

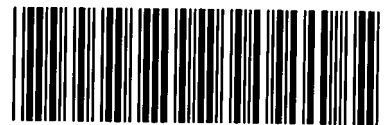
Limited Liability Partnership Registration No. OC327283 (England and Wales)

GRIMSHAW ARCHITECTS LLP

MEMBERS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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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

GRIMSHAW ARCHITECTS LLP

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MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The members present their report and financial statements for the year ended 31 March 2018.

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 £59.3m to £70.9m, while gross profit (turnover net of subconsultants and other direct third party costs) rose by 25% from £40.4m to £51.4m.

Operating profit rose by £1.6m from £6.3m to £7.9 m, while profit before members' remuneration was £7.2 m.

The group continues to work across a full range of sectors, including transport, infrastructure, commercial, arts, residential, education, leisure and sports. Alongside architecture, the practice offers expertise in master planning, interior design and industrial design.

In the year to March 2018 the practice continued to expand its global reach, opening a new office in Los Angeles and incorporating new legal entities to develop business in France and Singapore. The group continues to operate permanent offices in London, New York, Melbourne, Sydney, Dubai and Kuala Lumpur.

Grimshaw was selected for a number of high-profile projects including Newark Airport's Terminal One in the USA and HS2's Euston Station in London and Curzon Street in Birmingham, all major international transportation hubs. Construction has officially begun on the Gunyama Park Aquatic and Recreation Centre in Green Square, Sydney, which is slated to be the largest pool complex built in Sydney since the 2000 Olympic Games. Work also got underway on Olderfleet, the 40 storey tower for Mirvac at 477 Collins Street, Melbourne

The redeveloped London Bridge Station opened to the public in January 2018. Other significant openings included Vaughan Metropolitan Centre Station in Toronto, ON with a brilliant art installation by Paul Raff Studio, and 333 George Street which opened in the heart of Sydney's central business district. In Melbourne, 664 Collins Street also reached practical completion, and along with 669 Bourke Street marks the completion of the original Southern Cross Station master plan.

The business continues to engage in philanthropic endeavours, which this year focused on supporting ARCHIVE Global, a not-for-profit dedicated to implementing housing modifications in Bangladesh through cost-effective built environment improvements.

The practice continued its success in the eyes of the industry winning major architectural awards including an RIBA National Award for The Laboratory Building for Dulwich Collage in London, an AJ Retrofit Award for the Duke University West Campus Union for Best International Retrofit Project and Engineering News-Record Best of the Best Projects of 2017.

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.

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

MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

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.

Members' capital contributions are linked to their voting entitlements and are determined by the LLP. 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.

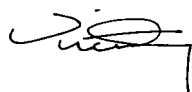
These responsibilities are exercised by the designated members on behalf of the members.

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 2018.



Vincent Chang (Designated Member)

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

Opinion

We have audited the financial statements of Grimshaw Architects LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Group and LLP Statement of Financial Position, Reconciliation of Members' Interests, Consolidated and LLP Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent limited liability partnership's affairs as at 31 March 2018 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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 by the parent limited liability partnership, 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.

Responsibilities of members

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, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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. 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 2018

GRIMSHAW ARCHITECTS LLP

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

		Year ended 31 March 2018		Year ended 31 March 2017	
	Notes	£	£	£	£
Turnover	2		70,932,059		59,328,416
Cost of sales			<u>(19,574,557)</u>		<u>(18,888,273)</u>
Gross profit			51,357,502		40,440,143
Employment costs	17	(31,159,579)		(24,501,562)	
Administrative expenses		(12,531,490)		(9,841,756)	
Other income		<u>212,580</u>		<u>194,693</u>	
			<u>(43,478,489)</u>		<u>(34,148,625)</u>
Operating profit	3		7,879,013		6,291,518
Other interest receivable and similar income	4		21,098		4,196
Interest payable and similar charges	5		<u>(89,469)</u>		<u>(102,307)</u>
Profit on ordinary activities before taxation and members' remuneration			7,810,642		6,193,407
Tax expense in corporate subsidiaries	6		<u>(634,769)</u>		<u>(368,721)</u>
Profit for the financial year before members' remuneration and available for discretionary distribution among members			<u>7,175,873</u>		<u>5,824,686</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 2018**

	Year ended 31 March 2018	Year ended 31 March 2017
	£	£
Profit for the financial year before members' remuneration	7,175,873	5,824,686
Other comprehensive income:		
Currency translation differences on foreign currency net investments	<u>(66,320)</u>	<u>142,432</u>
Total comprehensive income	<u>7,109,553</u>	<u>5,967,118</u>

**GROUP AND LLP STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

		Group		LLP	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
	Notes	£	£	£	£
Fixed assets					
Tangible fixed assets	7	2,837,450	3,224,805	-	-
Investments	8	-	-	1,100	1,100
		2,837,450	3,224,805	1,100	1,100
Current assets					
Debtors due within one year	9	17,556,341	17,134,939	14,304,788	9,721,605
Debtors due after more than one year	10	1,361,225	1,487,686	1,205,000	1,330,000
Cash at bank and in hand		3,922,853	5,898,582	1,955,705	3,589,846
		22,840,419	24,521,207	17,465,493	14,641,451
Creditors: amounts falling due within one year	11	(17,437,442)	(20,646,916)	(12,619,078)	(10,375,155)
Net current assets		4,041,752	2,386,605	3,641,415	2,936,296
Total assets less current liabilities		8,240,427	7,099,096	4,847,515	4,267,396
Creditors: amounts falling due after more than one year	12	(1,722,527)	(1,917,453)	(114,403)	(244,264)
Net assets attributable to members		6,517,900	5,181,643	4,733,112	4,023,132

**GROUP AND LLP STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

	Group		LLP	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£	£	£	£
REPRESENTED BY:				
Loans and other debts due to members within one year	3,645,513	2,242,185	1,962,614	1,195,550
Members' other interests: Members capital classified as equity	108,000	84,000	108,000	84,000
Other reserves classified as equity	2,764,387	2,855,458	2,662,498	2,743,582
	6,517,900	5,181,643	4,733,112	4,023,132

**TOTAL MEMBERS
INTERESTS**

Loans and other debts due to members	3,645,513	2,242,185	1,962,614	1,195,550
Members' other interests	2,872,387	2,939,458	2,770,498	2,827,582
	6,517,900	5,181,643	4,733,112	4,023,132

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 income statement. The profit of the Limited Liability Partnership for the financial year amounted to £3,685,005 (year ended 31 March 2017: £3,071,753).

The financial statements on pages 5 to 27 were approved by the members and authorised for issue on 31 May 2018.



Vincent Chang
Designated Member

GRIMSHAW ARCHITECTS LLP

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 MARCH 2018**

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 2017	2,254,807	684,651	2,939,458	2,242,185	5,181,643
Capital contributions	24,000	-	24,000	-	24,000
Profit for the financial year available for division among members	-	7,175,873	7,175,873	-	7,175,873
Division of profits	-	(7,175,873)	(7,175,873)	7,175,873	-
Exchange gain on consolidation	-	(91,071)	(91,071)	24,751	(66,320)
Drawings	-	-	-	(5,797,296)	(5,797,296)
Members' interests at 31 March 2018	2,278,807	593,580	2,872,387	3,645,513	6,517,900

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 2017	2,254,807	572,775	2,827,582	1,195,550	4,023,132
Capital contributions	24,000	-	24,000	-	24,000
Profit for the financial year available for division among members	-	3,685,005	3,685,005	-	3,686,005
Division of profits	-	(3,685,005)	(3,685,005)	3,685,005	-
Exchange gain on consolidation of overseas branch	-	(81,084)	(81,084)	(488)	(81,572)
Drawings	-	-	-	(2,917,453)	(2,917,453)
Members' interests at 31 March 2018	2,278,807	491,691	2,770,498	1,962,614	4,733,112

Members' capital classified as equity represents capital that the LLP has an unconditional right to refuse repayment to the holder, except when he or she ceases to be a Member of the LLP.

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 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

GRIMSHAW ARCHITECTS LLP

**CONSOLIDATED AND LLP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	Group		LLP	
		Year ended		Year ended	
		31 March 2018 £	31 March 2017 £	31 March 2018 £	31 March 2017 £
Operating activities					
<i>Transactions with non-members:</i>					
Operating cash flow	13	1,784,228	12,761,510	(607,424)	3,259,575
Taxation in corporate subsidiaries		(301,243)	(299,211)	(19,163)	-
<i>Transactions with members:</i>					
Partner monthly drawings		(3,944,583)	(4,207,202)	(2,166,507)	(2,414,502)
Net cash (used in)/from operating activities		(2,461,598)	8,255,097	(2,793,094)	845,073
Investing activities					
<i>Transactions with non-members:</i>					
Transfer of investments to other controlled undertakings		-	-	-	561,846
Repayments by controlled undertakings		-	-	125,000	562,435
Increase in rent deposits		89,820	(462,808)	-	-
Purchase of tangible fixed assets		(638,409)	(1,464,131)	-	-
Net cash (used in)/from investing activities		(548,589)	(1,926,939)	125,000	1,124,281
Financing activities					
<i>Transactions with non-members:</i>					
New loans and finance leases		3,345,172	-	2,000,000	-
Capital repayments on loans and finance leases		(759,705)	(664,633)	(144,752)	(525,644)
Interest received		21,098	4,196	21,927	35,831
Interest paid		(89,469)	(102,307)	(34,705)	(56,503)
<i>Transactions with members:</i>					
Capital introduced members		24,000	-	24,000	-
Repayment of debt to members		(1,852,713)	(1,448,415)	(751,166)	(681,834)
Net cash from/(used in) financing activities		688,383	(2,211,159)	(1,115,304)	(1,228,150)
Net (decrease)/increase in cash and cash equivalents		(2,321,804)	4,116,999	(1,552,790)	741,204
Cash and cash equivalents at the beginning of the year		5,898,582	2,020,547	3,589,847	2,944,531
Effect of foreign exchange rate changes		346,075	(238,964)	(81,351)	(95,888)
Cash and cash equivalents at the end of the year		3,922,853	5,898,582	1,955,706	3,589,847

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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 presentational 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 a 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 2018**

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 lease term
Furniture & Fittings	- normally 5 years
Office equipment	- normally 3 years

Residual value is calculated on prices prevailing at the reporting date as if the assets were at the age and in the condition expected at the end of their 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 2018**

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 taxation payable on the partnership profits is solely the personal liability of the individual members. Consequently neither partnership taxation nor related deferred taxation arising in respect of the partnership are accounted for in these financial statements.

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, that will be assessed to or allowed 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

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 2018**

Borrowings are 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.

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 2018**
2 Turnover

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

	Year ended 31 March 2018	Year ended 31 March 2017
	£	£
United Kingdom	17,281,212	13,787,464
Europe	2,210,049	1,052,449
United States	11,402,230	6,279,087
Australia	22,537,096	17,889,301
Rest of the World	17,501,472	20,320,115
	70,932,059	59,328,416

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 2018	Year ended 31 March 2017
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible fixed assets		
- owned assets	746,726	524,553
- assets under finance leases	10,676	10,677
Operating lease rentals	2,795,955	2,388,838
Auditor's remuneration for audit: UK	61,000	52,500
Auditor's remuneration for audit: overseas	65,434	43,017
Other fees paid to the auditor for non-audit services	19,761	43,617
Other income – rental income	(150,027)	(192,504)
Foreign exchange (gains)/losses	346,075	(624,656)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**
4 Interest receivable and similar income

	Year ended 31 March 2018	Year ended 31 March 2017
	£	£
Bank interest	21,098	4,148
Other	-	48
	21,098	4,196

5 Interest payable and similar charges

	Year ended 31 March 2018	Year ended 31 March 2017
	£	£
Bank interest	88,985	95,357
Other	484	6,950
	89,469	102,307

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 2018	Year ended 31 March 2017
	£	£
Tax expense:		
Current UK tax	80,000	10,000
Overseas tax	632,004	277,072
Deferred tax	(106,522)	(58,119)
Adjustment for prior years	29,287	139,768
Tax expense in corporate entities	634,769	368,721

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**
6 Tax expense in corporate subsidiaries (continued)
Factors affecting the current UK tax charge for the year

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Profit on ordinary activities of UK corporate entities before tax	399,866	1,524,101
Profit on ordinary activities multiplied by UK standard rate of corporation tax: 19% (year ended 31 March 2017: 20%)	75,974	304,820
Effects of:		
Exempt dividend income from controlled undertakings	-	(279,339)
Non-deductible expenses	4,026	4,779
Accelerated capital allowances	-	(20,260)
Current UK tax charge as above	80,000	10,000

Deferred tax

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

Group	As at 31 March 2018 £	As at 31 March 2017 £
Deferred tax assets (see note 9)	543,531	488,293
Deferred tax liabilities (see note 12)	(30,000)	(30,000)
	513,531	458,293

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

Group	As at 31 March 2017 £	Deferred tax credit £	Exchange differences £	As at 31 March 2018 £
Deferred tax recognised in relation to:				
Capital allowances	(319,195)	81,738	27,082	(210,375)
Other temporary differences	559,795	24,784	(55,582)	528,997
Tax losses	217,693	-	(22,784)	194,909
	458,293	106,522	(51,284)	513,531

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**
7 Tangible fixed assets

Group	Leasehold improve- ments £	Furniture & fittings £	Office equipment £	Total £
Cost				
At 1 April 2017	3,471,118	563,221	1,642,775	5,677,114
Exchange differences	(353,485)	(39,944)	(113,929)	(507,358)
Additions	387,673	51,007	199,727	638,407
At 31 March 2018	3,505,306	574,284	1,728,573	5,808,163
Depreciation				
At 1 April 2017	1,166,163	132,270	1,153,876	2,452,309
Exchange differences	(132,699)	(14,806)	(91,493)	(238,998)
Charge for the year	424,065	91,819	241,518	757,402
At 31 March 2018	1,457,529	209,283	1,303,901	2,970,713
Net book value				
At 31 March 2018	2,047,777	365,001	424,672	2,837,450
At 31 March 2017	2,304,955	430,951	488,899	3,224,805

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 2018	-	69,759	75,217	144,976
At 31 March 2017	-	80,436	165,695	246,131
Depreciation charge for the year				
Year ended 31 March 2018	-	10,676	90,479	101,155
Year ended 31 March 2017	-	10,677	81,433	92,110

The LLP did not hold any tangible fixed assets as at 31 March 2018 or as at 31 March 2017.

GRIMSHAW ARCHITECTS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

8 Fixed asset investments

LLP	Shares in controlled undertakings £
Cost at 1 April 2017 and at 31 March 2018	<u>1,100</u>

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 France S.a.r.l.	France	§ * Architectural and design services
Grimshaw Singapore Pte Ltd	Singapore	§ * Design services
Grimshaw, Inc.	United States	§ * Architectural and design services

§ Grimshaw Architects France S.a.r.l., Grimshaw Singapore Pte Ltd and Grimshaw, Inc. were incorporated during the year but did not commence operations until after the year-end.

* 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.

GRIMSHAW ARCHITECTS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**
9 Debtors due within one year

	Group		LLP	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£	£	£	£
Amounts recoverable on contracts	2,897,510	4,518,706	880,411	1,928,656
Trade debtors	13,207,605	11,533,800	3,749,996	2,045,720
Loans to controlled undertakings - due within one year	-	-	277,462	190,255
Other amounts owed by controlled undertakings	-	-	9,367,352	5,517,378
Other debtors	299,992	260,839	29,567	39,596
Prepayments and accrued income	1,151,234	821,594	-	-
	17,556,341	17,134,939	14,304,788	9,721,605

10 Debtors due after more than one year

	Group		LLP	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£	£	£	£
Deferred tax assets (see note 6)	543,531	488,293	-	-
Rent deposits	817,694	999,393	-	-
Loans to controlled undertakings - due after more than one year	-	-	1,205,000	1,330,000
	1,361,225	1,487,686	1,205,000	1,330,000

Rent deposits are classified as non-current assets where, due to the length of the lease, the amounts are not recoverable within one year.

GRIMSHAW ARCHITECTS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**
10 Debtors due after more than one year (continued)

Movements on loans to controlled undertakings are as follows:

LLP	Loans to controlled undertakings
	£
At 1 April 2017	1,520,255
Repayments	(125,000)
Accrued interest	87,207
At 31 March 2018	1,482,462

	31 March 2018	31 March 2017
	£	£
Amounts due within one year (note 11)	277,462	190,255
Amounts due after more than one year	1,205,000	1,330,000
	1,482,462	1,520,255

11 Creditors: amounts falling due within one year

	Group		LLP	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£	£	£	£
Bank loans and finance leases - amounts due within one year	2,786,584	305,951	2,129,861	144,752
Amounts received on account	1,875,829	3,941,000	705,053	986,057
Trade creditors	5,917,519	7,257,482	500,589	1,615,695
Amounts owed to controlled undertakings	-	-	8,300,711	5,566,148
Taxes and social security costs	2,666,721	1,041,264	806,196	462,669
Other creditors	132,213	845,384	25,527	-
Accruals	4,058,576	7,255,835	151,141	1,599,834
	17,437,442	20,646,916	12,619,078	10,375,155

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**
12 Creditors: amounts falling due after more than one year

	Group		LLP	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£	£	£	£
Bank loans and finance leases	459,324	354,490	114,403	244,264
Deferred tax liabilities (see note 6)	30,000	30,000	-	-
Lease incentive provisions	1,073,565	1,336,656	-	-
Other creditors due after more than one year	159,638	196,307	-	-
	1,722,527	1,917,453	114,403	244,264

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.

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

	Group		LLP	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£	£	£	£
Repayable within one year	2,786,584	305,951	2,129,861	144,752
Repayable between one and five years	459,324	354,490	114,403	244,264
	3,245,908	660,441	2,244,264	389,016

Bank loans and finance leases relate to borrowings to finance specific items of expenditure, both of a capital and operational nature, as well as a Revolving Credit Facility (RCF) to support the working capital requirements of the group.

Repayment periods on loans and leases vary from 6 months to 4 years and the average interest rate on borrowing is 6.5% (31 March 2017: 6.5%).

The RCF allows the group to draw down up to £2,000,000, in whole or in part at any time. The RCF was fully utilised as at 31 March 2018 (31 March 2017: £nil). The current interest rate on the RCF is 3.5% and there is a charge of 1.5% per annum for any unutilised portion.

The group also has an overdraft facility which allows set-off between current accounts in the UK and net borrowing of up to £2,000,000. The applicable interest rate is 2.5%. The facility is secured by a fixed and floating charge over the assets of the group. The overdraft facility was not utilised as at 31 March 2018 (31 March 2017: £nil).

GRIMSHAW ARCHITECTS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

13 Reconciliation of operating profit to operating cash flow

	Group		LLP	
	Year ended		Year ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£	£	£	£
Operating profit	7,879,013	6,291,518	3,629,738	1,667,169
(Increase)/decrease in debtors	(421,401)	(1,643,434)	(4,495,976)	(1,097,944)
Increase/(decrease) in creditors within one year, excluding financial and tax balances	(6,131,025)	6,090,320	258,814	2,690,350
Increase in creditors due after more than one year, excluding financial and tax balances	(299,761)	1,487,876	-	-
Depreciation on tangible fixed assets	757,402	535,230	-	-
Operating cash flow	1,784,228	12,761,510	(607,424)	3,259,575

GRIMSHAW ARCHITECTS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**
14 Financial assets and liabilities

As at 31 March 2018 the financial assets and liabilities of the Group and of the LLP were as follows:

	Group		LLP	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£	£	£	£
Financial assets measured at amortised cost:				
Trade debtors	13,207,605	11,533,800	3,749,996	2,045,720
Amounts recoverable on contracts	2,897,510	4,518,706	880,411	1,928,656
Rent deposits	817,693	999,393	-	-
Loans to controlled undertakings	-	-	1,482,462	1,520,255
Other amounts owed by controlled undertakings	-	-	9,367,352	5,517,378
Other debtors	299,992	260,839	29,568	39,596
Cash at bank and in hand	3,922,853	5,898,582	1,955,706	3,589,846
	21,145,653	23,211,320	17,465,493	14,641,451
Financial liabilities measured at amortised cost:				
Bank loans and finance leases	2,786,584	660,441	3,245,908	389,017
Trade creditors	5,917,519	6,636,147	500,589	1,615,695
Amounts owed to controlled undertakings	-	-	8,300,711	5,566,148
Accruals	4,058,576	8,218,254	151,141	1,599,834
	12,762,679	15,514,842	12,198,349	9,170,694

GRIMSHAW ARCHITECTS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

15 Commitments under operating leases

As at 31 March 2018, the total future minimum lease payments under non-cancellable operating leases payable by the Group was as follows:

	Land and buildings		Other	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£	£	£	£
Operating leases which expire:				
Within one year	2,280,281	2,342,942	215,277	364,627
Between two and five years	6,232,555	9,559,966	177,386	47,096
After more than five years	615,027	3,936,129	-	-
	9,127,863	15,839,037	392,663	411,723

16 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 2017: 18).

The average profit share per member for the year ended 31 March 2018 was £398,660 and the members with the highest profit share were entitled to £603,987 (year ended 31 March 2017: £323,594 and £426,458 respectively).

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

17 Employee information

The average number of employees during the year was:

	Year ended 31 March 2018	Year ended 31 March 2017
Office and management	108	91
Architects	413	344
	521	435

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

17 Employee information (continued)

Employment costs for the above employees were:

	Year ended 31 March 2018	Year ended 31 March 2017
	£	£
Wages and salaries	26,199,835	20,484,743
Social security	1,756,389	1,329,056
Pension contributions and other benefits	3,203,355	2,687,763
	31,159,579	24,501,562

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 £1,329,471 (year ended 31 March 2017: £1,010,153).

18 Controlling party

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

19 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.