During the year the Company disposed of assets with a carrying value of £1,000 (2020 £nil) and a cost of £5,297,000 (2020: £256,000).

**Foster + Partners Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 30 April 2021**

**12 Right-of-use assets**

	<b>Property leases £'000</b>
<b>Cost</b>	
<b>At 1 May 2019</b>	28,230
Additions	53,006
Disposals	(141)
<b>At 30 April 2020</b>	81,095
Additions	74
Foreign exchange movement	21
<b>At 30 April 2021</b>	81,190
<b>Accumulated depreciation</b>	
<b>At 1 May 2019</b>	-
Charge for the year	4,534
Disposals	(4)
<b>At 30 April 2020</b>	4,530
Charge for the year	4,233
Foreign exchange movement	35
<b>At 30 April 2021</b>	8,798
<b>Net book value</b>	
<b>At 30 April 2021</b>	72,392
<b>At 30 April 2020</b>	76,565

**13 Investments**

	<b>Investment in subsidiary undertakings £'000</b>
<b>Cost and net book value at 1 May 2019, 30 April 2020 and 30 April 2021</b>	1,030

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.

# Foster + Partners Limited

## Notes to the financial statements (continued)

### For the year ended 30 April 2021

#### 13 Investments (continued)

##### 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	%
<b>Subsidiary undertaking</b>				
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	Serrano 31, 28001 Madrid, Spain	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 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	101, 1 <sup>st</sup> Floor, Vindhya Commercial Complex, Plot 1 Sector 11, CBD Belapur, Navi Mumbai, Maharashtra, 400614	Architects	Ordinary	100
Foster + Partners Sweden AB	c/o Foyen Advokatfirma AB P.O. Box 7229 103 89 Stockholm Sweden	Architects	Ordinary	100
Foster and Partners Australia Pty Ltd	Level 11, 485 Bourke Street. Melbourne VIC 3000, Australia	Architects	Ordinary	100
Ruangrangpisarnkanna Co., Limited	No. 999/9 Central World, 26 <sup>th</sup> Floor, Rama 1 Road, Pathumwan Sub-District, Pathumwan District, Bangkok, Thailand	Holding	Ordinary	40

# Foster + Partners Limited

## Notes to the financial statements (continued)

### For the year ended 30 April 2021

#### 13 Investments (continued)

			Shares held	
Company	Registered Address	Principal activity	Class	%
<b>Subsidiary undertaking</b>				
F&P (Thailand) Limited	No. 57 Park Ventures Ecoplex, Unit 1003-1004, 10 <sup>th</sup> Floor, Wireless Road Lumpini Sub-district, Pathumwan District, Bangkok, Thailand	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.	Montes Urales 723 –piso 2 Lomas de Chapultepec 11000 Ciudad de México México	Architects	Ordinary	50

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.

On 9 July 2020 F&P Project Management Malaysia SDN. BHD., a subsidiary undertaking of the company was dissolved. 100% of the shares of this company were held at 30 April 2020.

There was no change in the holdings listed above since 30 April 2020.

#### 14 Joint operations

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.

**Foster + Partners Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 30 April 2021**

**15 Trade and other receivables**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Trade receivables	53,529	54,797
Less provision for impairment	(7,418)	(6,815)
	<u>46,111</u>	<u>47,982</u>
Amounts recoverable on contracts	7,502	5,765
Amounts owed by group undertakings	130,294	78,643
Other receivables	274	320
Prepayments	8,119	7,631
<b>Total</b>	<u>192,300</u>	<u>140,341</u>

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

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>At 1 May 2020</b>	6,815	9,223
Provision for receivables impairment	3,739	8,136
Amounts reversed	(2,825)	(1,520)
Amounts utilised	(311)	(9,024)
<b>At 30 April 2021</b>	<u>7,418</u>	<u>6,815</u>

Net impairment losses on contract assets of £0.9m is comprised of provision for receivables impairment and amounts reversed (2020: £6.6m).

**Foster + Partners Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 30 April 2021**

**16 Lease liabilities**

The movement in the lease liability over the year was as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>At 1 May</b>	75,274	27,449
Additions	126	51,782
Interest charges	2,606	1,628
Disposals	-	(130)
Repayments of lease liabilities	(5,699)	(5,459)
Foreign exchange	(9)	4
<b>At 30 April</b>	<b>72,298</b>	<b>75,274</b>

Lease liabilities mature as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	3,123	3,007
Within two to five years	13,035	12,790
After 5 years	56,140	59,477
<b>Total</b>	<b>72,298</b>	<b>75,274</b>
<b>Current</b>	3,123	3,007
<b>Non-current</b>	69,175	72,267
<b>Total</b>	<b>72,298</b>	<b>75,274</b>

**17 Trade and other payables**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Trade payables	6,185	4,739
Amounts owed to group undertakings	4,596	6,120
Other taxation and social security	1,816	65
Other payables	721	2,575
Accruals	28,598	19,225
Deferred income	59,772	52,628
<b>Total</b>	<b>101,688</b>	<b>85,352</b>

Amounts due to 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 2021**

**18 Provisions for liabilities**

	<b>Claims on contracts £'000</b>	<b>Loss making contracts £'000</b>	<b>Total £'000</b>
<b>Balance at 1 May 2019</b>	800	462	1,262
Released	(100)	-	(100)
Provided for in the current year	350	75	425
Utilised	-	(462)	(462)
<b>Balance at 30 April 2020</b>	<u>1,050</u>	<u>75</u>	<u>1,125</u>
Released	(200)	-	(200)
Provided for in the current year	525	255	780
Utilised	-	(200)	(200)
<b>Balance at 30 April 2021</b>	<u>1,375</u>	<u>130</u>	<u>1,505</u>

The provision for claims on contracts represents 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.

**19 Called up share capital**

	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Allotted, called up and fully paid</b>		
41,347 (2020: 41,347) 'A' ordinary shares of £1 each	<u>41</u>	<u>41</u>

# **Foster + Partners Limited**

## **Notes to the financial statements (continued)**

### **For the year ended 30 April 2021**

#### **20 Dividends**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
£nil (2020: £nil) per £1 share	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The directors do not propose the payment of a final dividend (2020: £nil).

#### **21 Pension schemes**

The Company operates a defined contribution scheme for which the pension cost charge for the year amounted to £3.8m (2020: £3.7m). As at 30 April 2021 a £0.5m payable is held in the statement of financial position (2020: £0.5m) for contributions to be paid over.

#### **22 Related party transactions**

Details of directors' emoluments are disclosed in Note 7.

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, an entity registered in England and Wales amounting to £1.9m (2020: £1.9m).

The Company has taken advantage of the exemption from making 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.

#### **23 Contingent assets and liabilities**

At 30 April 2021, certain borrowings in Foster + Partners Group Limited, the ultimate parent company of Foster + Partners Limited, were secured on the Company's assets. The amount of secured borrowings as at 30 April 2021 was £117.1m (2020: £167.0m).

#### **24 Controlling parties**

The immediate parent undertaking is Foster Holdings Limited.

At the year end the Company's ultimate parent undertaking was 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 2021. 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.