Registered number: 05012801

MAKE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

COMPANY INFORMATION

Directors	K Shuttleworth B Cooke (resigned 2 June 2015) S Affleck J Parker K Ghahremani (appointed 1 January 2015)
Company secretary	L Cooke
Registered number	05012801
Registered office	32 Cleveland Street London W1T 4JY
Independent auditor	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

MAKE LIMITED

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

Business review

Make had an exceptionally strong year in 2015, with a 26 per cent increase in turnover, from £17.7m to £22.3m. With studios in London, China, Hong Kong and Sydney, we had over 10 projects under construction in London and 12 in the rest of the UK and internationally. We also undertook a great amount of design-stage work.

In London we benefitted significantly from the 40 Leadenhall Street scheme for TH Real Estate, one of the largest planning permissions ever granted in the City of London. In Hong Kong we also continued to grow, with a major residential schemes going onsite.

Despite the continued strong focus on London, our portfolio of projects throughout the rest of the UK grew 10 per cent in 2015. This is thanks to new schemes in Manchester and Exeter – both new markets for Make – and the winning of follow-on work in Birmingham, and a new residential project in Oxford.

To match this increase in revenue, we grew full-time designer headcount by 14 per cent, from 124 to 141. Due to this and our annual profit share, we also saw the cost of sales increase 38 per cent, while our administrative cost base remained relatively flat. Our aim continues to be to have a stable revenue base, strong balance sheet and no external debt. Net assets were nearly £6m, leaving us in a strong financial position at year-end.

Make continues to research and innovate, using R&D tax credits, which enable us to continue this important work in the future.

In January 2015, Katy Ghahremani was appointed to the Make board of directors. She joined Ken Shuttleworth, Sean Affleck and Jason Parker, taking the place of Barry Cooke, who stepped down in early 2015 but remains a trustee and partner.

In May, we moved into our new, permanent studio at 32 Cleveland Street, which we also designed. The move coincided with a brand refresh that involved an updated visual and verbal identity, as well as the creation of the Make Charter. The Charter expresses the practice's single guiding purpose: 'To create the best buildings, places and spaces in the world.'

In May 2016, the Future Spaces Foundation – the think tank established in 2013 by Make – published its third research project: 'Vital Cities: Transport Systems Scorecard', an interactive data hub that measures connectivity across 12 different cities around the world. The research findings should ultimately broaden our understanding of how cities can develop their transport systems to become more vital, better spaces to live in.

The second report, 'Vital Cities, not Garden Cities', published in 2015, argued that we should be building on our existing cities, not creating garden cities. The first one, 'The Future High Street', launched in 2014, considered ways of rejuvenating the British high streets.

Strategy and future development

Our strategy is to maintain our strength in London but to also increase our presence in the wider UK market. In Asia last year, we consolidated our Beijing and Hong Kong studios into one, in Hong Kong, which we are now looking to grow. We are also building our team in Sydney, as work there continues to increase.

Principal risks and uncertainties

The management of the business is subject to a number of risks, these include but are not limited to:

- Attracting and retaining staff of the appropriate calibre
- Competition within the architectural profession
- Being able to diversify across different sectors and geographies
- Britain's exit from the EU.

Financial risk management objectives and policies

The company uses financial instruments such as cash, short term deposits and various items, such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to finance the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below. The main risks arising from the company's financial instruments are exchange risk, liquidity risk, cash flow, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Exchange risk

For Make, exchange risk encompasses only limited currency risk given that most turnover is generated in the UK and is invoiced in £ Sterling. A small number of overseas clients have been billed in Australian Dollars, Canadian Dollars, HKD and Swiss Francs. The risk has been mitigated by the use of foreign currency bank accounts whereby Make can control when the money is transferred into Sterling. In China, the wholly owned subsidiary, Make Architectural Design Consultancy (Beijing) Limited, bills in RMB and bears all RMB costs and expenses. Make (HK) Ltd bills in Hong Kong Dollars.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company retains sufficient cash, invested in short term deposits, to meet its foreseeable needs over the next year, subject to projected cash flows from trading.

Interest rate risk

The company has not had any bank borrowings or finance and continues to operate its working capital within its positive cash reserves. Accordingly the company's exposure to interest rate fluctuations on its cash deposits is managed by the use of current accounts and short term deposits to maximise interest earned on the cash that is surplus to current needs.

Credit risk

The company's principal financial assets are bank deposits, cash and trade debtors. The credit risk associated with the bank deposits is limited. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk the finance director reviews debt ageing and collection history of clients. If bills are not paid according to the company's terms, work will be stopped on a contract so that any financial loss is minimised to one month's work.

For new clients with a limited track record, rigorous checks are carried out and fees can be required in advance of work performed.

GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

Financial key performance indicators

	Year to 31/12/15 £000's	Year to 31/12/14 £000's	Year to 31/12/13 £000's
Turnover	22,276	17,701	18,592
Gross Profit	6,901	6,550	7,340
Profit before tax	161	101	969
Shareholders' funds	5,964	5,238	4,029

This report was approved by the board on 19 September 2016 and signed on its behalf.

J Parker
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £716,748 *(2014 - £1,179,945)*.

The directors do not propose to pay a dividend in the year.

Directors

The directors who served during the year were:

K Shuttleworth
B Cooke (resigned 2 June 2015)
S Affleck
J Parker
K Ghahremani (appointed 1 January 2015)

Future developments

Future developments are discussed within the Strategic Report

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

BUSINESS OWNERSHIP

The Company is 100% employee owned by the Make Employee Benefit Trust for the benfit of everyone employed by the Company.

This report was approved by the board on 19 September 2016 and signed on its behalf.

J Parker
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAKE LIMITED

We have audited the financial statements of Make Limited for the year ended 31 December 2015, set out on pages 8 to 36. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2015 and of the Group's profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those accounts. In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors Report.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAKE LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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

Nigel Bostock

Nigel Bostock (Senior statutory auditor)

for and on behalf of
Crowe Clark Whitehill LLP

Statutory Auditor

St Bride's House
10 Salisbury Square
London
EC4Y 8EH

19 September 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	*2014 £*
Turnover		**22,275,697**	*17,700,675*
Cost of sales		**(15,374,408)**	*(11,150,630)*
Gross profit		**6,901,289**	*6,550,045*
Administrative expenses		**(6,762,895)**	*(6,500,580)*
Operating profit		**138,394**	*49,465*
Interest receivable and similar income	9	**23,009**	*23,804*
Interest payable and expenses	10	**-**	*(1,095)*
Profit before tax		**161,403**	*72,174*
Tax on profit	11	**555,345**	*1,107,771*
Profit for the year		**716,748**	*1,179,945*
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Currency translation differences		**9,896**	*28,398*
		9,896	*28,398*
Total comprehensive income for the year		**726,644**	*1,208,343*
Profit for the year attributable to:			
Owners of the parent company		**(716,748)**	*(1,179,945)*
		(716,748)	*(1,179,945)*

The notes on pages 16 to 36 form part of these financial statements.

MAKE LIMITED
REGISTERED NUMBER: 05012801

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	2014 £
Intangible assets			**128,266**		*160,403*
Tangible assets	14		**859,778**		*451,009*
			988,044		*611,412*
Current assets					
Debtors: amounts falling due within one year	16	**6,046,841**		*5,050,237*	
Cash at bank and in hand	17	**7,145,247**		*3,905,557*	
		13,192,088		*8,955,794*	
Creditors: amounts falling due within one year	18	**(8,180,319)**		*(4,284,790)*	
Net current assets			**5,011,769**		*4,671,004*
Total assets less current liabilities			**5,999,813**		*5,282,416*
Provisions for liabilities					
Deferred taxation		**(29,914)**		-	
Other provisions	21	**(5,639)**		*(44,800)*	
			(35,553)		*(44,800)*
Net assets excluding pension asset			**5,964,260**		*5,237,616*
Net assets			**5,964,260**		*5,237,616*
Capital and reserves					
Called up share capital	23		**2**		*2*
Profit and loss account	22		**5,964,258**		*5,237,614*
			5,964,260		*5,237,616*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 September 2016.

J Parker
Director

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Intangible fixed assets			**123,795**		*156,955*
Tangible assets	14		**845,398**		*434,071*
Investments	15		**96,402**		*288,414*
			1,065,595		*879,440*
Current assets					
Debtors: amounts falling due within one year	16	**5,745,992**		*5,201,890*	
Cash at bank and in hand	17	**7,042,792**		*3,595,217*	
		12,788,784		*8,797,107*	
Creditors: amounts falling due within one year	18	**(8,002,591)**		*(4,257,929)*	
Net current assets			**4,786,193**		*4,539,178*
Total assets less current liabilities			**5,851,788**		*5,418,618*
Provisions for liabilities					
Deferred taxation		**(29,914)**		-	
Other provisions	21	**(5,639)**		*(44,800)*	
			(35,553)		*(44,800)*
Net assets excluding pension asset			**5,816,235**		*5,373,818*
Net assets			**5,816,235**		*5,373,818*
Capital and reserves					
Called up share capital	23		**2**		*2*
Profit and loss account	22		**5,816,233**		*5,373,816*
			5,816,235		*5,373,818*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 September 2016.

J Parker
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 January 2015	2	5,237,614	5,237,616	5,237,616
Comprehensive income for the year				
Profit for the year	-	716,748	716,748	716,748
Currency translation differences	-	9,896	9,896	9,896
Other comprehensive income for the year	-	9,896	9,896	9,896
Total comprehensive income for the year	-	726,644	726,644	726,644
Total transactions with owners	-	-	-	-
At 31 December 2015	2	5,964,258	5,964,260	5,964,260

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 January 2014	2	4,029,271	4,029,273	4,029,273
Comprehensive income for the year				
Profit for the year	-	1,179,945	1,179,945	1,179,945
Currency translation differences	-	28,398	28,398	28,398
Total comprehensive income for the year	-	1,208,343	1,208,343	1,208,343
Total transactions with owners	-	-	-	-
At 31 December 2014	2	5,237,614	5,237,616	5,237,616

The notes on pages 16 to 36 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	2	5,373,816	5,373,818
Comprehensive income for the year			
Profit for the year	-	442,417	442,417
Total comprehensive income for the year	-	442,417	442,417
At 31 December 2015	2	5,816,233	5,816,235

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2014	2	4,007,854	4,007,856
Comprehensive income for the year			
Profit for the year	-	1,365,962	1,365,962
Total comprehensive income for the year	-	1,365,962	1,365,962
At 31 December 2014	2	5,373,816	5,373,818

The notes on pages 16 to 36 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 £	2014 £
Cash flows from operating activities		
Profit for the financial year	**716,748**	*1,179,945*
Adjustments for:		
Amortisation of intangible assets	**90,386**	*97,140*
Depreciation of tangible assets	**234,775**	*253,372*
Loss on disposal of tangible assets	**7,478**	*343*
Interest paid	**-**	*1,095*
Interest received	**(23,009)**	*(23,804)*
Taxation	**(555,345)**	*(1,107,771)*
(Increase)/ decrease in debtors	**(1,678,306)**	*173,257*
Increase in creditors	**3,907,180**	*193,947*
(Decrease)/ Increase in provisions	**(39,161)**	*34,274*
Corporation tax	**1,263,706**	*(312,859)*
Translation differences	**7,774**	*31,075*
Net cash generated from operating activities	**3,932,226**	*520,014*
Cash flows from investing activities		
Purchase of intangible fixed assets	**(58,248)**	*(66,341)*
Purchase of tangible fixed assets	**(657,297)**	*(255,565)*
Interest received	**23,009**	*23,804*
Net cash from investing activities	**(692,536)**	*(298,102)*
Cash flows from financing activities		
Interest paid	**-**	*(1,095)*
Net cash used in financing activities	**-**	*(1,095)*
Net increase in cash and cash equivalents	**3,239,690**	*220,817*
Cash and cash equivalents at beginning of year	**3,905,557**	*3,684,740*
Cash and cash equivalents at the end of year	**7,145,247**	*3,905,557*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**7,145,247**	*3,905,557*
	7,145,247	*3,905,557*

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 27.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2. General information

Make Limited is a private limited company incorporated in the United Kingdom with its registered office at 32 Cleveland Street, London, W1T 4JY.

Make Limited provides architectural services.

2.1 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2015.

2.2 Revenue

Turnover represents amounts chargeable to clients for professional services provided and includes net invoiced sales of services, excluding value added tax.

Services provided but which had not been billed at the balance sheet date have been recognised as revenue. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the firm and the revenue can be reliably measured. Revenue recognition in this manner is based on an assessment of the fair value of the services provided at the balance sheet date where there exists an agreed right to receive consideration for work undertaken. Accrued income is included in the financial statements as a current asset. Payments received on account of unbilled work are set off against accrued income in the balance sheet.

Income which is billed for work to be carried out at a future date or in advance of providing other services where a liability exists at the balance sheet date to fulfil specific future obligations, is treated as deferred income and included in current liabilities.

1. Accounting policies (continued)

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.
All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Amortisation is provided on the following bases:

Computer software	-	33 % straight line

Amortisation on intangible fixed assets is recognised within administrative expenses in the Consolidated statement of comprehensive income.

2.4 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided at rates estimated to write off tangible fixed assets by equal instalments over their estimated useful lives as follows:

Leasehold improvements	- Over the term of the lease
Furniture, fixtures & fittings	- 20% straight line
Office equipment	- 33% straight line
Computer equipment	- 20 - 33% straight line

Assets are depreciated from the date of acquisition or when put to use. Assets under construction are not depreciated until brought into use.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

1. Accounting policies (continued)

2.5 Operating leases: Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Gains and losses on remeasurement are recognised in the Consolidated Profit and Loss Account for the period.

2.7 Debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

1. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

1. Accounting policies (continued)

2.9 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.
Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.12 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

1. **Accounting policies (continued)**

2.14 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in compliance with FRS 102 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements include estimation, where applicable, for items relating to revenue recognition, property provisions, impairment of investments and the recoverability of receivables.

4. Turnover

Analysis of turnover by country of destination:

	2015 £	*2014 £*
United Kingdom	**19,217,464**	*14,701,520*
Europe and Middle East	**689,295**	*592,339*
Asia	**855,070**	*709,442*
India	**678,310**	*856,814*
Australia	**835,558**	*749,998*
Rest of world	**-**	*90,562*
	22,275,697	*17,700,675*

5. Operating profit

The operating profit is stated after charging:

	2015 £	*2014 £*
Depreciation of tangible fixed assets	**234,775**	*253,167*
Amortisation of intangible assets	**90,386**	*97,344*
Exchange differences	**9,987**	*11,243*
Defined contribution pension cost	**694,004**	*610,209*
	-	*-*
	-	*-*

6. Auditor's remuneration

	2015 £	*2014 £*
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	**34,397**	*26,661*
	34,397	*26,661*
Fees payable to the Group's auditor and its associates in respect of:		
Other services relating to taxation	**14,095**	*21,903*
	14,095	*21,903*

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2015 £	*2014 £*
Wages and salaries	**12,821,410**	*9,238,074*
Social security costs	**1,491,012**	*1,100,867*
Cost of defined contribution scheme	**694,004**	*610,209*
	15,006,426	*10,949,150*

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	*2014 No.*
Staff	**167**	*151*

8. Directors' remuneration

	2015	*2014*
	£	*£*
Directors' emoluments	**1,726,621**	*1,218,086*
Company contributions to defined contribution pension schemes	**74,790**	*54,930*
	1,801,411	*1,273,016*

The highest paid director received remuneration of £861,441 *(2014 - £631,471)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL *(2014 - £NIL)*.

The total accrued pension provision of the highest paid director at 31 December 2015 amounted to £NIL *(2014 - £NIL)*.

9. Interest receivable

	2015	*2014*
	£	*£*
Other interest receivable	**23,009**	*23,804*
	23,009	*23,804*

10. Interest payable and similar charges

	2015	*2014*
	£	*£*
Bank interest payable	-	*1,095*
	-	*1,095*

11. Taxation

	2015 £	*2014 £*
Corporation tax		
Current tax on profits for the year	**75,000**	*91,459*
Adjustments in respect of previous periods	**(697,291)**	*(1,208,799)*
	(622,291)	*(1,117,340)*
Foreign tax		
Foreign tax on income for the year	**4,198**	*(22,534)*
	4,198	*(22,534)*
Total current tax	**(618,093)**	*(1,139,874)*
Deferred tax		
Origination and reversal of timing differences	**62,748**	*32,103*
Total deferred tax	**62,748**	*32,103*
Taxation on loss on ordinary activities	**(555,345)**	*(1,107,771)*

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2014 - higher than)* the standard rate of corporation tax in the UK of 20.25% *(2014 - 21.5%)*. The differences are explained below:

	2015 £	*2014 £*
Profit on ordinary activities before tax	**167,100**	*100,572*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	**33,832**	*21,623*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**37,508**	*18,129*
Adjustment for overseas results	**70,606**	*61,276*
Adjustments to tax charge in respect of prior periods	**(697,291)**	*(1,208,799)*
Total tax charge for the year	**(555,345)**	*(1,107,771)*

11. Taxation (continued)

Factors that may affect future tax charges

Details of the deferred tax asset are shown in note 19

12. Intangible assets

Group

	Computer software £
Cost	
At 1 January 2015	**453,588**
Additions	**58,248**
Additions - internal	**(30,347)**
At 31 December 2015	**481,489**
Amortisation	
At 1 January 2015	**293,184**
Charge for the year	**90,386**
On disposals	**(30,347)**
At 31 December 2015	**353,223**
Net book value	
At 31 December 2015	**128,266**
At 31 December 2014	*160,404*

12. Intangible assets (continued)

Company

	Computer software £
Cost	
At 1 January 2015	449,813
Additions	57,552
Additions - internal	(30,347)
At 31 December 2015	477,018
Amortisation	
At 1 January 2015	292,858
Charge for the year	90,712
On disposals	(30,347)
At 31 December 2015	353,223
Net book value	
At 31 December 2015	123,795
At 31 December 2014	*156,955*

13. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £442,417 *(2014 - £1,365,962)*.

14. Tangible fixed assets

Group

	Leasehold Improve - ments	Furniture, fixtures & fittings	Office equipment	Computer equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2015	229,371	147,307	150,093	765,376	1,292,147
Additions	298,856	164,224	23,486	170,731	657,297
Disposals	(117,816)	(68,164)	(30,912)	(166,385)	(383,277)
At 31 December 2015	410,411	243,367	142,667	769,722	1,566,167
Depreciation					
At 1 January 2015	124,319	130,969	109,735	476,115	841,138
Charge owned for the period	36,542	24,775	17,839	155,619	234,775
Disposals	(117,207)	(64,193)	(30,912)	(157,212)	(369,524)
At 31 December 2015	43,654	91,551	96,662	474,522	706,389
Net book value					
At 31 December 2015	366,757	151,816	46,005	295,200	859,778
At 31 December 2014	*105,052*	*16,338*	*40,358*	*289,261*	*451,009*

14. Tangible fixed assets (continued)

Company

	S/Term Leasehold Property	Fixtures & fittings	Office equipment	Computer equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2015	229,371	142,400	150,093	741,391	1,263,255
Additions	292,706	164,224	18,564	166,317	641,811
Disposals	(117,816)	(63,256)	(30,912)	(147,835)	(359,819)
At 31 December 2015	404,261	243,368	137,745	759,873	1,545,247
Depreciation					
At 1 January 2015	124,319	129,431	109,735	465,699	829,184
Charge owned for the period	34,408	24,775	17,020	149,176	225,379
Disposals	(117,207)	(62,571)	(30,912)	(144,024)	(354,714)
At 31 December 2015	41,520	91,635	95,843	470,851	699,849
At 31 December 2015	362,741	151,733	41,902	289,022	845,398
At 31 December 2014	*105,052*	*12,969*	*40,358*	*275,692*	*434,071*

15. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Make Architectural Design Consultancy (Beijing) Limited	China	Ordinary	100 %	Architecture and design services
Make (HK) Limited	Hong Kong	Ordinary	100 %	Architecture and design services

The aggregate of the share capital and reserves as at 31 December 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Subsidiary		
Make Architectural Design Consultancy (Beijing) Limited	(353,471)	(182,059)
Make (HK) Limited	204,565	18,781

Company

	Investment in subsidiary companies £
Cost or valuation	
At 1 January 2015	**288,414**
At 31 December 2015	**288,414**
Impairment	
Charge for the period	**192,012**
At 31 December 2015	**192,012**
Net book value	
At 31 December 2015	**96,402**
At 31 December 2014	*288,414*

16. Debtors

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	4,162,857	2,907,202	4,057,683	2,838,731
Amounts owed by group undertakings	-	-	-	423,933
Other debtors	858,817	1,329,349	807,734	1,292,577
Prepayments and accrued income	1,025,167	780,852	880,575	613,815
Deferred taxation	-	32,834	-	32,834
	6,046,841	5,050,237	5,745,992	5,201,890

17. Cash and cash equivalents

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Cash at bank and in hand	7,145,247	3,905,557	7,042,792	3,595,217
	7,145,247	3,905,557	7,042,792	3,595,217

18. Creditors: Amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade creditors	658,472	437,230	649,719	433,920
Amounts owed to group undertakings	-	-	1,761	92,043
Corporation tax	3,225	14,876	-	-
Taxation and social security	809,216	748,597	809,216	748,089
Other creditors	8,855	79,243	6,997	76,860
Accruals and deferred income	6,700,551	3,004,844	6,534,898	2,907,017
	8,180,319	4,284,790	8,002,591	4,257,929

19. Financial instruments

	Group 2015 £	*Group 2014 £*	Company 2015 £	*Company 2014 £*
Financial assets that are debt instruments measured at amortised cost	**5,153,853**	*4,388,654*	**4,865,417**	*4,555,241*
	5,153,853	*4,388,654*	**4,865,417**	*4,555,241*
Financial liabilities measured at amortised cost	**(4,930,597)**	*(2,837,366)*	**(4,758,988)**	*(2,828,272)*
	(4,930,597)	*(2,837,366)*	**(4,758,988)**	*(2,828,272)*

20. Deferred taxation

Group

	2015 £	2014 £
At beginning of year	32,834	64,937
Charged to the profit or loss	(62,748)	(32,103)
At end of year	**(29,914)**	**32,834**

Company

	2015 £	2014 £
At beginning of year	32,834	64,937
Charged to the profit or loss	(62,748)	(32,103)
At end of year	**(29,914)**	**32,834**

	Group 2015 £	*Group 2014 £*	Company 2015 £	*Company 2014 £*
Accelerated capital allowances	**32,834**	*13,271*	**32,834**	*13,271*
General provisions	**-**	*19,563*	**-**	*19,563*
Released during the year (P&L)	**(62,748)**	*-*	**(62,748)**	*-*
	(29,914)	*32,834*	*(29,914)*	*32,834*

21 Provisions

Group

	Property	Total
	£	£
At 1 January 2015	44,800	44,800
Charged to the profit or loss	26,172	26,172
At 31 December 2015	**5,639**	**5,639**

Company

	Property	Total
	£	£
At 1 January 2015	44,800	44,800
Charged to the profit or loss	26,172	26,172
At 31 December 2015	**5,639**	**5,639**

Provisions are in respect of potential liabilities arising on exit of leasehold properties.

22. Reserves

Profit & loss account

These are the historical profits of the group retained in the business available for distribution to members.

23. Share capital

	2015 £	*2014 £*
Shares classified as equity		
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	**2**	*2*

24. Pension commitments

The company operates a UK defined contribution pension scheme for employees.

Commitments to pension schemes at the year end were £1,858 (2014: £68,760).

25. Commitments under operating leases

At 31 December 2015 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2015 £	*Group 2014 £*	Company 2015 £	*Company 2014 £*
Not later than 1 year	**445,483**	*478,601*	**406,333**	*369,562*
Later than 1 year and not later than 5 years	**2,123,131**	*1,988,894*	**2,110,081**	*1,988,894*
Later than 5 years	**5,795,479**	*6,280,227*	**5,795,479**	*6,280,227*
Total	**8,364,093**	*8,747,722*	**8,311,893**	*8,638,683*

26. Related party transactions

Barry Cooke, a director of Make Limited, for part of the year was also a non-executive director of The Wren Insurance Association Limited ("The Wren"). The Wren is a mutual owned by over 50 practices providing professional indemnity insurance to all of its members. Barry Cooke does not have any ownership or other beneficial interest in the Wren.

During the year, Make Limited paid The Wren £389,303 (2014: £395,021). All transactions are on an arm's length basis.

Make received £5,140 (2014: £7,000) from The Wren for the services provided by Barry Cooke.
There were no balances due either to or from The Wren at the year end.

In accordance with FRS 102, transactions with fellow group companies, where 100% of the voting rights are controlled within the group, have not been disclosed.

27. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 an