

Limited Liability Partnership Registration No. OC327283 (England and Wales)

GRIMSHAW ARCHITECTS LLP

MEMBERS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017



GRIMSHAW ARCHITECTS LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated Members	Sir Nicholas Grimshaw Vincent Chang Nicholas Grimshaw and Partners Limited
Registered Number	OC327283
Registered Office	57 Clerkenwell Road London EC1M 5NG
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB
Business Address	57 Clerkenwell Road London EC1M 5NG
Bankers	NatWest Bank plc Bishopsgate Corporate Business Centre 15 Bishopsgate London EC1P 2AP

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MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The members present their report and financial statements for the year ended 31 March 2017.

Principal activities

The principal activity of the group continues to be that of architects and design consultants, mainly in relation to large scale construction projects.

Business review and key performance indicators

Turnover for the financial year increased from £51.5m to £59.3m, while gross profit (turnover net of subconsultants and other direct third party costs) rose by 13% from £35.9m to £40.6m.

Operating profit rose by £1.0m from £5.3m to £6.3m, while profit before members' remuneration was £5.8m.

The group continues to work across a full range of sectors, including transport, infrastructure, commercial, residential, education, leisure and sports.

In the year to March 2017 the practice continued to expand its global reach, which following a new project win, included opening a satellite office in Paris. The group continues to operate permanent offices in London, New York, Melbourne, Sydney, Doha and Kuala Lumpur. A new office in Dubai was opened during the year, while the practice is also looking at opportunities in Los Angeles.

The practice added an interior design division to its existing offering of architectural and industrial design services, while continuing to build expertise in the transport, infrastructure, commercial, residential, master planning and education sectors.

Grimshaw was selected for a number of high-profile projects including the expansion of Heathrow Airport, two new Paris Metro stations and three new stations for the Mernda Rail Extension in Victoria, Australia. The practice is also now designing a new Eden Project destination in China.

Three education buildings reached completion: Duke University's West Campus Union in Durham, North Carolina, 'The Laboratory' at Dulwich College in London and a research laboratory for the University of New South Wales in Australia. Two thirds of the concourse at London Bridge Station opened to the public, with the whole project due to complete in January 2018.

Philanthropic work included Bridges to Prosperity, where a small group of Grimshaw staff joined a collaboration to build a bridge for an isolated community in Rwanda.

The practice continued its success in the eyes of the industry winning major architectural awards including AJ100 International Practice of the Year. Additional awards included an RIBA International Award, an RIBA South Regional Award, a Blueprint Award for 'Best Sustainable Building', two Civic Trust Awards, and the Educational Architecture Award from the Australian Institute of Architects' NSW Chapter.

A film about the company's ethos, Some Kind of Joy, premiered in London and continues to be screened at film festivals throughout the globe. The practice launched a new website and domain, grimshaw.global, as a public and client-facing mechanism to celebrate and build on the Group's worldwide reputation for design and client service.

Grimshaw continues to build its global reputation for design and client service, and the members believe that this will lead to further territorial and financial growth, as well as exciting new architectural opportunities. At the same time, management is focused on improving the quality and extent of collaboration between the studios in order to ensure that the business as a whole optimises its commercial performance and delivers the best architectural results.

MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

Designated members

The following were designated members during the year and up to the date of approval of the financial statements:

Sir Nicholas Grimshaw

Vincent Chang

Nicholas Grimshaw and Partners Limited

Policy on members' drawings and capital

The members' drawing policy allows each member to draw a proportion of their anticipated profit share during the year, subject to the cash requirements of the business.

A member's capital requirement is linked to their share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Incoming members introduce their capital at par, and retiring members are repaid their capital at par.

Statement of members' responsibilities

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

Limited Liability Partnership (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under the 2008 Regulations, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the partnership and of the profit or loss of the Group for that year.

In preparing those financial statements, the members are required to:

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

Under the 2008 Regulations the members are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Group and partnership and enable them to ensure that the financial statements comply with the requirements of those Regulations. They are also responsible for safeguarding the assets of the partnership and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the partnership's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions:

These responsibilities are exercised by the designated members on behalf of the members.

MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

Auditor

The members have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the members has confirmed that they have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The auditor, RSM UK Audit LLP is deemed to be reappointed as auditor to the limited liability partnership and has indicated willingness to continue in office.

On behalf of the members on 31 May 2017.

A handwritten signature in black ink, appearing to be 'V. Chang', with a horizontal line extending to the right.

Vincent Chang (Designated Member)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRIMSHAW
ARCHITECTS LLP**

Opinion on financial statements

We have audited the group and parent limited liability partnership's financial statements on pages 5 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent limited liability partnership's affairs as at 31 March 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent limited liability partnership financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit;

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 2 the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



ANDREW WESTBROOK (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

31 May 2017

GRIMSHAW ARCHITECTS LLP

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

		Year ended 31 March 2017		Year ended 31 March 2016	
	Notes	£	£	£	£
Turnover	2		59,328,416		51,484,657
Cost of sales			<u>(18,888,273)</u>		<u>(15,543,279)</u>
Gross profit			40,440,143		35,941,378
Employment costs	18	(24,501,562)		(20,602,689)	
Administrative expenses		(9,841,756)		(10,219,365)	
Other income		<u>194,693</u>		<u>176,544</u>	
			<u>(34,148,625)</u>		<u>(30,645,510)</u>
Operating profit	3		6,291,518		5,295,868
Other interest receivable and similar income	4		4,196		4,163
Interest payable and similar charges	5		<u>(102,307)</u>		<u>(78,575)</u>
Profit on ordinary activities before taxation and members' remuneration			6,193,407		5,221,456
Tax expense in corporate subsidiaries	6		<u>(368,721)</u>		<u>(128,514)</u>
Profit for the financial year before members' remuneration and available for discretionary distribution among members			<u>5,824,686</u>		<u>5,092,942</u>

The consolidated income statement has been prepared on the basis that all operations are continuing operations.

GRIMSHAW ARCHITECTS LLP

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Year ended 31 March 2017	Year ended 31 March 2016
	£	£
Profit for the financial year before members' remuneration	5,824,686	5,092,942
Other comprehensive income:		
Currency translation differences on foreign currency net investments	<u>142,432</u>	<u>185,946</u>
Total comprehensive income	<u>5,967,118</u>	<u>5,278,888</u>

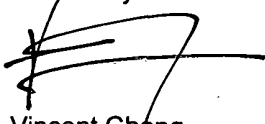
**GROUP AND LLP STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

		Group		LLP	
	Notes	31 March 2017 £	31 March 2016 £	31 March 2017 £	31 March 2016 £
Fixed assets					
Tangible fixed assets	8	3,224,805	2,003,263	-	-
Investments	9	-	-	1,100	562,946
Other non-current assets	10	1,487,686	878,003	1,330,000	1,592,483
		4,712,491	2,881,266	1,331,100	2,155,429
Current assets					
Debtors	11	17,134,939	15,491,505	9,721,605	7,461,564
Cash at bank and in hand		5,898,582	2,020,547	3,589,846	2,944,531
		23,033,521	17,512,052	13,311,451	10,406,095
Creditors: amounts falling due within one year	12	(20,646,916)	(14,906,066)	(10,375,155)	(8,088,234)
Net current assets		2,386,605	2,605,986	2,936,296	2,317,861
Total assets less current liabilities		7,099,096	5,487,252	4,267,396	4,473,290
Creditors: amounts falling due after more than one year	13	(1,917,453)	(617,110)	(244,264)	(366,480)
Net assets attributable to members		5,181,643	4,870,142	4,023,132	4,106,810

**GROUP AND LLP STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

	Group		LLP	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£	£	£	£
REPRESENTED BY:				
Loans and other debts due to members within one year	2,242,185	1,631,500	1,195,550	1,220,133
Members' other interests: Members capital classified as equity	84,000	84,000	84,000	84,000
Other reserves classified as equity	2,855,458	3,154,642	2,743,582	2,802,677
	5,181,643	4,870,142	4,023,132	4,106,810
TOTAL MEMBERS INTERESTS				
Loans and other debts due to members	2,242,185	1,631,500	1,195,550	1,220,133
Members' other interests	2,939,458	3,238,642	2,827,582	2,886,677
	5,181,643	4,870,142	4,023,132	4,106,810

The financial statements on pages 5 to 28 were approved by the members and authorised for issue on 31 May 2017.


Vincent Chang
Designated Member

GRIMSHAW ARCHITECTS LLP

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 MARCH 2017**

GROUP	EQUITY			LOANS	TOTAL MEMBERS' INTERESTS
	Members' capital (classified as equity)	Other reserves	Total	Loans and other debts due to/(from) members	
	£	£	£	£	£
Members' interests at 1 April 2016	2,254,807	1,002,734	3,257,541	1,612,601	4,870,142
Profit for the financial year available for division among members	-	5,824,686	5,824,686	-	5,824,686
Division of profits	-	(5,824,686)	(5,824,686)	5,824,686	-
Exchange gain on consolidation	-	(318,083)	(318,083)	460,515	142,432
Drawings	-	-	-	(5,655,617)	(5,655,617)
Members' interests at 31 March 2017	2,254,807	684,651	2,939,458	2,242,185	5,181,643

LLP	EQUITY			LOANS	TOTAL MEMBERS' INTERESTS
	Members' capital (classified as equity)	Other reserves	Total	Loans and other debts due to/(from) members	
	£	£	£	£	£
Members' interests at 1 April 2016	2,254,807	631,870	2,886,677	1,220,133	4,106,810
Profit for the financial year available for division among members	-	3,071,753	3,071,753	-	3,071,753
Division of profits	-	(3,071,753)	(3,071,753)	3,071,753	-
Exchange gain on consolidation of overseas branch	-	(59,095)	(59,095)	-	(59,095)
Drawings	-	-	-	(3,096,336)	(3,096,336)
Members' interests at 31 March 2017	2,254,807	572,775	2,827,582	1,195,550	4,023,132

Members' capital classified as equity represents capital that the LLP has an unconditional right to refuse repayment to the holder, under any circumstances.

No additional rights or preferences attach to the members' capital classified as equity.

In the event of a winding up, the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

GRIMSHAW ARCHITECTS LLP

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 MARCH 2016**

Group	EQUITY			LOANS	
	Members' capital (classified as equity) £	Other reserves £	Total £	Loans and other debts due to/(from) members £	TOTAL MEMBERS' INTERESTS £
Members' interests at 1 April 2015	2,254,807	717,959	2,972,766	2,027,862	5,000,628
Profit for the financial year available for division among members	-	5,092,942	5,092,942	-	5,092,942
Division of profits	-	(4,994,113)	(4,994,113)	4,994,113	-
Exchange gain on consolidation	-	185,946	185,946	-	185,946
Drawings	-	-	-	(5,409,374)	(5,409,374)
Members' interests at 31 March 2016	2,254,807	1,002,734	3,257,541	1,612,601	4,870,142

LLP	EQUITY			LOANS	
	Members' capital (classified as equity) £	Other reserves £	Total £	Loans and other debts due to/(from) members £	TOTAL MEMBERS' INTERESTS £
Members' interests at 1 April 2015	2,254,807	509,455	2,764,262	1,590,885	4,355,147
Profit for the financial year available for division among members	-	2,804,303	2,804,303	-	2,804,303
Division of profits	-	(2,804,303)	(2,804,303)	2,804,303	-
Exchange gain on consolidation of overseas branch	-	122,415	122,415	-	122,415
Drawings	-	-	-	(3,175,055)	(3,175,055)
Members' interests at 31 March 2016	2,254,807	631,870	2,886,677	1,220,133	4,106,810

GRIMSHAW ARCHITECTS LLP

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	Group		LLP	
		Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
		£	£	£	£
Operating activities					
<i>Transactions with non-members:</i>					
Operating cash flow	14	12,761,510	6,499,009	3,259,575	5,035,010
Taxation in corporate subsidiaries		(299,211)	(284,518)	-	-
<i>Transactions with members:</i>					
Partner monthly drawings		(4,207,202)	(3,205,316)	(2,414,502)	(1,756,573)
Net cash from operating activities		8,255,097	3,009,175	845,073	3,278,437
Investing activities					
<i>Transactions with non-members:</i>					
Investments in controlled undertakings, including loans		-	-	-	(500,100)
Transfer of investments to other controlled undertakings		-	-	561,846	-
Repayments by controlled undertakings		-	-	562,435	246,349
Increase in rent deposits		(462,808)	-	-	-
Purchase of tangible fixed assets		(1,464,131)	(612,839)	-	-
Net cash (used in)/from investing activities		(1,926,939)	(612,839)	1,124,281	(253,751)
Financing activities					
<i>Transactions with non-members:</i>					
New loans and finance leases		-	236,677	-	1,361,103
Capital repayments on loans and finance leases		(664,633)	-	(525,644)	(1,181,589)
Interest received		4,196	4,163	35,831	141,328
Interest paid		(102,307)	(78,575)	(56,503)	(44,640)
<i>Transactions with members:</i>					
Repayment of debt to members		(1,448,415)	(2,204,335)	(681,834)	(1,418,755)
Net cash used in financing activities		(2,211,159)	(2,042,070)	(1,228,150)	(1,142,553)
Net increase in cash and cash equivalents		4,116,999	354,266	741,204	1,882,133
Cash and cash equivalents at the beginning of the year		2,020,547	1,606,565	2,944,531	931,973
Effect of foreign exchange rate changes		(238,964)	59,716	(95,888)	130,425
Cash and cash equivalents at the end of the year		5,898,582	2,020,547	3,589,847	2,944,531

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1 Accounting policies

1.1 General information

Grimshaw Architects LLP ("the LLP") is a limited liability partnership incorporated in England. The address of the LLP's registered office and principal place of business is: 57 Clerkenwell Road, London EC1M 5NG.

The Group consists of the LLP and all of its controlled undertakings.

The LLP's and the Group's principal activity is that of architecture and design consultancy.

1.2 Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS102"), as well as the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (published July 2014), and under the historical cost convention.

1.3 Basis of consolidation

The consolidated income statement and statement of financial position include the financial statements of the partnership and its controlled undertakings up to the balance sheet date. All entities which are managed on a unified basis within the group are consolidated within the group financial statements.

All intra-group transactions, balances and unrealised gains on transactions between group undertakings are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of controlled undertakings to bring the accounting policies into line with those used by other members of the Group.

As permitted by Section 408 of the Companies Act 2006 (as applied to limited liability partnerships), no income statement is presented for the LLP.

1.4 Functional and presentation currencies

The consolidated financial statements are presented in pounds sterling (GBP) which is also the functional currency of the group.

Transactions in foreign currencies are initially recorded at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction. All translation differences are taken to the income statement, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related transaction gain or loss is also recognised in other comprehensive income.

Assets and liabilities of overseas controlled undertakings are translated into the Group's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas controlled undertakings are translated at the average rate for the year, as the members consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

1.5 Going concern

The members confirm that they are satisfied that the Group and Limited Liability Partnership have sufficient resources to meet their obligations as they fall due. This has been determined by review of cash flow forecasts and expected trading performance for at least 12 months from the date of approval of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1.6 Turnover and long term contracts

Turnover is recognised at the fair value of the consideration received or receivable for services provided to external clients in the ordinary course of business. The fair value of consideration takes into account discounts and rebates. Turnover is shown net of value added tax.

Turnover from long term contracts is recognised by reference to the stage of completion when the turnover, stage of completion, costs incurred and costs to complete can be estimated reliably. When the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable. Turnover not billed to clients is included in debtors and payments on account in excess of the relevant amount of turnover recognised are included in creditors.

1.7 Rental income

Rental income from operating leases is recognised on a straight line basis over the period to which it relates and is presented within Other income.

1.8 Investments

In the separate financial statements of the LLP, investments in controlled undertakings are measured at cost less any accumulated impairment losses. Interests in controlled undertakings are assessed for impairment at each reporting date.

1.9 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life as follows:

Leasehold improvements	- over the residual life of the relevant lease
Furniture & Fittings	- normally 5 years
Office equipment	- normally 3 years

Residual value is calculated on prices prevailing at the reporting date, after estimated loss on disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

1.10 Leasing

An asset and corresponding liability are recognised for leasing agreements that transfer to the Group substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at the inception of the lease. Lease payments are treated as consisting of capital and interest elements and the interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

All other leases are "operating leases" and the rental payments are charged to the income statement on a straight line basis over the lease term. Rent free periods or other incentives received for entering into a lease are accounted for as a reduction to the expense and are recognised on a straight line basis over the lease term.

1.11 Employee benefits

The costs of short term employee benefits are recognised as a liability and an expense as incurred.

Where employees have accrued entitlement to annual leave not yet taken as at the reporting date, the cost of the accrued leave is recognised as a liability and the related expense is charged to the income statement.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1.12 Pensions

The group contributed to certain employees' pension schemes on a defined contribution basis. Contributions payable are charged to profit and loss in the year they are payable.

1.13 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or using other future taxable profits.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items credited or charged directly to other comprehensive income or equity, in which case the tax follows the transaction or event it relates to and is also charged or credited directly to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

1.14 Financial instruments

The Group has elected to apply the provisions of Sections 11 and 12 of FRS 102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Trade debtors

Trade debtors are recognised initially at the transaction price or, when the arrangement constitutes a financing transaction, at the present value of future payments discounted at a market rate of interest for a similar debt instrument. Trade debtors are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities

Bank overdrafts are presented within creditors: amounts falling due within one year.

Trade creditors are initially recognised at fair value and subsequently measured at amortised cost being the transaction price less any amounts settled.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

Borrowings initially recognised at the transaction prices, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value, at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedge for hedge accounting purposes, and if so, the nature of the risk being hedged.

The Group uses foreign exchange contracts to limit its exposure to foreign exchange risks on highly probably forecast foreign currency sales. The Group does not designate these derivatives as hedges for accounting purposes and consequently fair value gains and losses are recognised in the income statement.

1.15 Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation, taking into account amounts recoverable under insurance policies.

1.16 Members' participation rights

Members participate in the profits of the LLP and the Group based on decisions taken by the LLP regarding the appropriate distribution. Profits which the LLP and Group intend to distribute are transferred from equity to loans due to members, within the Reconciliation of Members' Interests.

1.17 Critical accounting estimates and areas of judgment

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Recoverability of debtors

The Group assesses the recoverability of debtor balances as of the reporting date, taking into account all available information in relation to the client's ability, intention or willingness to settle the amount due. In the event that a debtor balance is disputed by the client, the Group takes legal advice where appropriate to establish the strength of its claim and the likelihood of recovery.

Recognition of revenue

The Group assesses the appropriate amount of revenue to recognise on each project in progress at the reporting date by reference to the value of work completed and the accrued right to consideration. This assessment takes account of the proportion of costs incurred to costs to complete, the amount of work that has been certified or agreed by the client, and the value of work done beyond the Group's contractual obligations which may be recoverable from the client.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2 Turnover

An analysis of the geographical location of the Group's turnover is set out below:

	Year ended 31 March 2017	Year ended 31 March 2016
	£	£
United Kingdom	13,787,464	12,711,873
Europe	1,052,449	1,268,958
United States	6,279,087	11,906,897
Australia	17,889,301	10,494,201
Rest of the World	20,320,115	15,102,728
	59,328,416	51,484,657

The group's turnover and its profit before taxation were all derived from its principal activity.

3 Profit on ordinary activities before taxation

	Year ended 31 March 2017	Year ended 31 March 2016
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible fixed assets	535,230	552,415
Loss on disposal of fixed assets	-	32,818
Operating lease rentals	2,388,838	1,748,788
Auditor's remuneration for audit	65,000	63,000
Other fees paid to the auditor for non-audit services	43,617	43,524
Other income – rental income	(192,504)	(172,740)
Foreign exchange (gains)/losses	(624,656)	188,080

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**
4 Interest receivable and similar income

	Year ended 31 March 2017	Year ended 31 March 2016
	£	£
Bank interest	4,148	1,076
Other	48	3,087
	4,196	4,163

5 Interest payable and similar charges

	Year ended 31 March 2017	Year ended 31 March 2016
	£	£
Bank interest	95,357	70,742
Other	6,950	7,833
	102,307	78,575

6 Tax expense in corporate subsidiaries

The financial statements do not incorporate any charge or liability for taxation on the results of the Limited Liability Partnership consolidated in the Group, as the relevant tax is the responsibility of individual members.

The tax expense, which arises in the corporate entities included within these financial statements, is:

	Year ended 31 March 2017	Year ended 31 March 2016
	£	£
Tax expense:		
Current UK tax	10,000	70,000
Overseas tax	277,072	97,968
Deferred tax	(58,119)	(31,959)
Adjustment for prior years	139,768	(7,495)
Tax expense in corporate entities	368,721	128,514

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**
6 Tax expense in corporate subsidiaries (continued)
Factors affecting the current UK tax charge for the year

	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Profit on ordinary activities of UK corporate entities before tax	1,524,101	300,000
Profit on ordinary activities multiplied by UK standard rate of corporation tax: 20% (year ended 31 March 2016: 20%)	304,820	60,000
Effects of:		
Exempt dividend income from controlled undertakings	(279,339)	-
Non-deductible expenses	4,779	10,000
Accelerated capital allowances	(20,260)	-
Current UK tax charge as above	10,000	70,000

Deferred tax

The composition of the deferred tax balances for the Group is as follows:

Group	As at 31 March 2017 £	As at 31 March 2016 £
Deferred tax assets (see note 10)	488,293	341,418
Deferred tax liabilities (see note 13)	(30,000)	-
	458,293	341,418

The movements in the year on the net deferred tax balance were:

Group	As at 31 March 2016 £	Deferred tax (charge)/ credit £	Exchange differences £	As at 31 March 2017 £
Deferred tax recognised in relation to:				
Capital allowances	2,339	(309,640)	(11,894)	(319,195)
Other temporary differences	339,079	159,726	60,990	559,795
Tax losses	-	208,033	9,660	217,693
	341,418	58,119	58,756	458,293

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**
7 Profit of the LLP

As permitted by section 408 of the Companies Act 2006 (as applicable to Limited Liability Partnerships), the Limited Liability Partnership is exempt from presenting its own profit and loss account. The profit of the Limited Liability Partnership for the financial year amounted to £3,071,753 (year ended 31 March 2016: £2,804,303).

8 Tangible fixed assets

Group	Leasehold improve- ments £	Furniture & fittings £	Office equipment £	Total £
Cost				
At 1 April 2016	2,058,672	523,177	1,250,407	3,832,256
Exchange differences	356,175	47,668	131,254	535,097
Additions	1,076,793	39,517	347,821	1,464,131
Disposals and retirements	(20,522)	(47,141)	(86,707)	(154,370)
At 31 March 2017	3,471,118	563,221	1,642,775	5,677,114
Depreciation				
At 1 April 2016	795,264	130,981	902,748	1,828,993
Exchange differences	123,682	9,595	109,179	242,456
Charge for the year	263,168	38,778	233,284	535,230
Disposals and retirements	(15,951)	(47,084)	(91,335)	(154,370)
At 31 March 2017	1,166,163	132,270	1,153,876	2,452,309
Net book value				
At 31 March 2017	2,304,955	430,951	488,899	3,224,805
At 31 March 2016	1,263,408	392,196	347,659	2,003,263

GRIMSHAW ARCHITECTS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**
8 Tangible fixed assets (continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

Group	Leasehold improve- ments £	Furniture & fittings £	Office equipment £	Total £
Net book value				
At 31 March 2017	-	80,436	165,695	246,131
At 31 March 2016	-	91,112	150,962	242,074
Depreciation charge for the year				
Year ended 31 March 2017	-	10,677	81,433	92,110
Year ended 31 March 2016	-	10,677	25,917	36,954

The LLP did not hold any tangible fixed assets as at 31 March 2017 or as at 31 March 2016.

9 Fixed asset investments

LLP	Shares in controlled undertakings £
Cost	
At 1 April 2016	562,946
Transfer of investments within group	(561,846)
At 31 March 2017	1,100

During the year the LLP completed an internal restructuring by transferring direct ownership of its overseas subsidiaries to Grimshaw International Limited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9 Fixed asset investments (continued)

The LLP controls 100% of the following undertakings:

Company	Location	Principal activity
Grimshaw Services Limited	England & Wales	Architectural support services
Grimshaw Architects Pty Limited	Australia	* Architectural and design services
Grimshaw Architects New Zealand Ltd	New Zealand	* Architectural and design services
Grimshaw International Ltd	England & Wales	Architectural and design services
Grimshaw Malaysia SDN BVD	Malaysia	* Design services
Grimshaw Architects PC	United States	** Architectural and design services
Grimshaw Design LLC (formerly Grimshaw Industrial Design LLC)	United States	* Design services
Grimshaw Architects FZ-LLC	United Arab Emirates §	* Architectural and design services

§ Grimshaw Architects FZ-LLC was incorporated in July 2016.

* Entities owned indirectly by other group companies

** Entities owned separately by members of the LLP but considered to be controlled by virtue of management on a unified basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**
10 Other non-current assets

	Group		LLP	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£	£	£	£
Deferred tax assets (see note 6)	488,293	341,418	-	-
Rent deposits	999,393	536,585	-	-
Loans to controlled undertakings - due after more than one year	-	-	1,330,000	1,592,483
	1,487,686	878,003	1,330,000	1,592,483

Rent deposits are classified as non-current assets where, due to the length of the lease, the amounts are not recoverable within one year. In the financial statements for the year ended 31 March 2016, this balance was included in Debtors. The balance as at 31 March 2016 has been reclassified in the comparatives above for consistency.

Movements on loans to controlled undertakings are as follows:

LLP	Loans to controlled undertakings	
	£	
At 1 April 2016	1,980,641	
Repayments	(562,435)	
Accrued interest	65,255	
Exchange differences	36,794	
At 31 March 2017	1,520,255	

	31 March 2017	31 March 2016
	£	£
Amounts due within one year (note 11)	190,255	388,158
Amounts due after more than one year	1,330,000	1,592,483
	1,520,255	1,980,641

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**
11 Debtors

	Group		LLP	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£	£	£	£
Amounts recoverable on contracts	4,518,706	2,991,683	1,928,656	1,784,346
Trade debtors	11,533,800	11,639,263	2,045,720	3,520,232
Loans to controlled undertakings - due within one year	-	-	190,255	388,158
Other amounts owed by controlled undertakings	-	-	5,517,378	1,720,040
Other debtors	260,839	426,115	39,596	40,276
Prepayments and accrued income	821,594	434,444	-	8,512
	17,134,939	15,491,505	9,721,605	7,461,564

In the financial statements for the year ended 31 March 2016, the balance for Other debtors for the Group included £536,585 relating to rent deposits, due after more than one year. This balance has been reclassified to Other non-current assets.

12 Creditors: amounts falling due within one year

	Group		LLP	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£	£	£	£
Bank loans and finance leases - amounts due within one year	305,951	783,049	144,752	548,181
Amounts received on account	3,941,000	2,435,766	986,057	593,365
Trade creditors	7,257,482	3,628,247	1,615,695	510,352
Amounts owed to controlled undertakings	-	-	5,566,148	3,712,973
Taxes and social security costs	1,041,264	1,255,744	462,669	724,334
Other creditors	845,384	1,020,725	-	-
Accruals	7,255,835	5,782,535	1,599,834	1,999,029
	20,646,916	14,906,066	10,375,155	8,088,234

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**
13 Creditors: amounts falling due after more than one year

	Group		LLP	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£	£	£	£
Bank loans and finance leases	354,490	542,025	244,264	366,480
Deferred tax liabilities (see note 6)	30,000	-	-	-
Lease incentive provisions	1,336,656	-	-	-
Other creditors due after more than one year	196,307	75,085	-	-
	1,917,453	617,110	244,264	366,480

The maturity analysis for bank loans and finance leases is as follows:

	Group		LLP	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£	£	£	£
Repayable within one year	305,951	783,049	144,752	548,181
Repayable between one and five years	354,490	542,025	244,264	366,480
	660,441	1,325,074	389,016	914,661
Included in creditors falling due within one year	(305,951)	(783,049)	(144,752)	(548,181)
	354,490	542,025	244,264	366,480

Bank loans and finance leases relate to borrowings to finance specific items of expenditure, both of a capital and operational nature. Repayment periods vary from 6 months to 4 years and the average interest rate on borrowing is 6.5% (31 March 2016: 6.0%). The group also has the following borrowing facilities:

- an overdraft facility which allows set-off between current accounts and net borrowing of up to £2,000,000. The overdraft facility was not utilised as at 31 March 2017. The applicable interest rate is 2.5%. The facility is secured by a fixed and floating charge over the assets of the group.
- a Revolving Credit Facility (RCF), of up to £2,000,000, which can be drawn down in whole or in part at any time. The RCF was not utilised as at 31 March 2017. The current interest rate on the RCF is 3.5% and there is a charge of 1.5% per annum for the unutilised portion.

The balance for other creditors due after more than one year includes the estimated long term portion of the group's liability for accrued leave and long service entitlements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

14 Reconciliation of operating profit to operating cash flow

	Group		LLP	
	Year ended		Year ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£	£	£	£
Operating profit	6,291,518	5,295,868	1,667,169	2,701,710
(Increase)/decrease in debtors	(1,643,434)	(3,261,204)	(1,097,944)	4,805,950
Increase/(decrease) in creditors within one year, excluding financial and tax balances	6,090,320	3,852,208	2,690,350	(2,472,650)
Increase in creditors due after more than one year, excluding financial and tax balances	1,487,876	26,904	-	-
Depreciation on tangible fixed assets	535,230	552,415	-	-
Loss on disposal of fixed assets	-	32,818	-	-
Operating cash flow	12,761,510	6,499,009	3,259,575	5,035,010

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**
15 Financial assets and liabilities

As at 31 March 2017 the financial assets and liabilities of the Group and of the LLP were as follows:

	Group		LLP	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£	£	£	£
Financial assets measured at amortised cost:				
Trade debtors	11,533,800	11,639,263	2,045,720	3,520,232
Amounts recoverable on contracts	4,518,706	2,991,683	1,928,656	1,784,346
Rent deposits	999,393	536,585	-	-
Loans to controlled undertakings	-	-	1,520,255	1,980,641
Other amounts owed by controlled undertakings	-	-	5,517,378	1,720,040
Other debtors	260,839	426,115	39,596	40,276
Cash at bank and in hand	5,898,582	2,020,547	3,589,846	2,944,531
	23,211,320	17,614,193	14,641,451	11,990,066
Financial liabilities measured at amortised cost:				
Bank loans and finance leases	660,441	1,325,074	389,017	914,661
Trade creditors	6,636,147	3,628,247	1,615,695	510,352
Amounts owed to controlled undertakings	-	-	5,566,148	3,712,973
Accruals	8,218,254	5,782,535	1,599,834	1,999,029
	15,514,842	10,735,856	9,170,694	7,137,015

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

16 Commitments under operating leases

As at 31 March 2017, the total future minimum lease payments under non-cancellable operating leases payable by the Group was as follows:

	Land and buildings		Other	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£	£	£	£
Operating leases which expire:				
Within one year	2,342,942	1,297,834	364,627	220,336
Between two and five years	9,559,966	5,903,140	47,096	278,710
After more than five years	3,936,129	4,633,430	-	122,806
	15,839,037	11,834,404	411,723	621,852

17 Information in relation to members of the LLP and key management personnel

The average number of members during the year was 18 (year ended 31 March 2016: 18).

The average profit share per member for the year ended 31 March 2017 was £323,594 and the members with the highest profit share were entitled to £426,458 (year ended 31 March 2016: £277,451 and £356,298 respectively).

The members of the LLP are considered to be the key management personnel.

18 Employee information

The average number of employees during the year was:

	Year ended 31 March 2017	Year ended 31 March 2016
Office and management	91	86
Architects	344	320
	435	406

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

18 Employee information (continued)

Employment costs for the above employees were:

	Year ended 31 March 2017	Year ended 31 March 2016
	£	£
Wages and salaries	20,484,743	17,212,977
Social security	1,329,056	1,305,625
Pension contributions and other benefits	2,687,763	2,084,087
	24,501,562	20,602,689

The group contributes to certain employee private pension schemes on a defined contribution basis. The pension charge included in the accounts represents the cost to the group and amounted to £1,010,153 (year ended 31 March 2016: £822,458).

19 Controlling party

In the opinion of the members there is no single controlling party as defined by Financial Reporting Standard 102.

20 Related party transactions

The Limited Liability Partnership has taken advantage of the exemption from related party disclosures, as all transactions are with parties that are controlled undertakings that are consolidated in the financial statements.

There were no transactions or outstanding balances with other related parties during the year.