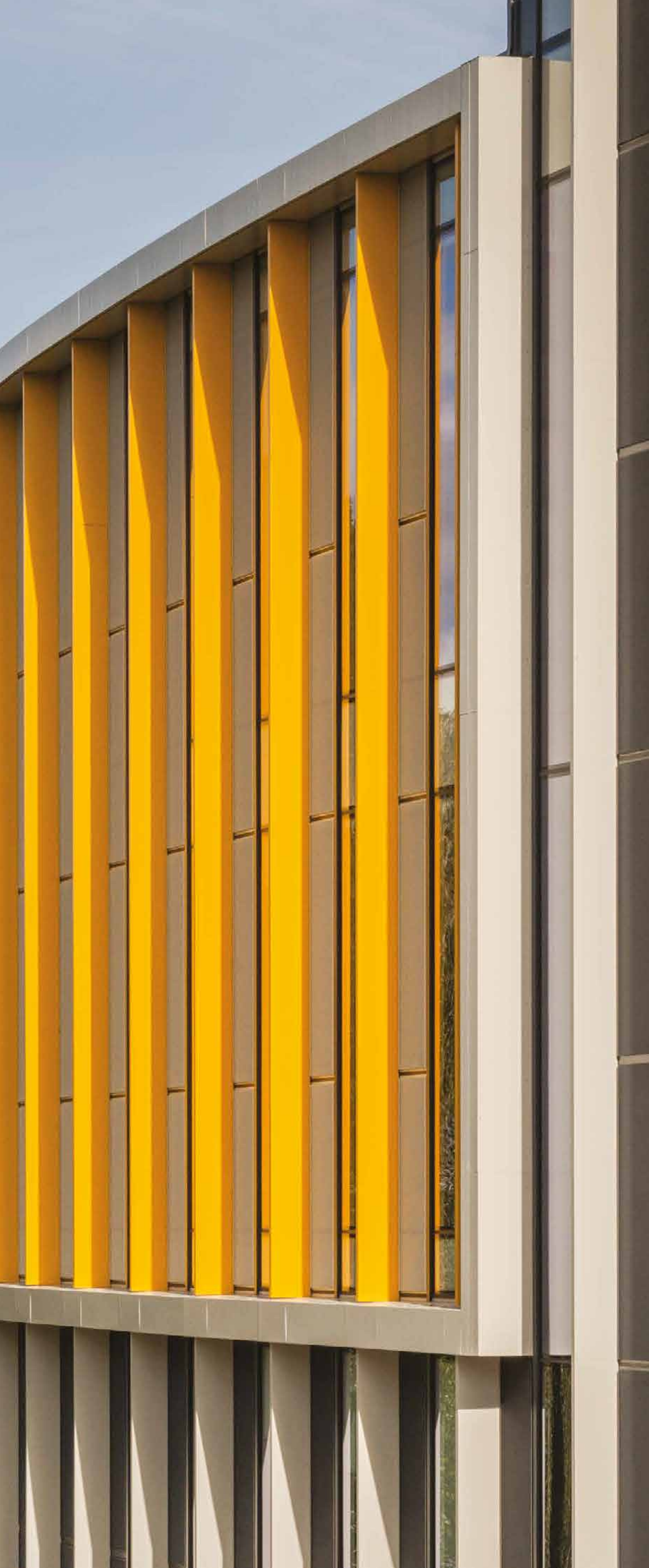


ANNUAL REPORT & ACCOUNTS 2017

AUKETT SWANKE GROUP PLC

aukett swanke

FRONT COVER: THE BRADFIELD CENTRE, CAMBRIDGE SCIENCE PARK

Aukett Swanke provides design services, focusing on architecture, master planning, and interior design with specialisms in executive architecture and associated engineering services

The practice designs and delivers commercial projects throughout the United Kingdom, Continental Europe and the Middle East

ABOUT US

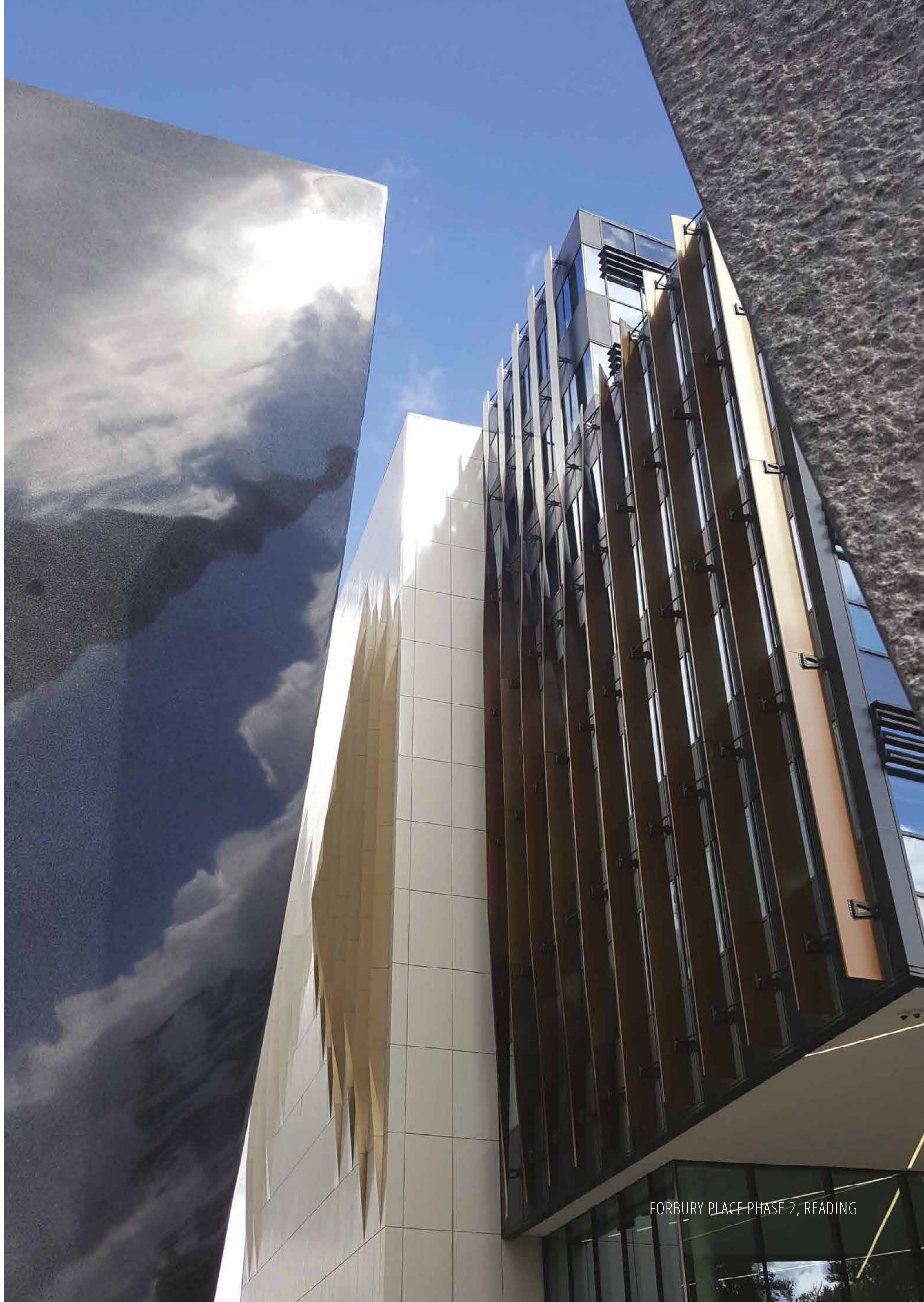
Aukett Swanke is an award-winning architecture and interior design practice. Its talented and international teams act as custodians for a sustainable built environment, working on grand heritage projects as well as bold new additions to urban and rural landscapes.

Encompassing over 60 years of professional experience, Aukett Swanke has a network of more than 400 staff in 13 offices across 6 countries: UK, Germany, Russia, Turkey, the UAE and the Czech Republic.

The studios' expertise includes work in mixed-use, commercial office, hotel, retail, residential, education and healthcare sectors as well as workplace consulting.

AB Development / ABN Amro Bank / Aberdeen Standard / Absolut Development / Abu Dhabi Tourism and Culture Authority / Acred / ADNH (Abu Dhabi National Hotels) / ADNOC (Abu Dhabi National Oil Corporation) / ADWEA / AEG Europe / Ahred Real Estate / Alarko Real Estate / ALDAR / Al-Futtaim Group Real Estate / Al Hamra Real Estate Development / Allen & Overy / Allianz Insurance / Allied World Assurance / Arup / Ascot Underwriting / Avgur Estate / Aviva Baker McKenzie / Bank of America Merrill Lynch / Bank of Moscow / BAT-Russia C+T Group / Batıkent Yapi Sanayi ve Ticaret / Bautek A.S / BCM McAlpine / Bell Hammer / BioIstanbul / BioMed Realty / Blackstone Group / Bloomberg / BNP Paribas Fortis / BNY Mellon / Bovis Lendlease / Bristows / Bundesdruckerei / Buro Happold / Buwog Cambridge University Hospitals NHS Trust / Canadian Embassy, Moscow / Candy & Candy / CAPCO / CBRE / Cedar Capital / Cengiz Holding / Central Properties / Chrome Hearts / CIN LaSalle / Cisco / City of London Academy / Cofunds / Comstrin / Commercial Estates Group / Commerzbank / Corinthia Hotel Group / Corporation of London / Cornerstone Investment & Real Estate / Costain / Countryside Properties / CPI / CR City / CR Office / Credit Suisse / Crest Nicholson / Crowne Plaza Hotels Dacorum Borough Council / Daimler Chrysler / Damac / Danfoss / DB Schenker / Decathlon / Deloitte / Deutsche Bank / Diageo / Dimension Data / DGV Consulting / Doğuş GYO / Donstroy / DTC de Beers / du / Dunhill Eastman Group / E C Harris / Ede & Ravenscroft / Eli Lilly / Emaar Hospitality Group LLC / Emlak Konut / Endurance Estates / EO Engineers Office (Dubai) / Equa Bank / Ernst & Young / Er Yatırım / Etisalat / Eurofinance Bank / European Medicines Agency / Extensa / Exxon Mobil F&C Reit / Fenwick / Fiba Gayrimenkul / FIM Group / Firoka / First Bank / Freight 1 Gazprom / Gazpromstroyinvest / GD Investments / GE Capital / Gertler / GLAV UPDK / Glavstroy / Global Stream / GMO Group / Goldman Sachs / Goodman / Google / Great Portland Estates / GroupM / Grosvenor / GSK / GTN Global Properties / GUM / Güneri Insaat A.S Halk GYO / Hammer AG / Helical Bar / Henderson Global Investors / Heptares / Hexal / Hilton International / Hochtief / Homerton University Hospital / Honeywell / Horus Capital / HSBC / Huishan Zhang ICAP / ICKM / ICT Istroconti / IFFCO / IKEA / Imperial College / Ince & Co / Infosys / ING Real Estate / Intellectcom / Intercontinental Hotels Group / Investa / Irausa UK / ISG / IşGYO / Italian Embassy, Czech Republic / ITAR TASS News Agency J&T Global / Jarrold & Son / Jesus College, Cambridge / John Martin Gallery / Johnson Controls / Jones Lang LaSalle / JP Morgan / JTI Russia Kalinka Realty / KfW Bank / Khansaheb / Kier Build / Kiler Holding / Knight Dragon / Knight Frank / Knight Harwood / Koray Inşaat / Korine Property Partners / KORTROS / KPMG / KR Properties / Kuznetsky Most Development Laing O'Rourke Middle East Holdings / Lakhta Centre St.Petersburg / La Meridien / Lambert Smith Hampton / Landsec / LaSalle Investment / Lawyers Enterprise / Legion Development / Lendlease / Lenovo / L'Oréal / Loughborough University M&G Investments / Macquarie Bank / MAN Group / Marks & Spencer / Mars, Wrigley, Royal Canin / Marsan AS / Marriott / McLaren / Mercury / Merkur Development / MFI / MICEX / Microsoft / Millhouse Capital / Miral / Mirax Group / Mobile TeleSystems (MTS) / Moodys Eastern Europe / Moody's Investor Services / Molson Coors / Morgans Hotel Group / Mott Macdonald / Mouchel / MR Group Napp Pharmaceuticals / National Grid / Nations Bank / NATS / NDA / Network Rail / Nextra / Nicholson Estates / NIDA Insaat / Nike / Novartis / Nurol GYO Oceanic Estates / Open University / Opin Group / Optima Corporation / Oracle / Orchard Homes / Orchard Street Investments / Oxford Properties Palestra / Park City / Pera Gayrimenkul / Peresvet Region Kuban / Pfizer / Phillips / Phoenix Development / Pilsner Urquel / PIK / PPF Real Estate / Premier Inn / Procter & Gamble / PSN / Princeton Holdings / Prologis / Protos / PwC Quantum Homes / Qatar Foundation / Quintain RAK Properties / R&R Industrial SAS / Radisson Edwardian / Radisson Blu / Ralph Trustees / Railway Pension Nominees / Ramboll / Red Engineering / Redevco / Reignwood Investment UK / Renaissance Capital / Renova Stroy Group / Reuters / Rezidor / Richemont / Rio Tinto / Robin Oil / Rocco Forte Hotels / Rodrigo Hidalgo / Rönesans Gayrimenkul Yatırım / Rovner Investment Group / Royal Bank of Scotland / Royal Exchange / Rublevo-Arkhangelskoye / Rushydro / RWE npower SAB Miller / SAP / Savills / Sberbank / Second Watch Factory Slava / Servotel / Scarborough Borough Council / Schlumberger / Scottish Development Agency / Scottish Widows / Segro / Sellar Group / Seniats / Severn Trent Water / Shell / Sibneft / Sibneftegaz / Siemens / Sir Robert McAlpine / Sistema Hals / Skanska / Skype / Sminex / Sotheby's / Southampton City Council / Southampton Solent University / South Cambridgeshire District Council / Soyak Inşaat / Standard Life Investments / St John's College, Cambridge / St Martin's Property / Staropramen Breweries / Stephenson Harwood / Stolny Grad Development / Stone Brewing / Strelka / Sumitomo Mitsui Banking Corporation (SMBC) / Sun Microsystems / Suse Linux / Swan Operations / Symantec / Syngenta International Tahincioğlu Gayrimenkul / Talan / Takeda / TAT Immobilen / Taylor Wimpey / TDIC / TechInvest / Tekar / Tekfen Emlak / Tenkhoff Properties / The London Clinic / The Mercers' Company / The Royal College of Surgeons of England / The Royal St George's Golf Club / Tiffany s.r.o. / Tishman Speyer / Tonstate / Transport for London / Trinity College, Cambridge / Trinity Hall / Türkiye Finans Katılım Bankasi UGMK Holding / U+I / University of Cambridge / University of Sheffield Vakifbank / Vakifbank / Vesper / Vestas / Vinci Construction / VMWare / Vodafone / Voreda / VTB Capital Bank / Vysota Wates / Welbeck Land / Westminster City Council / White & Case / Willis Group Zamania / Zurich Insurance Group

OUR CLIENTS INCLUDE . . .



FORBURY PLACE PHASE 2, READING

OUR STUDIOS AND LOCATIONS

36-40 York Way
LONDON N1 9AB
United Kingdom
T +44 (0)20 7843 3000
london@aukettswanke.com

18 Prospekt Andropova, bld 7
Floor 11, Office 5
MOSCOW 115432
Russia
T +7 (499) 683 0145
moscow@aukettswanke.com

Kore Sehitleri 34/6
Deniz Is Hani
34394 Zincirlikuyu
ISTANBUL
Turkey
T +90 212 318 0400
istanbul@aukettswanke.com

415 people
13 studios
6 countries

Bin Arar Tower, Building 168,
Najda Street (6th Street)
ABU DHABI
United Arab Emirates
T +971 (0) 2 495 2731
abudhabi@aukettswanke.com

Sheikh Hamdan Bin Mohammed St
ABU DHABI
United Arab Emirates
T +971 (0)2 671 5411
info@shanklandcox.com

Main Street
AL AIN
United Arab Emirates
T +971 (0)3 766 9334
info@shanklandcox.com

1308 Sidra Tower
Sheikh Zayed Road
PO Box 616
DUBAI
United Arab Emirates
T +971 (0) 4 369 7197
dubai@aukettswanke.com

Al Goze Building
Office 2, 1st Floor
Sheik Zayed Road
Al Quoz
DUBAI
United Arab Emirates
T +971 (0)4 338 0144
info@shanklandcox.com

PO Box 31043
Humaid Bin Drai Building
Office 103, 13th St, Umm Ramool
DUBAI
United Arab Emirates
T +971 (0) 4 286 2831
dubai@johnrharris.com

Mohd Hasan Abdulla Omran Bld.
PO Box 36800
RAS AL KHAIMAH
United Arab Emirates
T +970 (0)4 338 0144
info@shanklandcox.com

Budapester Strasse 43
10787 BERLIN
Germany
T +49 30 230994 0
mail@aukett-heese.de

Gutleutstrasse 163
60327 FRANKFURT AM MAIN
Germany
T +49 (0) 69 76806 0
mail@aukett-heese-frankfurt.de

Janackovo Nabrezi 471/49
150 00 PRAGUE 5
Czech Republic
T +420 224 220 025
aukett@aukett.cz

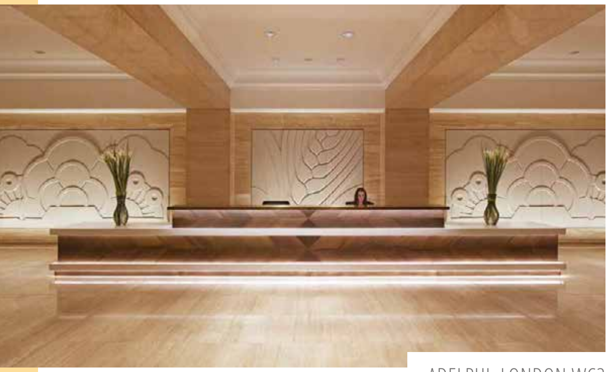
PROJECT SAPPHIRE, GRANTA PARK, CAMBRIDGE

AUKETT SWANKE GROUP PLC / ANNUAL REPORT AND ACCOUNTS 2017

This year we are proud to have four projects shortlisted in the UK British Council for Offices (BCO) Awards in their respective regions:

Verde SW1, London SW1; Adelphi, London WC2; The Bradfield Centre, Cambridge Science Park, Cambridge and Project Sapphire, Granta Park, Cambridge.

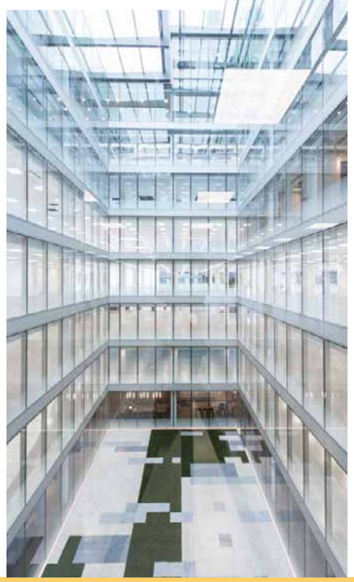
PROJECT SAPPHIRE, GRANTA PARK, CAMBRIDGE



ADELPHI, LONDON WC2

THE BRADFIELD CENTRE, CAMBRIDGE SCIENCE PARK

VERDE SW1, LONDON SW1



HIGHLIGHTS & AWARDS

We are pleased to announce the appointment of two new directors in our UAE studios - Omid Rouhani and Subraya Kalkura.

We have also appointed two new directors in the UK - Jason Bagge as a director of Aukett Swanke, and Gordon McQuade as a director of Veretec.

WA 100 2018

Aukett Swanke have been placed 43rd in the Building Design 2018 World Architecture 100 League Table, up five places from last year's position.

This also places us as the fifth largest UK registered practice on the table.

The Spa and Mei Ume Restaurant in the Four Seasons Hotel at Ten Trinity Square were shortlisted in the Spa & Wellness and Restaurant categories respectively in the Ahead Europe Awards 2017.

AJ 100

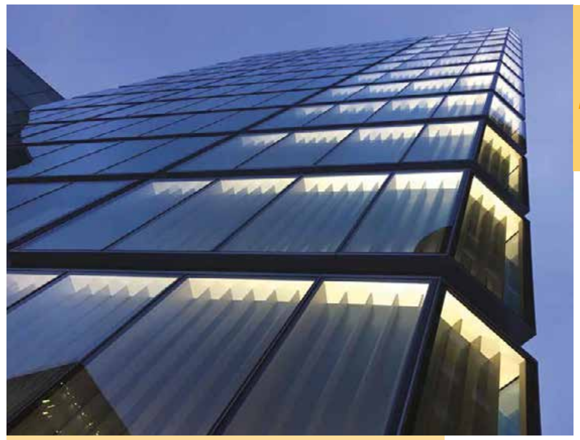
We are very pleased to have been placed 23rd in the Architect's Journal 2017 AJ100 league table, which is based on UK staffing levels.

Ten Trinity Square was also runner up in the City of London Building of the Year Awards.

This award is presented by the Worshipful Company of Chartered Architects in order to highlight the contribution that architecture makes to the townscape of the Square Mile, as well as the Corporation of London's policies to create a business environment suitable for the world's financial capital.

p12 *Winning the double: how Veretec won the AJ100 Executive Architect of the Year Award for two years running*

Keith Morgan, Managing Director - Veretec

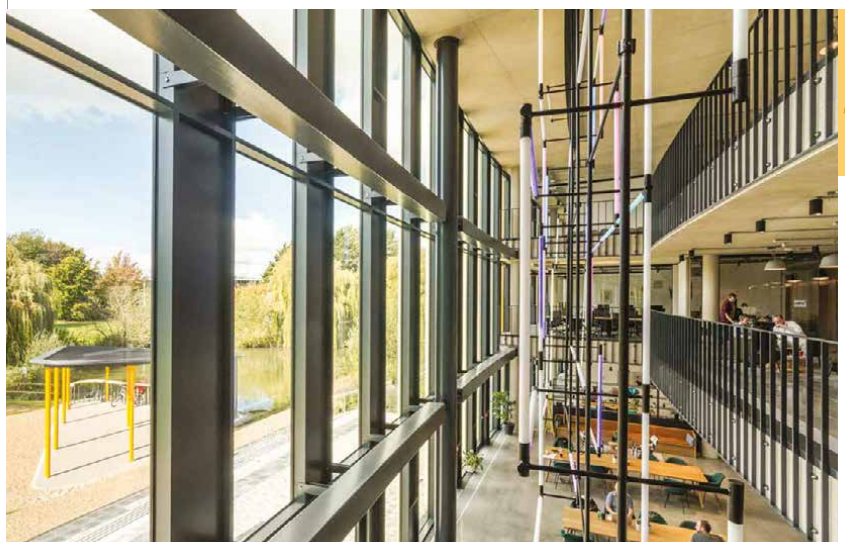


p16 *Verde SW1 and its successes: Three industry awards and 100% commercial letting*

Luke Schuberth, Managing Director - UK

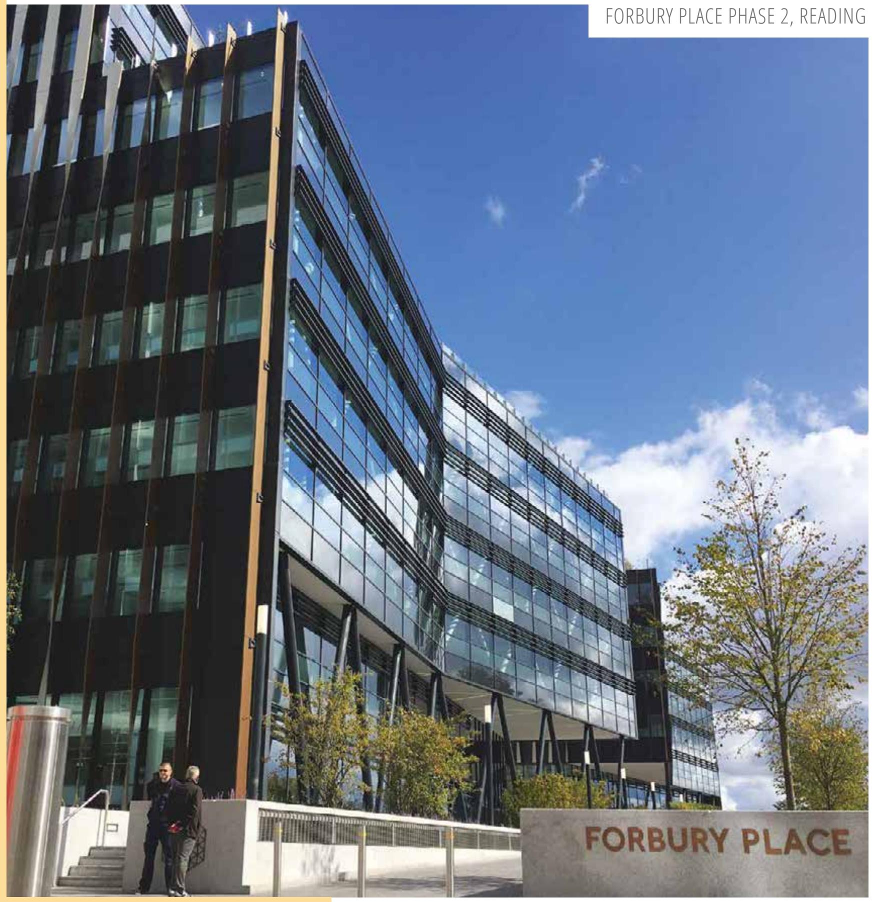
p20 *Size really does matter: how we have achieved our strategic goals since 2015*

Stephen Embley, Managing Director - Middle East



p22 *The Cambridge hotspots: our involvement*

Peter Eaton, Director - UK



FORBURY PLACE PHASE 2, READING

LUTRON SHOWROOMS, LONDON EC2

HUISHAN ZHANG, MAYFAIR, LONDON W1

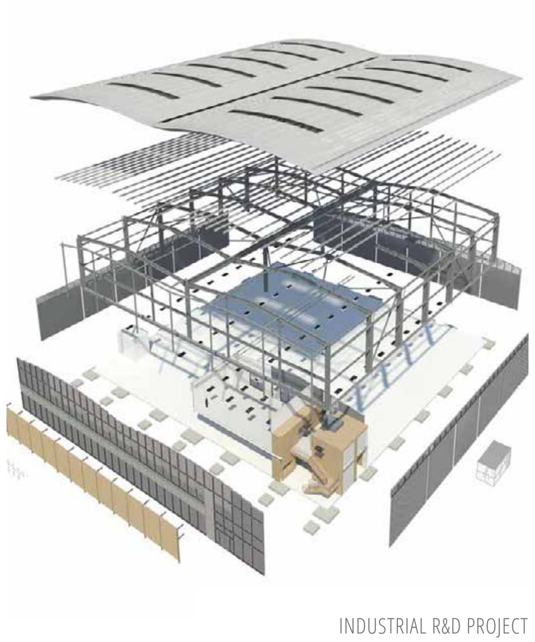
RECENT PROJECTS IN THE UK

CENTRAL SQUARE - CONCEPT STUDY

WHITE COLLAR FACTORY, LONDON EC1 - EXECUTIVE ARCHITECT

10 QUEEN STREET PLACE, LONDON EC4

BOUTIQUE HOTEL, CENTRAL LONDON



INDUSTRIAL R&D PROJECT

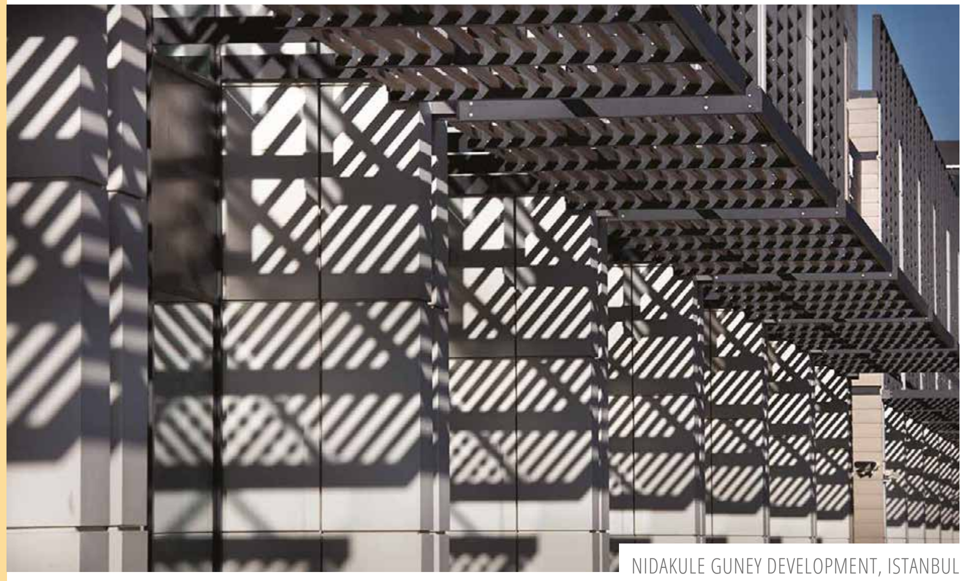
CONVERSION OF INDUSTRIAL BUILDING TO WORKPLACE / R+D / EDUCATION / LEISURE OPTIONS

THE BRADFIELD CENTRE, CAMBRIDGE SCIENCE PARK

MEI UME RESTAURANT, FOUR SEASONS AT TEN TRINITY SQUARE, LONDON EC3

ADELPHI, LONDON WC2

PROJECT SAPPHIRE, GRANTA PARK, CAMBRIDGE


NIDAKULE GUNEY DEVELOPMENT, ISTANBUL


INTERIOR FOR INVESTMENT COMPANY


SPINDLERSHOF, BERLIN


SCREEN DETAIL, MIRDIFF RETAIL, DUBAI


ALLIANZ HEADQUARTERS, ISTANBUL


MEDITERRANEAN VILLA - CONCEPT STUDY


DIMC BOAT STORAGE FACILITY, DUBAI MARINA


RESIDENCE CHURCHILL, PRAGUE

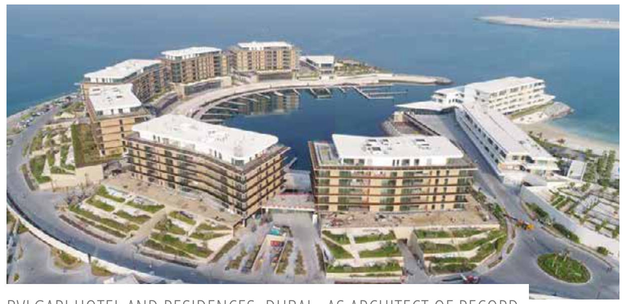
GROPIUS PASSAGEN, BERLIN

RECENT INTERNATIONAL PROJECTS


WOORI BANK, BERLIN

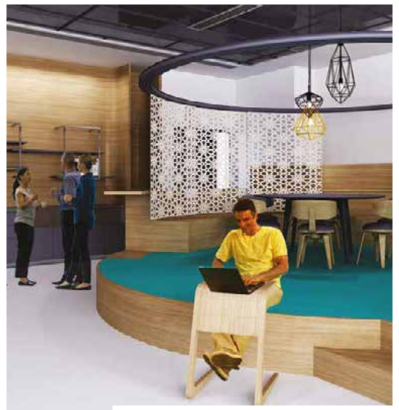

DIMENSION DATA, PRAGUE

ZOOM RETAIL, BERLIN


BVLGARI HOTEL AND RESIDENCES, DUBAI - AS ARCHITECT OF RECORD


ROCKWELL AUTOMATION, PRAGUE


CONFERENCE SPACE, RUSSIA


ABU DHABI UNIVERSITY – START AD

ALLIANZ CAMPUS, BERLIN

WINNING THE DOUBLE: HOW VERETEC WON THE AJ100 EXECUTIVE ARCHITECT OF THE YEAR AWARD FOR TWO YEARS RUNNING

BY KEITH MORGAN

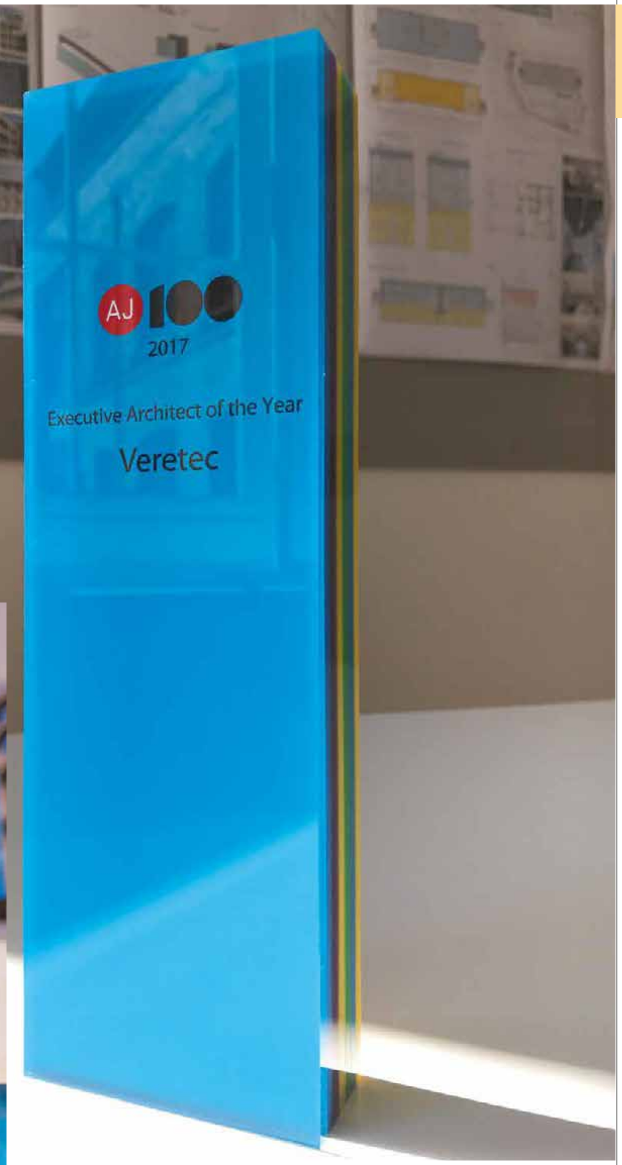
Keith Morgan
Managing Director - Veretec, based in the London studio

It is excellent that the AJ100 recognised Executive Architecture as a separate award category for the first time in 2016, and we are especially proud that Veretec has been awarded this for two consecutive years in 2016 and 2017.

Based on responses we received from the judges we have been able to demonstrate our commitment to collaboration and a perceptive technical focus; to preserve the original design intent during the delivery of a project resonated with the AJ100 judges - many of whom are leading design architects that recognise the value true executive architects bring.

We are delighted to have been able to communicate our passion for quality and experience over four different projects, and are proud that Veretec has been the only practice to be consistently shortlisted to date.

One judge noted that *'if someone else is to take over one of our projects – who would we want it to be? - Veretec'*, and by showcasing our leading collaborative approach to the design and construction process we believe that these awards are a culmination of the dedication, hard work and commitment that our studio has developed over the last 15 years since Veretec was formed in 2002.



2016

Our projects entries in 2016 were two new build schemes for Derwent: Turnmill, London EC1 - by Piercy&Co, and Corner House, London W1 - by DSDHA. In each case we were appointed directly by the Contractor (McLaren and Knight Harwood respectively).

Both projects incorporated complex brickwork facades using hand-made Petersen 'roman module' bricks. Our role focused heavily on preserving the intricate façade detailing during the construction phase and included researching handmade brick manufacturing techniques; this culminated in a factory visit to Denmark to produce our very own Petersen bricks.

This attention to detail was recognised by the judges who stated:

"(Veretec) build excellent relationships with manufacturers and understand every part of the construction process. The judges were impressed that they brought a brick to the interview . . . "

Turnmill is an award winning, 97,200sqft high quality new build development over seven floors, on a prominent corner site in the Clerkenwell Green Conservation Area.

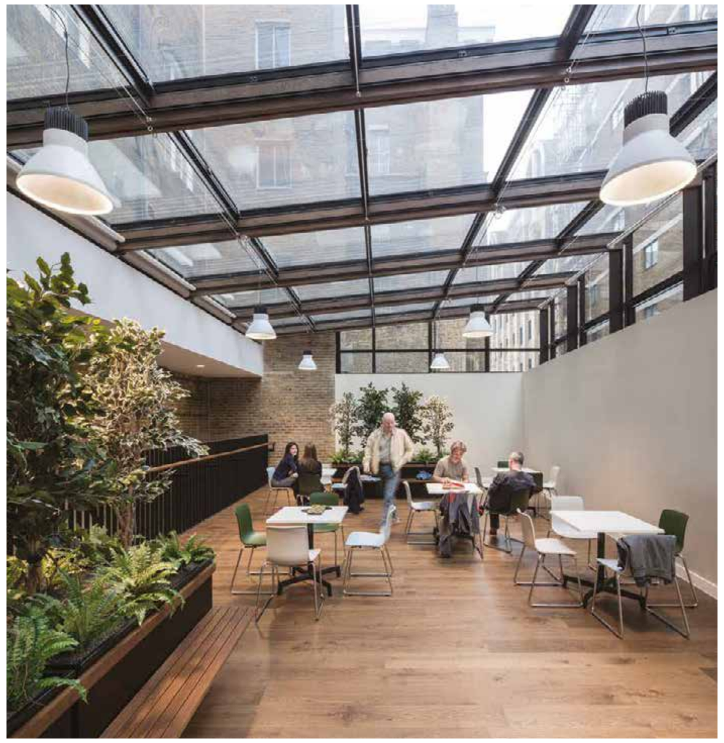
The Corner House also had very complex zinc cassette covered roof pavilions which were very challenging to fabricate and construct as well as trying to meet tight budgets.

Across both projects our teams worked diligently at developing and maintaining excellent working relationships with Piercy&Co and DSDHA, to help overcome design and communication issues that often transpire between design architect and contractor.

2017

In 2017, we selected two very different projects: One Love Lane, London EC2 - by Stiff+Trevillion - and The Passage, London SW1 - by Buckley Gray Yeoman. Both were challenging refurbishment and remodelling projects delivered within challenging programmes and limited construction budgets. On each project Veretec created innovative strategies to adapt construction detailing to meet the fluctuating demands inherent with fast track refurbishments which allowed the contractors adaptable construction philosophies to meet their respective programmes.

Our involvement on the The Passage, a rehabilitation charity for the homeless, was particularly rewarding as we had to develop efficient ways of working with the contractor and its supply chain to avoid delays inherent in waiting for survey results to deliver phased completions, whilst allowing the charity to remain operational and continue to provide shelter for homeless at all times.

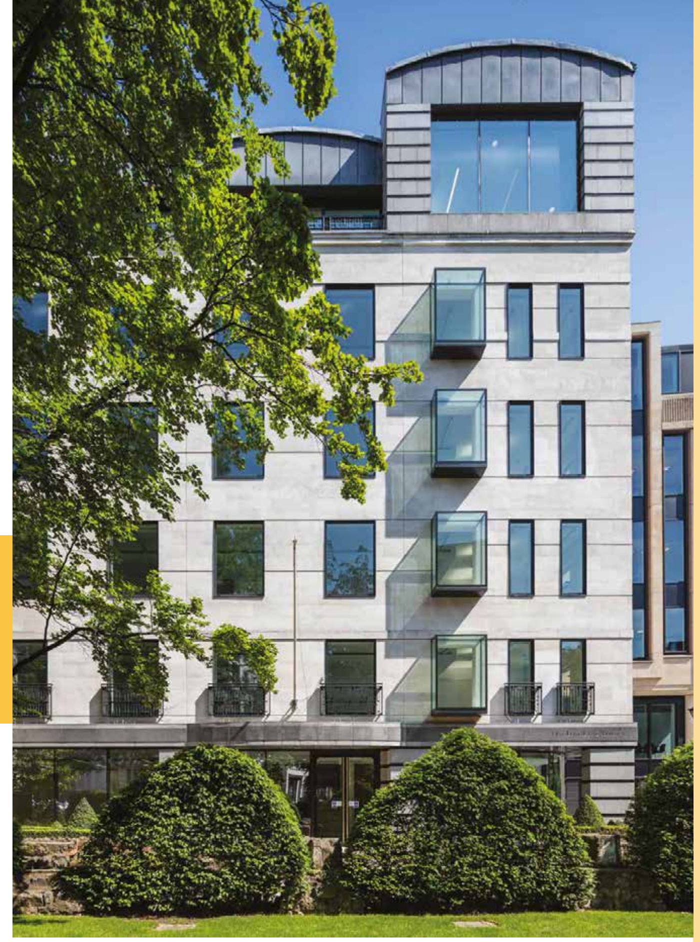


One Love Lane is a prominent seven storey, 1980s office building located in the heart of the City of London, overlooking St. Mary Aldermanbury Garden.

The refurbishment involved enhancing the external facade treatment with remodelled bays and new glazing, and substantial improvements to the ground floor reception and office areas to improve the building's floor plate efficiency.

Our underlying philosophy and passion on the importance of quality in design, and working in close collaboration with the client and consultant team to unlock the original design aspiration was recognised by the judges who stated:

> *"These projects could not have been done without a deep level of trust and coordination"*



We pride ourselves on nurturing strong relationships with other architects to draw out the true essence of collaboration, and as a testament to this we often receive quite inspirational feedback:

"Very good. Delivered an extremely challenging project very well and to our satisfaction. We enjoyed what was a very successful working relationship and are very proud of the end result"

- Henry Humphrey, Director Piercy&Co

"You guys do just get it!"

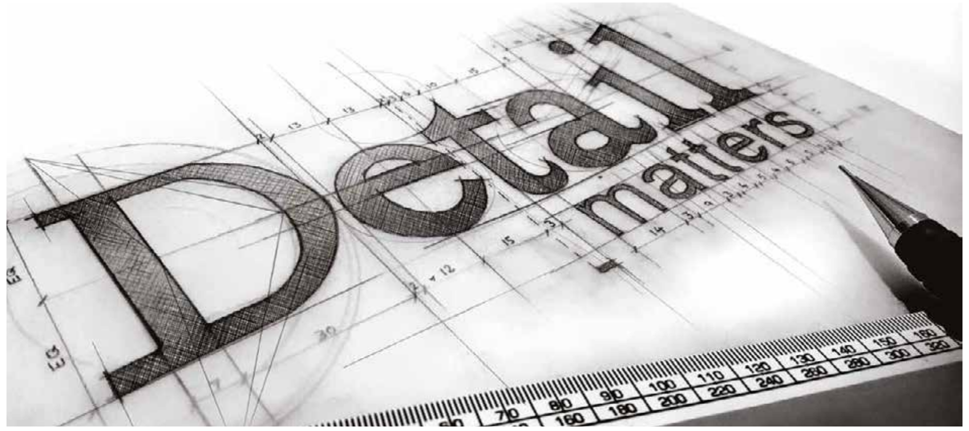
- Deborah Saunt, Director DSDHA

"Veretec go beyond 'delivery' through their integrated and collaborative approach which adds to the quality and success of the completed project"

- Dan Campbell, Director Stiff + Trevillion

"Veretec were the perfect partner in delivering The Passage project. Their understanding and appreciation of our design aspirations made working with them a true pleasure"

- Matt Yeoman, Director Buckley Gray Yeoman



Already in 2018, we are working on some fantastic projects and look set to broaden our impressive range of interesting and innovative contracts even further.

Detail matters.

SUCCESS AT VERDE SW1:
THREE INDUSTRY AWARDS AND 100% COMMERCIAL LETTING

BY LUKE SCHUBERTH

Luke Schuberth
Managing Director - UK and based in Aukett Swanke's London studio

We have recently completed the total refurbishment of this 1990s building for our client Tishman Speyer. The building is the result of a complex and exacting redesign and redevelopment of the former Eland House to meet contemporary office requirements, as well as meeting ambitious environmental targets.

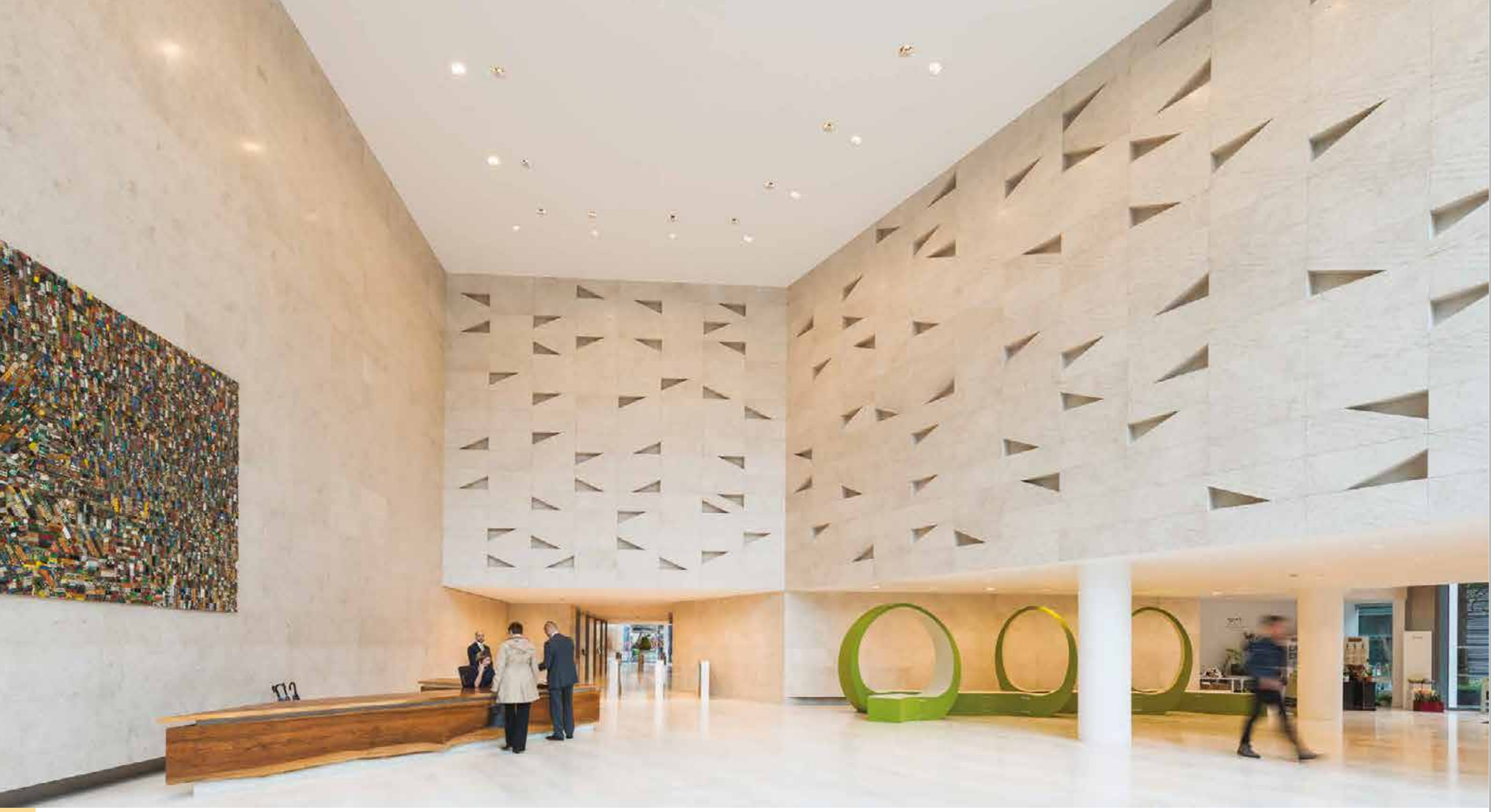
We had to do an early sectional completion of Verde because the letting was proving so strong. Pret a Manger wanted to get their new headquarters into the first floor, and also to have one of their new generation coffee shops at ground floor, but needed to start their fitout before we'd completed the building.

And the lettings have continued; in a market where Brexit curbs enthusiasm, this building has outperformed its peers. Major refurbishments of offices in Victoria, and in the West End more widely, are a large part of our portfolio and so seeing their transformation materialise into vibrant occupied places of work is great reward.

The industry has also given it accolades: Verde has won three awards to date. The 2017 International Property Awards gave it two, for Best Office Architecture in London, and Best Office Development in the UK. It was also a winner in the BALI National Landscape Awards, Green Roof Installations and Roof Gardens category, for the roof terraces, a particular feature of the building. With three more awards entered, expectation runs high.

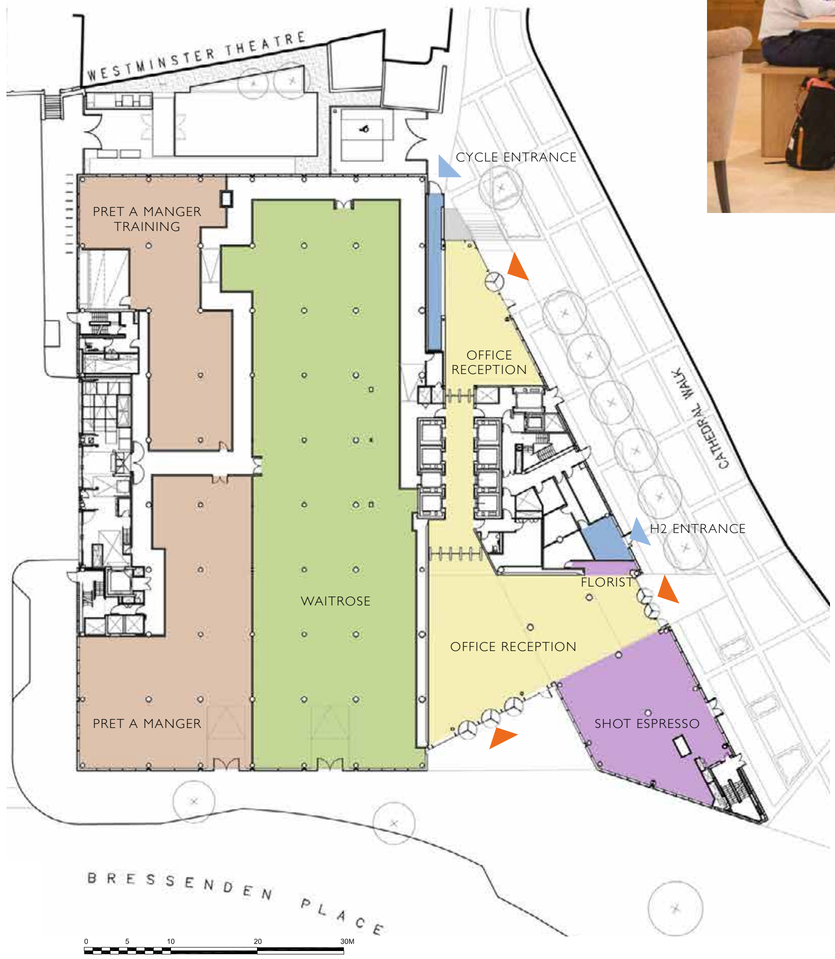
Located within 150 metres of a new entrance to Victoria Station, one of London's busiest transportation hubs, Verde features 282,000sqft of grade 'A' office space across ten floors, and six expansive roof gardens totalling more than 20,000sqft.

The large sky garden is open to all users and affords a panorama across London that rivals buildings twice its height.



The whole ground floor has been given to active use, designed to interact with the street surroundings at every point. Retail use has been introduced, and the triple height office reception faces south, north and east to gain multiple access.

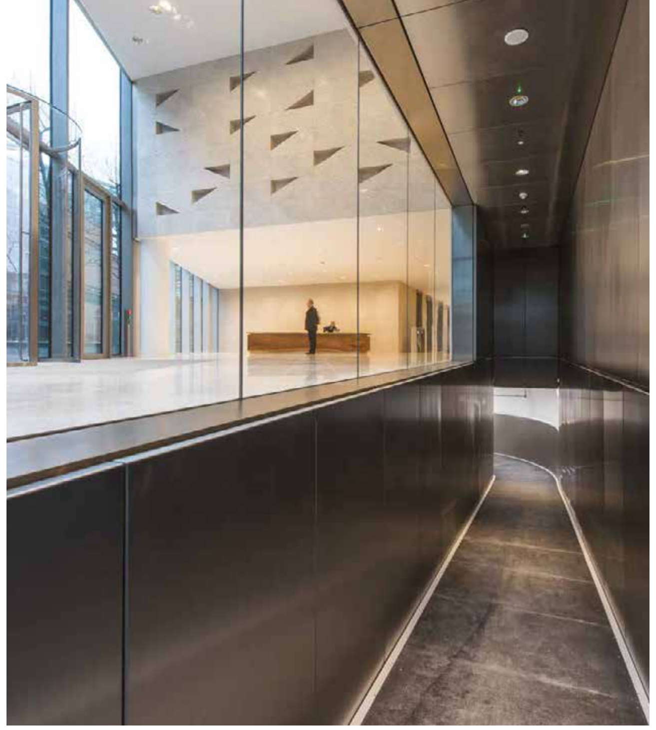
The artwork, flower shop, and café give a calm buzz upon arrival that sets a scene for a place people want to work in.



"A key choice of Verde was the first impression our staff and guests receive on entering a building.

The general feel and look of the entrance was important to us, this combined with the focus on lifestyle and wellbeing which the roof terraces and gym facilities provide; Verde SW1 struck the balance of promoting a welcoming and inspiring experience"

Graham W Wood, BSc MRICS
Property Director - Pret A Manger

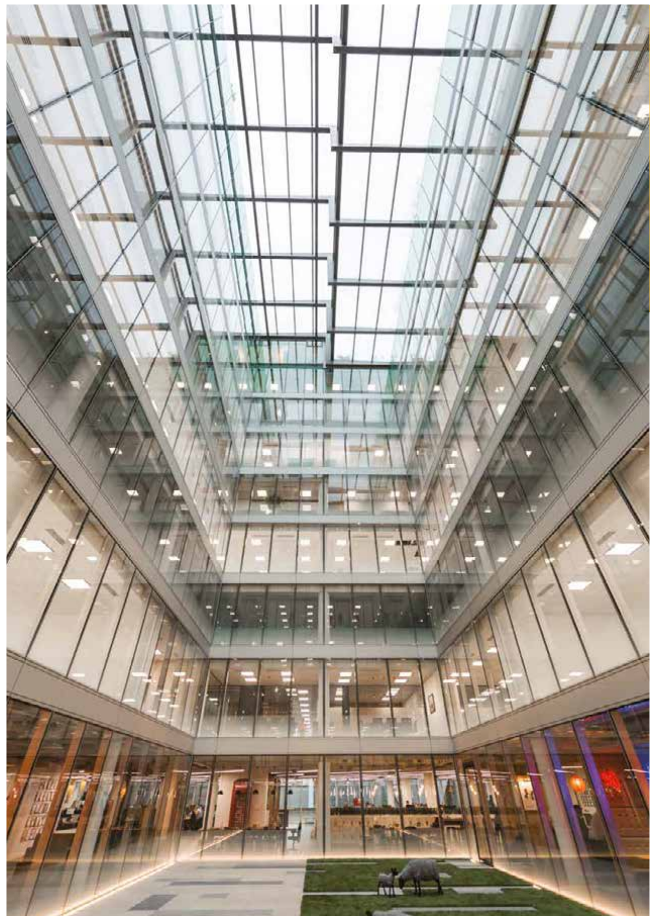


The more active user may arrive on their bike and whizz straight through an automatic door onto a winding ramp into the basement where a gym, showers, and changing await.

Sustainability

Eighty per cent of existing structure was retained with over 11,600 tonnes of carbon saved. This is equivalent to an average car travelling 16 million miles, or 650 times around the equator. But it looks, performs and feels like a new building.

We extended it, changed the entire façade (100% of the glass was recycled) and remodelled the roof, but it is a sophisticated strong and simple architectural response to a lively street context.



Dan Nicholson, Managing Director of Tishman Speyer UK, said:

"We are absolutely delighted that Verde SW1 has won two such prestigious awards. This accolade is recognition of the role Verde SW1 is playing in transforming Victoria"

The result is a new building in Victoria that marks its presence with a surety that tenants want to be part of.

We wanted to design a building that allows its users to identify with it, a place where they can work and create and its success suggests that we might have just done that.

SIZE REALLY DOES MATTER:
HOW WE HAVE ACHIEVED OUR STRATEGIC GOALS SINCE 2015

BY STEPHEN EMBLEY

Stephen Embley
Managing Director - Middle East and based in Aukett Swanke's Dubai studio

In 2015, we were three years into our five-year UAE business expansion plan, when we published my article in our Annual Report explaining the characteristics of the UAE market, its economy and our strategy to address these. The article's title "Size really matters . . ." was intended as a statement of intent, not a question.

Two years on, we have completed the first stage of our ongoing journey and have done what we said we would do and the second stage of our plan is underway. In planning the second stage we took stock of the decisions and actions we had taken in the first stage in meeting our goals of growth, high quality design and client service while delivering on our brand promise. We also considered how the direction of the current market and economy would help us to shape this second stage.

The headline goals outlined in 2015 article included a balance scorecard of objectives encompassing personal, local operational and corporate Aukett Swanke Group objectives.

In 2015 John R Harris & Partners, a respected Dubai practice since the 1960s with an unlimited Dubai Municipality licence, had just joined the Group increasing the staff numbers to over forty. Our research at the time led us to believe the optimum size of architectural practices in the UAE was around one hundred for the market we operated in. Informed by this research and as part of our growth strategy, in 2016 we acquired Shankland Cox the UAE wide architectural and engineering practice, with whom we had cooperated on select projects in the previous eight years.

As a result, the UAE operation now totals over 100 staff. This increased size, multiple trade licences throughout the UAE, and the resulting sound and proven delivery platform complementing the international design skills of the locally based Aukett Swanke operation, soon resulted in an increased number of larger and more prestigious enquiries, a good proportion of which were converted into full commissions.

Restructuring parts of the UAE operation along with improved management and controls combined with access to new markets and projects has, from a corporate Group perspective, achieved two key objectives. Firstly, creating three balanced and self-sufficient Geo hub operations of similar size servicing the Middle East, Continental Europe including Russia and Turkey, and the United Kingdom.

Secondly, providing the foundations in the Middle for the creation of sustainable profits and cash generation, while maintaining and improving our design quality and service levels, allowing us to deliver on our Group brand promise.

KEMPINSKI HOTEL, MALL OF THE EMIRATES, DUBAI

Market conditions

The UAE market is still challenging and competitive, but the economy has stabilised with oil doubling its price from the $30 2015 level, IMF GDP predictions remain steady at 3.4% for 2018. The predicted overheating of the real estate markets due to the 2020 Dubai Expo and 2022 Qatar World Cup are yet to be experienced.

On the flip side, the negative predictions following the introduction of 5% VAT are yet to be felt. Ongoing diversification away from oil and gas revenues solely supporting fiscal policy and the possible increase in VAT, introduction of Corporation Tax and other forms of stealth and personal taxes could both push efficiencies through businesses and increase fees while changing demographics which along with Emiratisation could see changes to the shape and composition of the employment market.

As in all our other Global operations, one of our goals is to be a long-term player. Decisions taken today are not always intended to produce short-term returns as we operate to be a sustainable long-term business, so we can contribute and be part of the social and economic fabric of where our Geo bases are located.

THE MATRIX TOWER, DUBAI

Our strategy

One of our initial stage two actions was to form a new company in Dubai; Aukett Swanke Architectural Design, amalgamating our Aukett Swanke Dubai operation with Omid Rouhani Architectural Design (ORAD) where its founder, a leading award-winning Emirati national, architect and lecturer, is both the sponsor and an operational director. In parallel and where possible we strive to promote and develop staff from within the Company, reinforced by strategic outside appointments where necessary. This succession planning and investment is ongoing and forms a key part of our second stage plan.

Research and development and IT investment will form part of our stage two plan in the UAE, where we believe informed decisions and use of the latest cutting edge technology and intelligence will improve the quality of our design and production information.

What next?

We are excited about the next part of our journey and the opportunities the UAE can offer. There are sound foundations in place, but we face different decisions and priorities. We have considered continued growth and how to optimise size without sacrificing the quality of our design and client service levels. The aspirations of our staff and the operational and financial efficiency of our model are all based on core values that have allowed us to create a brand which we intend to continue to strengthen and promote at every opportunity.

We envisage the second stage of plan to be more of a period of consolidation and sustainable organic growth, investing in our staff, R&D, systems and IT to improve what we offer to clients.

NEW HOTEL, ABU DHABI

THE CAMBRIDGE HOTSPOTS:
OUR INVOLVEMENT

BY PETER EATON

Peter Eaton,
UK Director in Aukett Swanke's London studio

Cambridge has been home to the University of Cambridge since 1209 and was an important trading centre as early as Roman and Viking times. The city has embraced scientific research and innovative thinking since the University's formative years over 800 years ago, and Isaac Newton and Stephen Hawkins are perhaps the University's most famous alumni in the field of scientific discovery.

The city has grown significantly over the last decade with a population now exceeding 135,000. Its world-wide reputation as a seat of academic brilliance, consistently ranked in the top three global universities, and as a go-to location for over 1500 technology companies has accelerated this rapid growth.

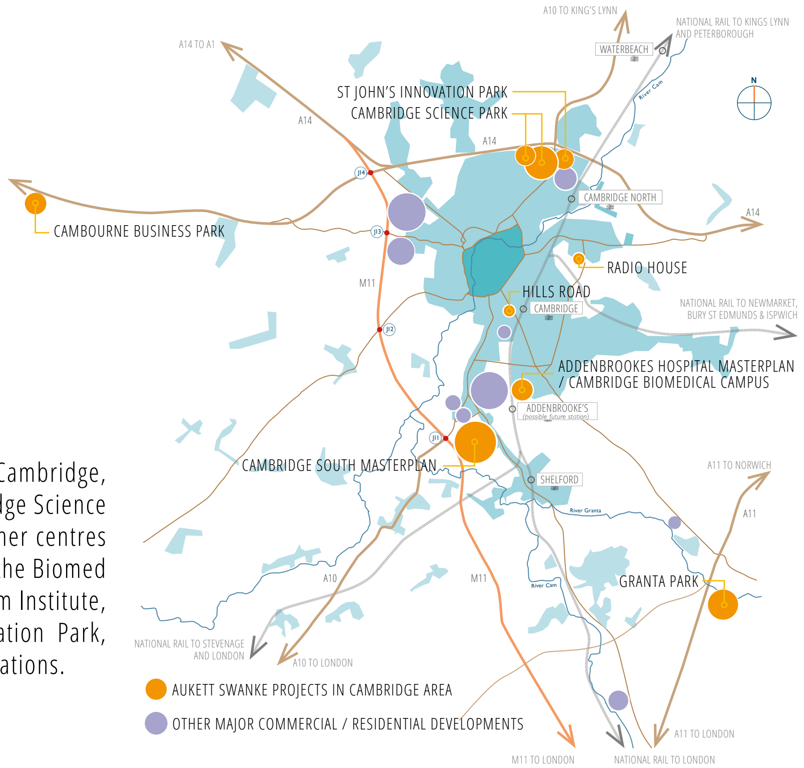
Cambridge has been highly successful in attracting multinational office and laboratory occupiers and has now firmly establishing itself as the key UK hub for biosciences, pharmaceutical businesses and research organisations. Growth has been so dramatic in recent years that the University has instigated a major new settlement area in North West Cambridge to allow expansion from the historic medieval city core and provide urgently needed new residential accommodation. A new station, Cambridge North was opened last year and a new Cambridge to Oxford rail link has Government approval.

- Venture capital investment has reached over £790m since 2012, with over £270m in the first seven months of 2017, a good indicator of future intentions - 37% more than its nearest global competitor, Boston USA
- Cambridge is the Pinnacle of the Golden Triangle and leading life-science cluster in the UK
- Technology companies in and around Cambridge employ some 54,000 people creating in excess of £13bn/year
- The University has backed 300 'hi-tech' companies and 200 computer-based companies
- 68,000 new homes are in the long-term pipeline on sites within a 20 mile radius of Cambridge

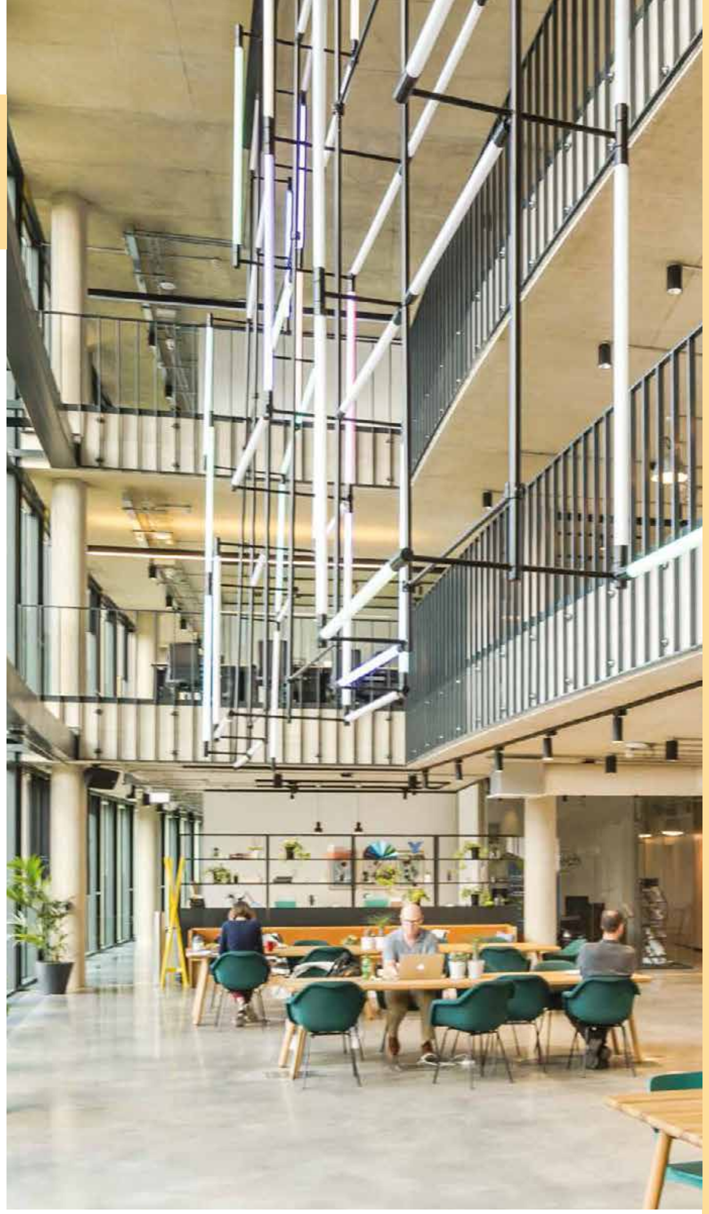
Pioneering science continues apace in and around Cambridge, and since the emergence of Trinity College's Cambridge Science Park, initiated in the late 1970s and early 1980s, other centres of research and innovation have emerged including the Biomed Campus at Addenbrookes, Granta Park, the Babraham Institute, The Wellcome Genome Campus, St. John's Innovation Park, Cambourne Business Park, and several other key locations.

Aukett Swanke has been involved in many of these high profile developments, playing a key role in creating a range of new buildings accommodating initial start-up companies at one end of the scale to major new facilities for global pharmaceutical businesses at the other.

The speed of delivery of these projects from inception to occupation has been a particular feature of these schemes, reflecting the demand and acceleration of Cambridge's status and reputation in scientific learning and the commercial application of innovation in life-sciences, medicine, space exploration engineering and astronomy.



The Bradfield Centre, Cambridge Science Park
for Trinity College Cambridge

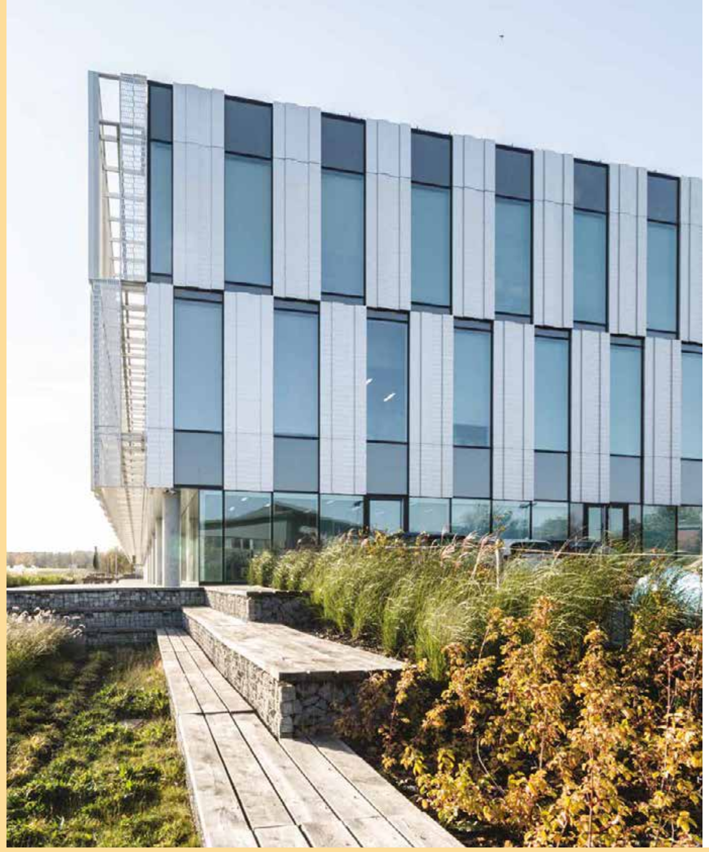


Our scheme for Trinity College on the Cambridge Science Park has involved the recycling of one of the first-generation building plots at the heart of the Park and the creation of the Bradfield Centre. This building, named after the Bursar who was instrumental in instigating the Science Park, exploits its location alongside one of the Park's lakes, and its unique distinctive arc-shaped plan form provides a hub for start-up businesses and companies seeking to collaborate and mix with existing science based businesses in the Park.

Aukett Swanke has worked closely with the College's property and project management advisors Bidwells to help crystalise the brief and develop the concept for the scheme. This Hub building will be managed by Central Working and provides space under a membership arrangement where individuals can simply use the space and facilities or where larger groups of 4/6/8 and upwards can take a dedicated 'private pod' space, all sharing the common facilities.

Within the three storey, 4850sqm design, these facilities include a large ground floor café / restaurant open to occupiers and all Park tenants, an auditorium, bookable meeting rooms, informal 'apartment' break-out areas, private telephone pods, centralised shower rooms, a yoga room and a pavilion 'beach-bar' / informal meeting space outside the building. The concept of the scheme seeks to attract entrepreneurial start-ups and act as a hub for the Park where existing businesses, occupiers and visitors can mingle and where the atmosphere and internal environment encourage and engender serendipitous meeting and interaction.

> *"I do indeed love the building and am convinced, when the history of the Science Park is eventually written, it will be one of the pivotal moments - the combination of its architecture and its use, which are inseparable"*
>
> - John Tweddle, Partner - Bidwells / Head of Fund Management



BioMed Realty, Granta Park, Cambridge

for Gilead Pharmaceuticals

At the other end of scale Aukett Swanke has also recently completed a major new facility for BioMed Realty and pre-let tenants Gilead Pharmaceuticals on the Granta Park campus in south east Cambridge. This scheme comprises 11,700sqm over a three storey development for one of the largest global pharmaceutical companies and accommodates their rapidly expanding UK and European activities. The programme to satisfy Gilead's occupation requirements led to a challenging delivery scenario.

The scheme commenced in early June 2015 when Aukett Swanke was invited to assist BioMed Realty bid to secure Gilead as a pre-let tenant, moving from its existing premises on the Park. The shell and core scheme completed on schedule in December 2016. Early access was provided in October in the same year for the tenant's fitout, with occupation achieved successfully in July 2017.

This fast-track delivery has been made possible through a highly collaborative and proactive approach to the design process with the developer and the tenant team, legal agreements, tender process and construction methodology.

The design provides a simple elegant rectangular layout with central spine atrium linked by an impressive feature staircase. The façade treatment employs a repetitive cladding system to allow rapid installation fixed back to the partially pre-cast superstructure.

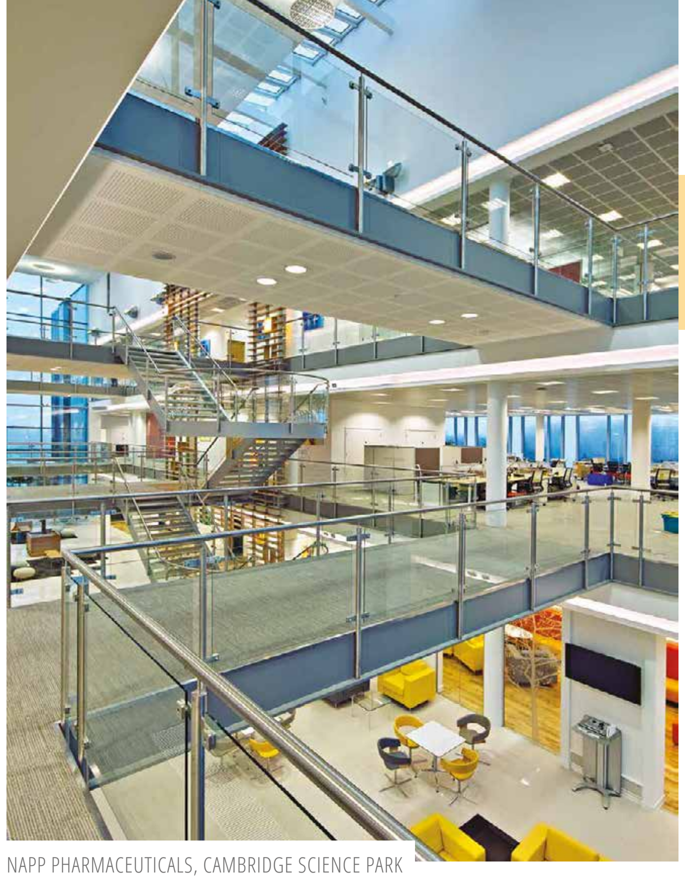
The scheme is future-proofed for full laboratory use incorporating generous ceiling and floor service voids, slab knock-out panels, drainage riser stacks/runs and the space for plant level provisions for extensive laboratory and fume cupboard installations. The scheme has been delivered at £23.80/m including a large deck level car park – and circa £189.00/sqft (excl. fitout).

Doug Cuff, Client Director for BioMed Realty said:

"The entire team displayed an uncanny ability to think critically, act practically, openly test assumptions and listen to the client. A truly outstanding group of sincere, focused and passionate professionals who take ownership not just of the design but of the entire project's success. Outstanding"

As a direct consequence of Gilead's new tenancy agreement to remain on the Park and move from their smaller existing facilities, a new opportunity arose for BioMed Realty to offer its vacated building to new tenants. This very quickly led to Aukett Swanke exploring the options to convert Gilead's former two storey office building for science-based occupiers aiming at mid-scale life science companies of circa 1500 – 3000sqm.

Following our initial option studies the client engaged in tenancy negotiations with Heptares Therapeutics who had out-grown their existing accommodation in Welwyn and wished to both expand and improve their laboratory and technical research facilities. Conversion and fitout of the scheme will be completed in July 2018



NAPP PHARMACEUTICALS, CAMBRIDGE SCIENCE PARK

Other Cambridge Projects

Aukett Swanke has now built up an enviable portfolio of projects in and around the Cambridge region which includes earlier award winning schemes at Cambourne Business Park, our masterplan consent for the Addenbrookes BioMed Campus, and our BCO award-winning scheme for Napp Pharmaceuticals.

Recent designs also include the redevelopment of the old Pye Building (now known as Radio House), with its unique wave-form, column free concrete roof structure for Orchard Street Investment Management Ltd.

Our very latest commissions include a new development for Trinity Hall / Roebuck Merchants on Plot 420 at Cambridge Science Park comprising an exciting 4625sqm Smart Lab aimed to attract a range of small to medium enterprises requiring between 500-1500sqm in a flexible, agile design able to accommodate up to six sub-tenancies over three floors. This project recently received detailed Planning Consent.

Following the successful opening of The Bradfield Centre we are now preparing Masterplan designs for a new Hub area on the Science Park incorporating new offices, research space and a new 153 bed business hotel by The Village which provides restaurant, gym and conference facilities.

Our masterplan designs for Cambridge South are longer term proposals for an extensive 162Ha mixed-use development alongside the M11, J11 which is being promoted for inclusion in the Local Plan providing a significant new growth area for west Cambridge.

RADIO HOUSE, CAMBRIDGE

PLOT 420, CAMBRIDGE SCIENCE PARK

Our schemes have contributed to the evolution and growth of science-based companies and facilities in and around Cambridge, delivering a wide spectrum of accommodation for companies varying from individual start-ups to mid-scale, growth businesses, and extending further to larger, more mature major global players such as Gilead and Napp, Takeda and Heptares.

OUR KEY PEOPLE

GROUP MANAGEMENT

LUKE SCHUBERTH
Managing Director - UK ‡

SUZETTE VELA BURKETT
Managing Director - UK ‡

STEPHEN EMBLEY
Managing Director - Middle East ‡

ROBERT FRY
Managing Director - International ‡

UNITED KINGDOM

GORDON MCQUADE
Director - Veretec

JAMES ATHA
Director - Veretec

JASON BAGGE
Director - UK

KEITH MORGAN
Managing Director - Veretec

PETER EATON
Director - UK

STEPHEN ATKINSON
Director - UK

TOM ALEXANDER
Director - UK

MIDDLE EAST

OMID ROUHANI
Director
Aukett Swanke Architectural Design

PAULA MCKEON
Finance Director - Middle East

FRANK NOWACKI
Director
John R Harris & Partners

BOB PUNCHARD
Director
John R Harris & Partners

SUBRAYA KALKURA
Director
John R Harris & Partners

CONTINENTAL EUROPE

LARISA LIGAY
Director
Moscow

TOM NUGENT
Director
Moscow

BURÇU SENPARLAK
General Manager
Istanbul

JV PARTNERS

LUTZ HEESE
Managing Director
Aukett + Heese

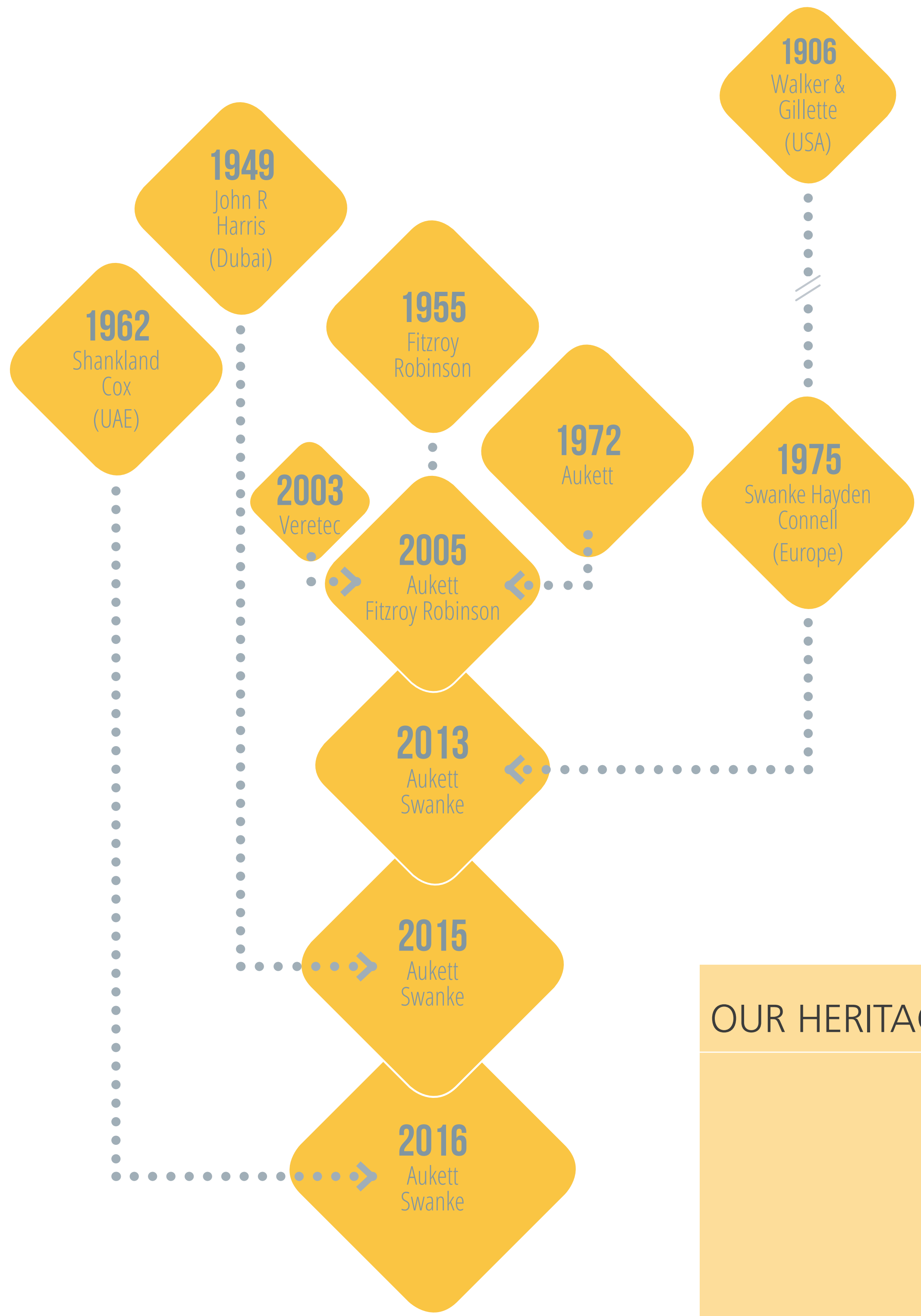
ANDREW HENNING JONES
Director
Aukett + Heese

MARCUS DIETZSCH
Director
Aukett + Heese

JANA LEHOTSKA
Director
Aukett sro

TOMAS VOREL
Director
Aukett sro

OUR HERITAGE



BOARD OF DIRECTORS

ANTHONY SIMMONDS

Non Executive Chairman *+ #^
MA FCA FCCA Aged 73

Anthony joined Aukett Swanke as a non-executive director in 2009 and was appointed Non-Executive Chairman in March 2012.

He is a qualified chartered accountant and former senior partner of a top 50 accountancy practice. He has had many years' experience in dealing with quoted public companies on a professional basis including advising on corporate finance, M&A, due diligence, as well as initial introductions to the market.

He has held a number of executive and non-executive positions and is experienced in the strategic development of businesses and the management of financial risk.

NICHOLAS THOMPSON

Chief Executive Officer #^
BSc(Hons) MBA Aged 63

Nicholas is Aukett Swanke's CEO and has over 30 years of experience in the property and consulting sector. He originally joined Fitzroy Robinson as its Finance Director in 1994 and was promoted to Managing Director in 2002.

In 2005 he became CEO of the newly merged 'Aukett Fitzroy Robinson' following a reverse takeover. He holds a Master's Degree in Business Administration from City University and currently sits on the Cass MBA Advisory Board. He is also a qualified accountant and has a degree from Bath University.

In 2015 he became a non-executive director of the Wren Insurance Association Limited, a mutual insurer for architectural practices.

Nicholas is responsible for the Group's strategic growth plans.

BEVERLEY WRIGHT

Chief Financial Officer &
Company Secretary ^
BA(Hons) FCA Aged 59

Beverley joined Aukett Swanke in September 2014. She is a qualified Chartered Accountant and has more than 25 years of experience with construction and engineering firms including significant experience in senior financial roles for international companies.

She spent 16 years with Mowlem Plc in a variety of roles, then in 2006 she took over as Commercial and Financial Director Europe and Middle East at CH2M, becoming International Commercial Director in 2012.

Since joining Aukett Swanke, in addition to ensuring good day to day financial management, Beverley has worked on both commercial and strategic matters. Much of her focus has been on the future shape of the Group and on the integration of the recent acquisitions.

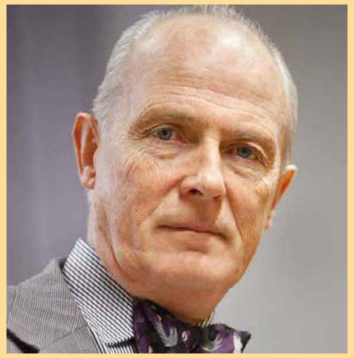
JOHN BULLOUGH

Non Executive Director +*#
FRICS Aged 67

John joined Aukett Swanke as a non-executive director in June 2014. He has over 40 years of international experience in property development and investment.

Following 18 years with Grosvenor, John joined ALDAR Properties PJSC in Abu Dhabi and was their Chief Executive until November 2010.

He is a Fellow of the Royal Institution of Chartered Surveyors and is a Past President of the British Council of Shopping Centres.



ANDREW MURDOCH

Executive Director
MA RIBA Aged 68

Andrew is a qualified architect who joined Fitzroy Robinson in 1984. He was Chairman of Fitzroy Robinson in the 1990s, and was appointed to the board in December 2013.

He is architect to a number of significant buildings in central London and the UK regions, and has a strong and enduring client following. His work includes the flagship Fenwick store in Bond Street, the Home of Alfred Dunhill in Mayfair, and the refurbishment of the Royal Exchange in the City, and he is currently working on a number of prestigious projects in the West End.

Andrew sat on the board of management of the British Council of Offices for 12 years.

NICK PELL

Executive Director
BA(Hons) Aged 56

Nick was appointed to the Board in December 2013 upon the acquisition of Swanke Hayden Connell Europe Limited and is International Interior Design Director.

He has over 20 years of experience designing interiors projects across Europe having graduated from Kingston Polytechnic. Nick has established a reputation for designing creative interior solutions for a wide range of project types; hotels, restaurants, retail banks, residential, leisure facilities and commercial office space and he has led the design direction of several award winning projects.

His projects are wide ranging, including the British Council for Offices award winning VISA HQ fitout, and an experimental hotel pilot project.

BOARD COMMITTEES

* Member of the Audit Committee chaired by Anthony Simmonds
\+ Member of the Remuneration Committee chaired by John Bullough
\# Member of the Nomination Committee chaired by Anthony Simmonds
^ Member of the Internal Controls and Risk Committee chaired by Anthony Simmonds

CHAIRMAN'S STATEMENT AND CORPORATE GOVERNANCE

Anthony Simmonds
Chairman
10 January 2018

I am responsible for overseeing the effectiveness and composition of your Board and report on the overall performance of the Company.

Financial highlights

As previously indicated, the year to 30 September 2017 was another difficult one for the Company as we experienced a variety of adverse conditions in each of our markets.

In the UK we suffered from the 'wait and see' climate for businesses, especially developers of commercial property, created by the continuing uncertainties over the outcome of 'Brexit'. Whilst developments which had previously been started were completed, new starts were few. In the UK revenues were consequently down 27%. This situation impacted adversely on the results for the year contributing to a reduction in overall revenue of 11.7%. We believe it will take the UK more than one year to recover its previous profitability at reduced revenue levels.

An improvement in the Company's UAE operations culminated in a major contract award for the development of a substantial retail mall in Dubai which was formally signed just after the year end. The financial benefits of these activities in the UAE should be seen over the next two years.

Meanwhile our hub in Continental Europe also suffered from a number of adverse factors. Turnover in both Russia and Turkey fell sharply, affected by well publicised domestic political upheavals. Whilst our joint ventures/associate in Germany and the Czech Republic produced a profit, this was marginally down on the previous year and not enough to offset the losses in Russia and Turkey*.

Revenue for the year amounted to £18.40m (2016: £20.84m) resulting in a small loss before tax of £325k (2016: profit before tax of £927k). Our EPS is a loss of 0.20 pence per share (2016: 0.47p (profit)). However, cash and cash equivalents at the year end remained positive at £960k (2016: £1.84m). I am encouraged that our diversified and enlarged business footprint established over the last few years should provide financial rewards in the not too distant future. However given the uncertainty with respect to near-term trading, the Board will review the position regarding dividend payments in the second half of the 2018 financial year.

Corporate Governance

Reports on the activities of the Audit, Nomination, Remuneration and Internal Controls and Risk Committees during the financial year are more fully set out on pages 38 to 42 in the Directors' and Strategic Reports together with information on the Principal Risks and Uncertainties relating to the Company's business. All Committees have been active during the year. The Remuneration Committee under the chairmanship of my fellow non-executive Director, John Bullough, has considered levels of Directors' remuneration and the introduction of an appropriate incentive scheme whilst the Nomination Committee chaired by myself has considered the make-up of the Board, the appointment of a third non-executive Director and succession. The Audit Committee, also chaired by myself, increased its number of meetings to review financial strategy, working capital requirements and budgets, in addition to its other business. The Risk Committee updated and reviewed strategic risks in the light of changing economic and regulatory situations.

As always, I would like to thank our talented staff as well as my colleagues on the Board, who continually respond positively to the challenges and opportunities that our organisation faces.

* *Revenues from the joint ventures and associate are not included in Group revenues*

FIVE YEAR SUMMARY

Years ending 30 September Continuing operations	2017 £'000	2016 £'000	2015 £'000	2014 £'000	2013 £'000
Total revenues under management [1]	34,583	30,379	27,553	25,066	14,776
Revenue	18,395	20,841	18,668	17,326	8,406
Revenue less sub consultant costs [1]	16,070	18,410	16,886	14,732	7,116
(Loss) / profit before tax	(325)	927	1,870	1,400	550
Basic (losses) / earnings per share (p)	(0.20)	0.47	1.00	0.65	0.26
Dividends per share (p)	-	0.18	0.22	0.18	-
Net assets	6,761	7,189	6,251	5,053	3,029
Cash and cash equivalents [2]	960	1,839	1,873	1,891	1,343
Secured bank loans	(776)	(1,049)	-	(113)	(263)
Net funds [3]	184	790	1,873	1,778	1,080

1 *Alternative performance measures, refer to page 37 for definition*
2 *Cash and cash equivalents includes cash at bank and in hand less bank overdrafts*
3 *Net funds includes cash at bank and in hand less bank loans and overdrafts (see note 21)*

CORPORATE INFORMATION

Company secretary
Beverley Wright
cosec@aukettswanke.com

Registered number
England & Wales 2155571

Share registrars
Equiniti
www.equiniti.com
0121 415 7047

Auditors
BDO LLP
www.bdo.co.uk

Investor / Media enquiries
Ben Alexander 07926 054 111

Registered office
36-40 York Way
London N1 9AB

Website
www.aukettswanke.com

Nominated adviser and broker
finnCap
www.finncap.co

Bankers
Coutts & Co
www.coutts.com

Solicitors
Fox Williams
www.foxwilliams.com

STRATEGIC REPORT

The Directors present their Strategic Report on the Group for the year ended 30 September 2017.

Strategy

We are a professional services group that principally provides architectural design services along with specialisms in master planning, interior design, executive architecture and associated engineering services.

Our strategic objective is to provide a range of high quality design orientated solutions to our clients that allows us to create shareholder value over the longer term and at the same time provides a pleasant and rewarding working environment for our staff. The cyclical nature of the markets in which we operate gives rise to peaks and troughs in our financial performance. Management is cognisant that our business model needs to reflect this variable factor in both our decision making and expectation of future performance.

Over the past four years we have acquired a number of strategically located practices to reinforce our business model which we anticipate will provide a blended result over time. In the short term and since these acquisitions were completed some of our markets have been the subject of some significant economic or political changes which we had not expected and which have negatively impacted on our performance. This has very much been the case in these results for 2017.

Business Model

We operate through a three hub structure covering: the United Kingdom with our office in London; the Middle East with seven office locations in the United Arab Emirates; and Continental Europe with five offices in Berlin, Frankfurt, Istanbul, Moscow and Prague (operated through subsidiaries, joint ventures and associated entities).

The United Kingdom hub comprises three principal service offers: comprehensive architectural design including master planning, interior design and fit out capability and an executive architectural delivery service under the 'Veretec' brand.

Our Middle East business comprises four separately registered operations which are gradually being marketed under a common brand 'Aukett Swanke'. The service offers within the region include architectural and interior design, post contract delivery services including architect of record and engineering design and site services. Increasingly these separate activities are being combined as a single multidisciplinary service as demanded by this market and we are now better placed to offer such a 'one-stop shop' service.

Our Continental European operations are all separately managed by local Directors. The services offered are consistent with the other two hubs.

Management of the group operations is delegated to members of the Group Management Board ('GMB') which comprises both the CEO and CFO along with four Managing Directors. The GMB meets on a regular basis to review topics relating to operations and discuss future architectural and related strategic issues.

As a Group we now have a total staff of over 400 throughout our organisation including both wholly owned and joint venture operations. We are ranked by professional staff in the WA 100 2018 at number 43 (2017: 48) and in 2017 our UK subsidiary Veretec was voted No. 1 Executive Architect for the second year running.

Group Activities

Performance in the current year has declined with revenues falling to £18.40m (2016: £20.84m) and the Group loss before tax improving slightly from the first half deficit of £358k to £325k (2016: profit before tax of £927k). This situation is a continuation of the decline that we saw in 2016 (from 2015) and in the Interim results. In this context our net funds reduced to £184k (2016: £790k) within which cash net of overdrafts was £960k (2016: £1.84m).

Total revenues under management (which includes 100% of our joint venture and associates revenue) totalled £34.58m (2016: £30.38m). The principle reason for the increase was a number of large General Planner led contracts from the Berlin office. Around 160 of our staff are employed by our joint ventures and associate and as non subsidiaries the income attributable to them is not shown in the consolidated revenue lines. More detailed financial information is given on pages 35 to 36.

United Kingdom

Revenue fell by 27% to £8.92m in 2017 and resulted in a small profit. Whilst this decline in revenue appears as a poor performance it does reflect the UK operation completing a large number of projects in the current cycle and less progress being made with the conversion of new commissions as a result of the general atmosphere of economic uncertainty following a prolonged Brexit period and a parliamentary election. The UK operation had originally budgeted for a reduction in revenue and a loss was the result at the halfway stage.

There have been a number of high points in the year. A 282,000 square feet office project in Victoria for Tishman Speyer won a double award at the Property Awards: Best Office Architecture and Best Office Development – an accolade indeed; and our new hotel for Four Seasons was runner up in the City of London Awards. In addition the 326,000 square feet Adelphi building for Blackstone along the Thames became fully let to prestigious tenants this year.

During the second half of the year we completed the second building at our office development site in Reading for M&G; the Flowers Building at Granta Park; and a large private dwelling in West London. In addition The Bradfield Centre for Trinity College Cambridge and the Molecular Sciences Research Hub for Imperial College London both completed. The Four Seasons hotel at Ten Trinity Square and an Embassy in West London were in the final stages. Work continued on a £9m City refurbishment in Queen Street Place. In September we won the feasibility stage for a large mixed-use project in Maidenhead for Royal London.

Outside the UK the 18 storey Mone luxury residential tower in Moscow which was designed by the London studio reached completion. Also in Russia, in the city of Perm in Siberia the studio designed three 25 storey residential towers under phased construction which are due for completion in 2018.

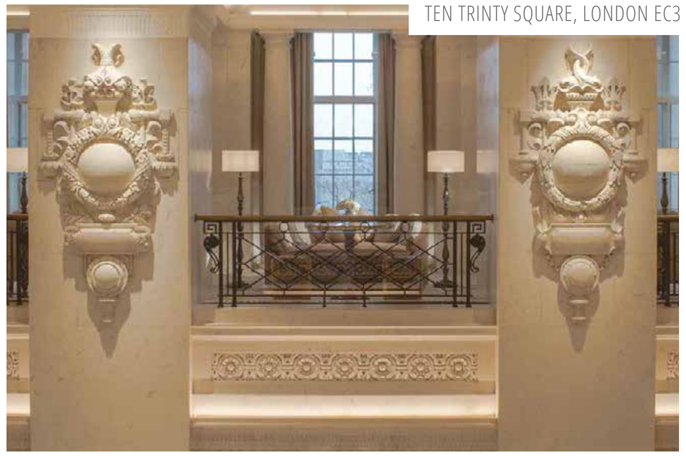
A number of projects are currently on hold including a series of commercial buildings in Birmingham; a large HQ building in Bristol; a number of mid tech buildings requiring pre-lets; a residential scheme in Hemel Hempstead; and a building at Cambridge Science Park.

The converted order book for 2018 has continued to decline and this operation will need to reflect this in its cost structure going forward. Our UK operation works primarily in the commercial development market which is currently in the downward part of the property cycle. Our lease expiry in July 2018 should alleviate part of our fixed cost base and provide an opportunity to reduce longer term cash outflows.

Middle East

This operation now comprises a total of 115 staff which is a considerable increase from its status pre-acquisition of 8 staff. Our acquisition of John R Harris & Partners ('JRHP') has been a success with the original purchase price being recovered in net profit terms in under three years. However, our more recent acquisition of Shankland Cox Limited ('SCL') (for net book value) has proved to be problematic and it has sustained a significant loss during the rationalisation period. Trading fell far short of the pre-acquisition forecasts, so that we needed to restructure the operation and management team and absorb significant losses. However, an amicable vendor settlement to recover our trading losses reduced the impact of what would have been a sizeable trading loss in the current year (see notes 3 and 4 for further detail).

Over the course of the year our enlarged technical resource base has enabled us to win our first major retail mall comprising 1.26m square feet for a large Chinese client, which we announced shortly after the year end. In addition a number of other projects were instructed including the completion of the services for a hotel on Yas Island (home of the Formula 1 circuit) for an established client ALDAR. In terms of current workload the 5-star hotel refurbishments of Atlantis the Palm and The Address Dubai Mall continue with further areas being added to our scope. JRHP were also part of the team that successfully delivered the recently opened Bvlgari resort and phase 1 of the Al Qasr hotel refurbishment, both in Dubai. Requests for proposals continue to be received for a number of high quality and prestigious projects which, if we are successful, will reinforce the existing project pipeline in the short to medium term.


TEN TRINTY SQUARE, LONDON EC3


RESIDENTIAL TOWER, SIBERIA

The hub generated revenues of £8.63m which is virtually the same as the UK. It establishes this geography as a key platform for the future and fits with our strategy to balance our operational performance. A small profit of £13,000 resulted (a reduction compared to the profit of the first half). This is disappointing as we expected a better second half performance which would have been achieved had we not had to restructure SCL for a second time after the vendor settlement due to additional provisions against contract losses. This cumulative restructuring has two key effects: one positive and the other negative. The first effect being to improve our productivity over the longer term and the second to crystallise additional large End of Service Benefit cash payments which has contributed to the decreased in our group cash position in this period.

At the end of the financial year we established Aukett Swanke Architectural Design as a newly licensed entity in the market with an award winning Emirati architect as our sponsor. The ability to market under our international brand along with our recent wins should see our operation grow in both revenue and profit terms in 2018.

Continental Europe

This operation comprises two joint ventures and an associate plus two wholly-owned subsidiaries. The businesses had very mixed results in 2017. Revenue for the partly-owned entities is not included in revenue in the Consolidated Income Statement; in line with the use of the equity method only the after tax result is included in the results.

Revenue for the hub, (ie. the Russian and Turkish wholly owned subsidiaries only), declined by 35% to £849k and both of these operations made a loss. Economic and political issues dominated both countries.

As part of our ongoing strategy we are committed to converting both the Russian and Turkish businesses into joint ventures such that there is more local management ownership for these small operations which will secure the future succession and at the same time reduces the Group's exposure to these markets. We remain confident that these operations can add value in a different ownership format.

Russia's revenue fell dramatically and was insufficient to cover its fixed operating costs and much of the year was spent deferring or avoiding expenditure. However, the office did continue working on a large luxury apartment block in Vernadskogo, Moscow along with some smaller projects including a VIP office floor for Freight 1, a major Russian transport company.

In addition, development activity appears to be recovering with a number of developers returning to the local market. This is reflected in the number of front end design instructions that have been received including a Masterplan Concept of a town for 30,000 inhabitants at the Russian Far East in Vladivostok, a design concept for a 66,000 sqm residential development near Skolkovo Inograd, Moscow and also a concept for a training centre in Siberia for a major Russian oil refining company.

Turkey has not recovered from the continuation of the self-imposed State of Emergency. Many developers are not active and our workload relies upon short term interior design and fit out projects. Whilst work has come from major clients such as Allianz, Cengiz, KPMG, Vodafone and more recently Vakifbank, the projects are not of sufficient size to maintain the operation and, as with Russia, expenditure mitigation has continued to be a key focus. Once the political situation returns to normal we would expect historic projects to be reinstructed.

In December the office won a major fit out project in Bulgaria and the first stages of the Bio City master plan project which, with other work, should enable the office to at least break even in the next financial year.

Losses in these two operations have been funded from existing local resources and the Group has provided only a small amount of additional working capital – under £40k.

Frankfurt, our 50% JV in Germany, was the best performing office and contributed over £100k in after tax profits; its best year ever. The office worked with industry heavyweights: Hochtief, Zurich, Commerzbank, Deutsche Bank, Blackstone / Office First on the MesseTurm building and Tishman Speyer on the TaunusTurm.

Berlin also had a successful year but with a lower return as growth in the local market absorbed more staff resources than expected. The office now totals over 150 staff and has a full order pipeline. Key projects include Tacheles a large mixed use development in Berlin, Mercedes Platz with Hochtief, Berlin Airport, work for KfW bank, Siemens, Spindlers Hof, Commerzbank, a tower in Frankfurt, Google, East Side Tower with BIG, and a fit out for Howego plus numerous other projects.

The Czech operation adjusted to reduced market activity by supporting the workload in the Abu Dhabi, Berlin and London offices. Direct appointments came from a retained residential client at Churchill Square; the Riverside School Arts Centre; an Allen & Overy fit out; and a number of local clients: Tieto, Matějovský, Dimension Data and Business Lease.

Summary, Group Prospects and Shareholder Value

With such a varied set of results we have to be thoughtful about the outlook for 2018. However, we believe that we have turned the corner in the Middle East and this operation should generate a reasonable return in both profit and cash terms thereby justifying the investment that we have made. Continental Europe has now reached the bottom of the current cycle in Russia and Turkey and the overall result for this hub in 2018 should be positive as we expect Berlin to be profitable and Frankfurt to continue its current performance levels. The only operation lacking significant clarity is the UK. Whilst we continue to receive new enquires these are almost certainly for the next cycle which we believe may commence in 2019. Our ongoing work in implementing a structure of three geographical hubs should benefit the Group during 2018 by providing balance in performance.

Considering all of the exogenous economic and political issues facing the Group, and particularly in the UK, the Board feels that the overall Group outcome is unlikely to be profitable in the 2018 financial year.

Nicholas Thompson
Chief Executive Officer

10 January 2018

CENGIZ GROUP OFFICES, TURKEY

ALLIANZ HEADQUARTERS, ISTANBUL

RESIDENCE CHURCHILL, PRAGUE

SPINDLERSHOF, BERLIN

FINANCIAL REVIEW

The headline financial results of the Group were:

	2017 £'000	2016 £'000
Total revenues under management [1]	34,583	30,379
Revenue	18,395	20,841
Revenue less sub consultant costs [1]	16,070	18,410
Net operating expenses	(16,614)	(17,730)
Net finance costs	(34)	(20)
Share of results of associates and joint ventures	253	267
(Loss) / profit before tax	(325)	927
Tax credit / (charge)	21	(106)
(Loss) / profit for the year	(304)	821

[1] *Alternative performance measures, refer to page 37 for definition*

Revenues for the year were £18.40m, a decrease of 11.7% on the previous year (2016: £20.84m), as a result of the smaller UK business and the challenges in Continental Europe, offset by growth in the Middle East, which includes a full year's contribution from SCL. Similarly revenues less sub consultants also fell to £16.07m (2016: £18.41m), a 12.7% decrease.

The result before tax was a loss of £325k (2016: £927k profit), reflecting the year on year changes in the revenues. However the second half was stronger than the first half and resulted in a small profit of £33k compared to a first half loss of £358k. There was an improvement in all businesses, other than the Middle East which reported losses due to historic debt provisions.

Taking account of a £21k tax credit, our loss after tax at £304k gives an EPS loss of 0.20 pence per share (2016: 0.47 pence per share (profit)).

United Kingdom

	2017 £'000	2016 £'000
Revenue	8,915	12,142
Revenue less sub consultant costs [1]	8,765	12,080
FTE technical staff1	82	121
Net revenue per FTE technical staff [1]	107	100
Profit before tax	19	1,052

[1] *Alternative performance measures, refer to page 37 for definition*

As expected in the Interim results, the lower volumes reported in the first half continued into the second half with full year revenues of £8.92m, 26.6% lower than 2016 (£12.14m). Whilst this is disappointing, profitability improved with a second half profit of £230k, compared to a first half loss of £211k. This brings the year end position to an overall profit of £19k (2016 £1.05m profit); where the improvement was due to improved productivity and increased earnings per FTE.

The trend towards lower revenues is expected to continue until the latter months of the new year, such that a return to profitability is not expected until 2019.

Other than staff, the principal operating expense is property costs. These were cut during 2017 as all operations were brought together in one location and these costs should reduce further in 2018 when the studio relocates in the third quarter of the financial year.

Middle East

	2017 £'000	2016 £'000
Revenue	8,631	7,383
Revenue less sub consultant costs [1]	6,833	5,424
FTE technical staff [1]	95	80
Net revenue per FTE technical staff [1]	72	67
Profit before tax	13	41

[1] *Alternative performance measures, refer to page 37 for definition*

With the first full year of trading for all three of our businesses, revenues grew 17% from £7.38m to £8.63m and demonstrate the realisation of our strategy of growing a UAE hub to counterbalance and complement the businesses in the UK and Continental Europe.

After taking account of a gain of £572k on the settlement of the SCL acquisition, and a fair value adjustment of £128k with respect to pre-acquisition debtors, the first of which was reported at the half year, we reported a small profit of £13k (2016: £41k). This is after continuing integration and right-sizing costs in SCL, which was also adversely affected by provisions on pre-acquisition debtors.

Having recently announced the Lesso Mall award, the order book and forecast revenues for this hub are stronger than ever before.

Continental Europe

	2017 £'000	2016 £'000
Revenue	849	1,316
Revenue less sub consultant costs [1]	472	906
FTE technical staff 1	17	22
Net revenue per FTE technical staff [1]	27	41
(Loss) / profit before tax	(136)	95
Including 100% of joint ventures & associate		
Total revenues under management [1]	17,037	10,854
Revenue less sub consultant costs [1]	10,349	8,433
FTE technical staff [1]	162	140
Net revenue per FTE technical staff [1]	64	60

[1] *Alternative performance measures, refer to page 37 for definition*

Reported revenues, comprising the two Continental European subsidiaries, Russia and Turkey, were at £849k, 35% lower than the prior year (£1.32m). The result before tax, also including the joint venture and associate in Germany and the joint venture in the Czech Republic, was a loss of £136k (2016: £95k profit).

Continental Europe's result continues to comprise a mix of performances across the businesses. Russia and Turkey have continued to suffer from the economic and political pressures of their local environments. As previously reported, both have been downsized to minimum levels. Berlin and Frankfurt remain strong and Frankfurt reported its best year to date. Prague is again in a break-even position in a quiet local market.

Whilst apparently lower than the other hubs, the net revenue per FTE technical staff is 7% higher than in the previous year and represents a blend of the differing economic rates across the four geographies and five businesses.

Encouragingly, all Continental European businesses other than the Czech Republic reported stronger results in the second half than in the first.

Financing

Taking account of the year's result, total equity is now £6.76m (2016: £7.19m).

Net funds (see note 21) at year end were £184k (2016: £790k), comprising cash of £1.19m (2016: £1.84m), overdrafts of £228k (2016: £nil) and the loan taken out in respect of the acquisition of SCL, which now stands at £776k (2016: £1.05m). Despite the more challenging trading conditions, and notwithstanding two large client balances owed in the UK, the Group has maintained a position of positive overall cash. Had the UK received the amounts owed before year end, balances would have been as strong as in the prior year.

The loan set out in note 20 to acquire SCL was taken out in February 2016 for the principal sum of USD 1.6m representing AED 6m. It is being repaid in equal quarterly instalments of USD 80k over five years. This facility is also used by the Group to hedge foreign exchange exposures.

The Group previously had the benefit of an overdraft facility from its bankers Coutts & Co. which applied to individual accounts but was required to net to zero. During the year, in order to provide working capital flexibility and to support the UK business, this was converted to an overall overdraft of £250k. After the year end, in October 2017, the limit was increased to £500k, but reduces back to £250k on 31 March 2018 (see note 31).

In the light of weaker trading, the strong focus on cash management and liquidity forecasts has been intensified. The Plc continues to act as the Group's central banker, and whilst it may, subject to formal approval, advance short term working capital support or small funding loans, all businesses are required to be cash generative or as a minimum cash neutral. During the year, a small facility of USD 50k was provided to the Russian Business. This is being repaid in tranches.

Future work

Tracking and keeping an accurate record of the pipeline of future work is key to understanding the business and managing its future shape and portfolio. It is also essential in order to afford the directors time to react to any changes.

With the distribution of the business across the three hubs, there are differing workload profiles:

- The UK has a lower level of assured work than previously, which will require a reduction of staff numbers, mainly by natural attrition, as well an office move to less expensive premises, which is in progress;
- The Middle East continues to build strength with the aim of larger, longer-term projects underpinning the growth strategy; and
- Continental Europe remains mixed across the portfolio. The German businesses are strongest and have visible longer-term order books, while Turkey, Russia and the Czech Republic, continue to try and build strength.

Key Performance Indicators ('KPIs')

The key performance indicators used within the Group for assessing financial performance are:

- total revenues under management. This includes 100% of the revenues generated by our joint ventures in Prague and Frankfurt and associate in Berlin. This is used as a measurement of the overall size and reach of the group and to track performance against the strategic objective of creating a diversified and balanced business across the three regional hubs;
- revenue less sub consultant costs which reflects the revenue generated by our own technical staff but excludes the revenue attributable to sub consultants, which are mainly passed through at cost. This is the key driver of profitability for our business;
- revenue less sub consultant costs being generated per full time equivalent (FTE) technical member of staff. For our larger operations this provides a barometer of near term efficiency and financial health. This figure when compared to the movement in total costs provides an insight into the likely direction of profitability and is a key measure of productivity. This KPI is only analysed on a segmental basis and calculations for each segment can be found on pages 35 to 36;
- profit before taxation; and
- cash at bank and in hand and net funds / (debt)

The numbers of full time equivalent technical members of staff differs from the employee numbers disclosed in note 7 as, at times, the Group uses some non-employed workers through agencies and freelance contracts. Staff working on a part time basis, or on long term leave, are also pro-rated in the number of full time equivalent staff number, which differs from the method of calculating the average number of employees for the year under the Companies Act 2006 as disclosed in note 7. Full time equivalent technical members of staff are given for each hub on pages 35 to 36.

Project Working Capital

Project working capital comprises net trade receivables; amounts due from customers for contract work and advances received from customers for contract work. The project payment arrangements under which the Group operates vary significantly by geographical location:

- in the United Kingdom it is usual to agree in advance with the client at the start of a project a monthly billing schedule which generally leads to relatively low levels of amounts due from customers for contract work;
- in Russia it is usual for the project to be divided into contractual work stages. At the start of each stage a deposit is received from the client but no further amounts are received until the stage, or sub stage, is fully completed;
- in Turkey it is usual to either agree in advance with the client a monthly billing schedule or to agree a billing schedule based on deliverable work stages; and
- in the Middle East it is usual to bill clients monthly, but the value of the monthly invoices raised is dependent upon demonstrating specific progress from the work performed, which generally leads to higher levels of amounts due from customers for contract work. Payment also tends to take longer in the Middle East.

Principal Risks and Uncertainties

The directors consider the principal risks and uncertainties facing the business are as follows:

Levels of property development activity

Changes in development activity levels have a direct impact on the number of projects that are available. These changes can be identified by rises and falls in overall GDP, construction output, planning application submissions, construction tenders and starts, investment in the property sector and numbers of new clients. Not all of this information is available in each market place and so we have to adapt to the information flow that is available.

In addressing this risk the Group considers which markets and which clients to focus upon based on the strength of their financial covenant so that there is clear ability to provide both project seed capital and geared funding to complete the delivery process. This avoids the dual risk of delays between stages and deferrals of projects.

Geo political factors

Political events and decisions, or the lack thereof, can seriously affect the markets and economies in which the Group operates, leading to a lack of decisions by government bodies and also by clients. In turn this directly impacts workload and can even delay committed projects.

Diversification of operations in multiple unrelated geographies, as well as the ability to transfer between sectors, provides the Group greater resilience in respect of this risk. Maintaining a flexible workforce, subject to working practices in local markets, additionally affords greater ability to react quickly to such events.

Share price volatility

A strong share price and higher market capitalisation attract new investors and provide the Group with greater flexibility when considering M&A activity.

Operational gearing and funding

In common with other professional services' businesses, the Group has a relatively high level of operational gearing, through staffing and property costs, which makes it difficult to reduce costs sufficiently quickly to immediately avoid losses and associated cash outflows when faced with sharp and unpredicted falls in revenue.

An increasing proportion of the Group's operations are now based in the Middle East where payment terms are usually longer than in the UK. This introduces additional liquidity risk as some corresponding costs may be required to be paid before the collection of trade receivables.

In addition the decrease in the size of the UK business means that there is less free cash available to remit to the Plc.

The directors seek to ensure that the Group retains appropriate funding arrangements and regularly and stringently monitor expected future requirements through the Group's annual budgeting, quarterly forecasting, monthly cash flow and daily cash reporting processes in order to react to a required change with maximum flexibility.

The Group's principal bankers remain supportive and in October 2017 renewed the Group's overdraft facility until November 2018, increasing the value until March 2018. In February 2016 a USD 1.6m loan was also offered and drawn down with respect to the acquisition of Shankland Cox Limited, the current value of which is USD1.0m.

Where possible, the Group deploys three strategies to help reduce operational gearing:

First, the Group has a well developed staffing plan which flexes the total number of staff using a combination of permanent employees, temporary employees, agency staff and freelance staff as applicable to each legal jurisdiction; and in doing so matches resources to fee paying work as closely as possible, sometimes linking staff retention directly to specific projects.

Second, the Group can sub-let or licence occupation of part of its property space to other professional services businesses to offset some of the total occupancy cost.

Lastly the Group seeks flexible contract terms with major suppliers such that certain costs can be suspended during times of economic difficulty.

Staff skills and retention

Our business model relies upon a certain standard and number of skilled individuals based on qualifications and project track record. Failure to retain such skills makes the strategies of the Group difficult to achieve.

The Group aims to ensure that knowledge is shared and that particular skills are not unique to just one individual.

The Group conducts external surveys to ensure that salaries and benefits are appropriate and comparable to market levels and endeavours to provide a pleasant working environment for staff.

Staff training programmes, career appraisals and education assistance are provided, including helping our professionally qualified staff comply with their continuing professional development obligations. Training programmes take various forms including external courses and external speakers.

Quality of technical delivery

In common with other firms providing professional services, the Group is subject to the risk of claims of professional negligence from clients.

The Group seeks to minimise these risks by retaining skilled professionals at all levels and operating quality assurance systems which have many facets. These systems include identifying specific individuals whose roles include focusing on maintaining quality assurance standards and spreading best practice.

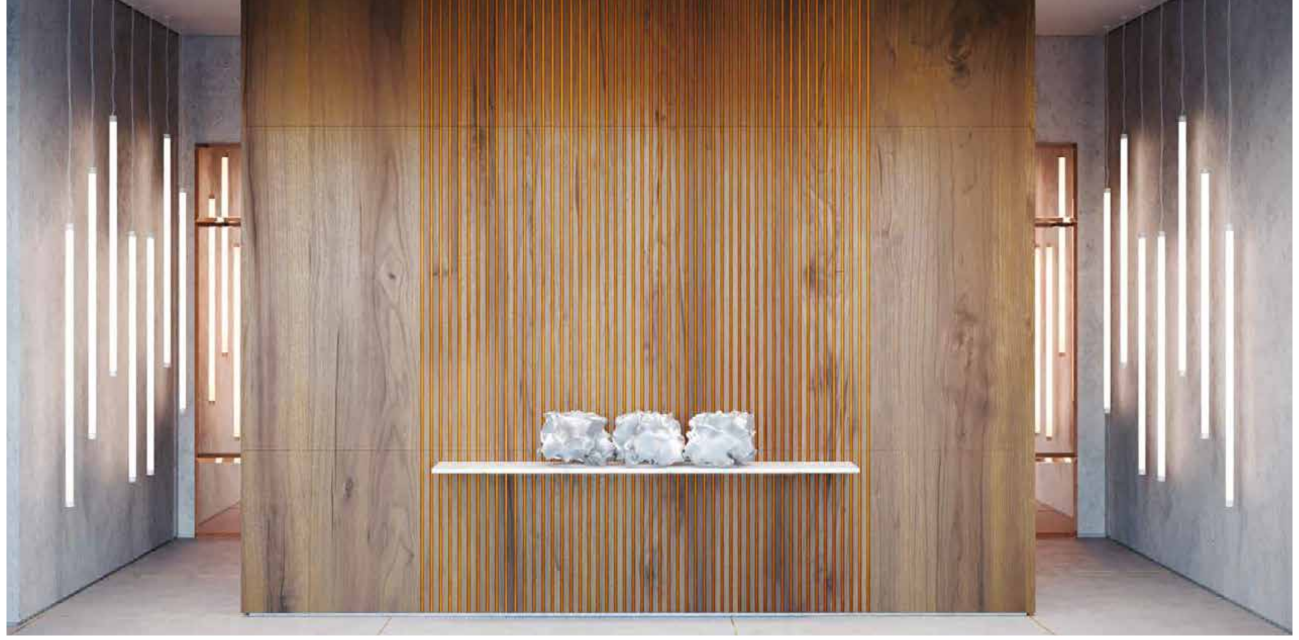
The Group's principal UK operation is registered under ISO 9001 which reflects the quality of the internal systems under which we work. As part of these registrations an external assessor undertakes regular compliance reviews. In addition, as part of its service to members, the Mutual, which provides professional indemnity insurance to the UK and part of the Middle East operations, undertakes annual quality control assessments.

The Group maintains professional indemnity insurance in respect of professional negligence claims but is exposed to the cost of excess deductibles on any successful claims.

Contract pricing

All mature markets are subject to downward pricing pressures as a result of the wide spectrum of available suppliers to each project. This pressure is increased if activity levels are low such as in the economic downturns and global recession. Additionally architects may be under pressure to work without fees (for a time) in order to win a project or retain sufficient qualified staff to complete the project if won. The Group mitigates this risk by focusing on markets where it has clear skills that are well above average, or avoids it by not lowering prices, thus risking the loss of such work.

THE FONTENAY HOTEL, HAMBURG



All fee proposals to clients are prepared by experienced practice directors who will be responsible for the delivery of the projects. Fee proposals are based on appropriate due diligence regarding the scope and nature of the project, knowledge of similar projects previously undertaken by the Group, and estimates of the resources necessary to deliver the project. Fee proposals for larger projects are subject to review and approval by senior Group management and caveats are included where appropriate.

When acting as general designer for projects located outside the UK, the Group is usually exposed to the risk of actual sub consultant costs varying from those anticipated when the overall fee was agreed with the client. To mitigate this risk, fee proposals are usually sought from sub consultants covering the major design disciplines as part of the process of preparing the overall fee proposal.

Poor acquisitions

The acquisition of businesses for too high a price or which do not trade as expected can have a material negative impact on the Group, affecting results and cash, as well as absorbing excessive management time.

The Group invests senior management time and Group resources into both pre and post-acquisition work. Pre-acquisition there is a due diligence process and price modelling based on several criteria. Agreements entered into are subject to commercial and legal review. Post-acquisition there is structured implementation planning and ongoing monitoring and review.

Overseas diversification

The Group continues to derive an increasing proportion of its revenues from projects located outside the UK. This offers some protection for the Group by providing diversification but in turn exposes the Group to the economic environments and currencies of those locations. Building regulations, working practices and contractual arrangements often differ in these overseas businesses when compared to the UK and these may significantly increase the risks to the Group. To mitigate these risks:

- the overseas operations are managed by nationals, or highly experienced expatriates, with oversight from senior Group management. All offices are regularly visited by senior Group management, to monitor and review the businesses. There is regular, comprehensive reporting and KPIs are used extensively;
- the Group seeks to work for multinational or the larger and more established domestic clients who themselves often have significant international experience;
- when acting as general designer for projects located outside the UK the Group always seeks to appoint sub consultants with an established and successful track record on similar projects;
- within the boundaries imposed by local laws and commercial constraints, the Group seeks to structure contractual arrangements with clients and sub consultants to minimise the significant contractual risks which can arise; and
- as far as possible foreign currency flows are matched to minimise any impact of exchange rate movements and significant exposures are hedged.

The Strategic Report was approved by the Board on 10 January 2018 and signed on its behalf by

Beverley Wright
Chief Financial Officer

DIRECTORS' REPORT

The Directors present their report for the year ended 30 September 2017.

Corporate governance

The UK Corporate Governance Code issued in April 2016 by the Financial Reporting Council sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders.

Although under the rules of the Alternative Investment Market, the Company is not required to comply with the Code nor state any areas with which it does not comply, the Board has sought to take into account the provisions of the Code in so far as it considers them to be appropriate and practicable for a company of this size. In doing this the Board has considered the Corporate Governance Guidelines for Small and Mid-Size Quoted Companies published by the Quoted Companies Alliance.

Board of Directors

The Group is headed by a Board of Directors which leads and controls the Group and which is accountable to shareholders for good corporate governance of the Group.

The Board currently comprises four executive directors and two independent non-executive directors who bring a wide range of experience and skills to the Company.

The Board considers Anthony Simmonds and John Bullough to be independent non-executive directors.

The Board meets regularly to determine the policy and business strategy of the Group and has adopted a schedule of matters that are reserved as responsibilities of the Board. The Board has delegated certain authorities to Board committees, each with formal terms of reference.

Audit Committee

The main role and responsibility of the Audit Committee is to monitor the integrity of the information published by the Group about its financial performance and position. It does this keeping under review the adequacy and effectiveness of the internal financial controls and by reviewing and challenging the selection and application of important accounting policies, the key judgements and estimates made in the preparation of the financial information and the adequacy of the accompanying narrative reporting.

The Audit Committee is also responsible for overseeing the relationship with the external auditor which includes considering its selection, independence, terms of engagement, remuneration and performance. A formal statement of independence is received from the external auditor each year.

It meets at least twice a year with the external auditor to discuss audit planning and the audit findings, with certain executive directors attending by invitation. If appropriate, the external auditor attends part of each committee meeting without the presence of any executive directors.

The Audit Committee currently comprises Anthony Simmonds, as Chairman, and John Bullough and they report to the Board on matters discussed at the Committee meetings.

During the year the Committee met on three occasions to review, in addition to the above, budgets, monthly management accounts and working capital requirements by reference to the Company's financial strategy. It also reviewed through a sub-committee the management of risk inherent in the business.

Remuneration Committee

The Remuneration Committee convenes not less than twice a year, ordinarily on a six monthly basis, and during the year it met on three occasions. The Committee comprises Anthony Simmonds and John Bullough, with John Bullough as Chairman. It is responsible for determining remuneration policy and all aspects of the Executive Directors' remuneration and incentive packages including pension arrangements, bonus provisions, discretionary share options, relevant performance targets and the broader terms and conditions of their service contracts.

In fulfilling its duties the Committee initiates research as appropriate into market remuneration comparables, appointing third party advisors as required. In liaison with the Nomination Committee it has regard to succession planning and makes recommendations to the Board in relation to proposed remuneration packages for any proposed new Executive and Non-executive appointments.

Where appropriate the Committee consults the Chief Executive Officer regarding its proposals. No Director plays a part in any discussion regarding his or her own remuneration.

Nomination Committee

The Nomination Committee is responsible for keeping under regular review the size, structure and composition (including the skills, knowledge, experience and diversity) of the Board. This includes considering succession planning for the senior management of the Group, taking into account the skills and expertise expected to be needed in the future.

It is responsible for nominating new candidates for the Board, for which selection criteria are agreed in advance of any new appointment.

The Nomination Committee is chaired by Anthony Simmonds with the other members being Nicholas Thompson and John Bullough.

During the year the Committee made recommendations with respect to succession and the appointment of an additional non-executive director.

Internal Controls and Risk Committee

The Directors acknowledge that they are responsible for the Group's system of internal controls and for reviewing its effectiveness (excluding joint ventures and associate). The Directors, supported by the Risk Committee, review all controls including operational, compliance and risk management, as well as financial controls. Risk management and internal control are considered by the Directors at Board meetings. Any such system of internal control is designed to manage risk and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Internal Controls and Risk Committee is chaired by Anthony Simmonds. Nicholas Thompson and Beverley Wright are also members.

Directors

Anthony Simmonds, John Bullough, Nicholas Thompson, Andrew Murdoch, Beverley Wright and Nick Pell served as Directors of the Company throughout the year ended 30 September 2017.

Biographical details of the current Directors are set out on pages 28 to 29.

The Company maintains directors' and officers' liability insurance.

Directors' interests

Directors' interests in the shares of the Company were as follows:

Number of ordinary shares	30 September 2017	30 September 2016
Anthony Simmonds	1,000,000	1,000,000
Nicholas Thompson	16,602,411	16,702,411
Beverley Wright	100,000	100,000
John Bullough	500,000	500,000
Andrew Murdoch	12,478,486	12,478,486
Nick Pell	1,826,700	1,826,700

Directors' service contracts

The Company's policy is to offer service agreements to executive directors with notice periods of not more than twelve months. Nicholas Thompson and Andrew Murdoch have rolling service contracts with the Company which are subject to twelve months' notice of termination by either party. Nick Pell and Beverley Wright have rolling service contracts with the Company which are subject to six months' notice of termination by either party.

The remuneration packages of executive directors comprise basic salary, contributions to defined contribution pension arrangements, discretionary annual bonus, discretionary share options and benefits in kind such as medical expenses insurance.

Non-executive directors do not have service contracts with the Company, but the appointment of each is recorded in writing. Their remuneration is determined by the Board. Non-executive directors do not receive any benefits in kind and are not eligible for bonuses or participation in either the share option schemes or pension arrangements.

Substantial shareholdings

At 10 January 2018 the Company had been informed of the following notifiable interests of three per cent or more in its share capital:

Shareholder	Notes	Number of ordinary shares	Percentage of ordinary shares
Nicholas Thompson	Director of the Company	16,602,411	10.05%
Jeremy Blake	Former employee of the Group	13,030,638	7.89%
Andrew Murdoch	Director of the Company	12,478,486	7.56%
Begonia 365 SL	Controlled by a former director of the Company	9,515,192	5.76%
Raul Curiel	Former director of the Company	9,240,018	5.59%
River & Mercantile Long Term Recovery Fund		8,150,000	4.93%
Stephen Atkinson	Employee of the Group	7,649,436	4.63%
John Vincent	Former director of the Company	5,791,394	3.51%
Broadwalk Asset Management		5,317,000	3.22%

Share price

The mid-market closing price of the shares of the Company at 30 September 2017 was 2.13 pence and the range of mid-market closing prices of the shares during the year was between 2.13 pence and 4.13 pence.

Share capital

The Board is seeking from shareholders at the Annual General Meeting renewal of its authority to allot equity securities. The authority would allow the Board to allot securities up to a maximum aggregate nominal value of £826,068 representing 50% of the issued share capital of the Company.

A resolution will also be put to the Annual General Meeting in respect of the issue of equity securities for cash up to an aggregate nominal amount of £165,214 representing 10% of the issued share capital, without first offering such shares to shareholders. The directors consider this authority desirable as it will give them the flexibility to make small issues of ordinary shares for cash if suitable opportunities arise without the necessity of first seeking shareholders' approval.

The renewed authorities will expire at the conclusion of the subsequent Annual General Meeting of the Company when it is intended that the Directors will again seek their renewal.

Environmental policy

The Group promotes wherever possible a 'green' and ecologically sound policy in all its work, but always takes into account the considerable pressures of budget, commercial constraints and client preferences. Sustainability is essential to our design philosophy and studio ethos. It is an attitude of mind that is embedded within our thinking from the start of any project. We design innovative solutions and focus on:

- incorporating passive design principles that mitigate solar gain and heat loss from the outset;
- reducing energy demand through active and passive renewable energy sources;
- the use of energy and resource efficient materials, methods and forms;
- the re-use of existing buildings and materials and flexibility for future change;
- and importantly the careful consideration of the experience and wellbeing of the end user in our buildings.

We believe ourselves to be at the forefront of sustainability amongst our peers which is demonstrated by our track record in achieving 68 'Excellent' or 'Very Good' BREEAM (Building Research Establishment Environmental Assessment Method) ratings awarded to buildings designed by the Group. We have also achieved 1 Ska 'Gold' and 2 Ska 'Silver' environmental assessment ratings and 2 LEED (Leadership in Energy and Environmental Design) 'Gold' award and 5 'Silver' awards.

Employees

As a professional services business, the Group's ability to achieve its commercial objectives and to service the needs of its clients in a profitable and effective manner depends upon the contribution of its employees. The Group seeks to keep its employees informed on all material aspects of the business affecting them through the operation of a structured management system, staff presentations and an intranet site.

The Group's employment policies do not discriminate between employees, or potential employees, on the grounds of age, gender, sexual orientation, ethnic origin or religious belief. The sole criterion for selection or promotion is the suitability of any applicant for the job.

It is the policy of the Group to encourage and facilitate the continuing professional development of our employees to ensure that they are equipped to undertake the tasks for which they are employed, and to provide the opportunity for career development equally and without discrimination. Training and development is provided and is available to all levels and categories of staff.

It is the Group's policy to give fair consideration to application for employment for disabled persons wherever practicable and, where existing employees become disabled, efforts are made to find suitable positions for them.

Health and safety

The Group seeks to promote all aspects of health and safety at work throughout its operations in the interests of employees and visitors.

The Group has established a health and safety steering committee, chaired by Robert Fry (a member of the Group Management Board), to guide the Group's health and safety policies and activities. Health and safety is included on the agenda of each board meeting.

Group policies on health and safety are regularly reviewed and revised, and are made available on the intranet site. Appropriate training for employees is provided on a periodic basis.

Disclosure of information to auditor

Each of the Directors who were in office at the date of approval of these financial statements has confirmed that:

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

Future developments

An indication of likely future developments in the business of the Group is contained in the Strategic Report.

Financial instruments

Information concerning the use of financial instruments by the Group is given in notes 27 to 31 of the financial statements.

Dividends

Given the uncertainty with respect to near-term trading, the Board will review the position regarding dividend payments in the second half of the 2018 financial year.

Annual General Meeting

Notice of the annual general meeting will be issued in due course and no later than 21 days before the Meeting is due to be held.

The Directors' report was approved by the board on 10 January 2018 and signed on its behalf by

Beverley Wright
Company Secretary
Aukett Swanke Group Plc

Registered number 2155571

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' responsibilities

The Directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

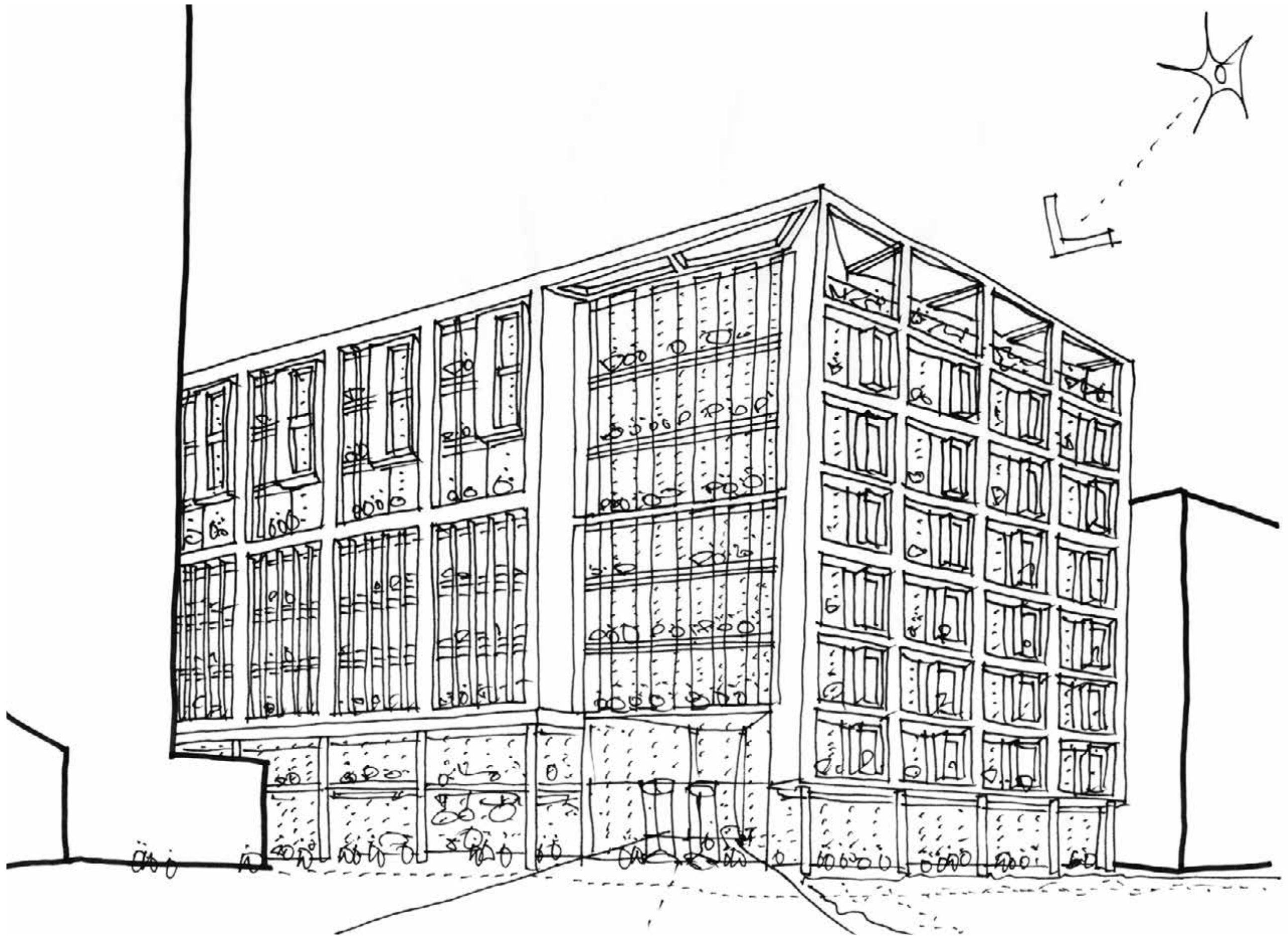
In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUKETT SWANKE GROUP PLC

Opinion

We have audited the financial statements of Aukett Swanke Group Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2017 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statements of financial position , the consolidated and company statements of cash flows, the consolidated and company statements of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2017 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Matter	How we addressed the matter in our audit
Recognition of contractual revenue, margin and related receivables and liabilities As explained in the Group Revenue Recognition accounting policy on page 62 and accounting estimates and judgements – Recognition of contractual revenue on page 63, the Group recognises revenue based on the stage of completion of contracts for services by reference to the proportion of costs incurred to the balance sheet date compared with the estimated final costs of the contract at completion. Variation to expected revenue is assessed and recognised on a contract-by-contract basis when the Group believes it is probable they will result in revenue and they are capable of being measured reliably. A high degree of judgement therefore exists in the Directors' assessment in the stage of completion of individual contracts for services at the balance sheet date and the completeness of total cost and revenues to be included within individual contracts. Changes to the total contract cost and / or revenue estimates could give rise to material variances in the amount of revenue and margin to be recognised at a reporting period.	We evaluated the design and implementation of controls of the Group to monitor amounts recorded as revenue at each balance sheet date. We selected a sample of contracts to test, from a population of all contracts. The following procedures were performed in respect of the sample selected: • We assessed the key judgements adopted by management in relation to the revenue recognition, and in particular, judgements with respect to the percentage completion by obtaining an understanding from the project managers of how they estimated these costs. This involved challenging assumptions made, evaluating the outturn of previous estimates and agreeing the actual costs incurred after the year end to the forecasted costs for the period. • We tested the allocation of costs by contract through timesheet authorisation and manual journals testing, where we checked that there were no material transfers of work in progress between contracts. • We traced total anticipated revenue to supporting documentation such as original contract, amendments to contracts (where applicable eg. due to agreed variations) and checked that contractual milestones had been reached. Further to this, we traced a sample of revenue transactions during the year to invoices raised and subsequent cash receipt.
Goodwill impairment assessment of the UK and Middle East CGUs As explained in the Group Goodwill accounting policy on page 61 and assumptions included within value in use calculations on pages 72 to 73, the Group's balance sheet includes goodwill, principally arising from past acquisitions totalling £2.4m as at 30 September 2017, significantly comprising £1.7m within the UK Cash Generating Unit ('CGU') and £0.6m within the Middle East CGU. There is a risk that goodwill allocated to CGU's is not recoverable and should be impaired. An impairment assessment has therefore been carried out by management at the balance sheet date. This assessment includes a number of estimates and assumptions for future performance that determine the net present value of future cashflows, including but not limited to, the discount rate, long term growth rate, and operating profitability of the group. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability, this is one of the key judgemental areas affecting the level of direction and strategy of our audit and the use of our resources.	Our procedures included critically assessing the key assumptions applied by the Group in determining the recoverable amounts of each CGU. In particular, we: • considered the consistency and appropriateness of the allocation of businesses and related goodwill balances into CGUs; • considered the underlying assumptions in determining the cash flows and growth assumptions applied with reference to historical forecasting accuracy and wider macro environment conditions; • challenged the assumptions used in the calculation of the discount rates used by the Group, including comparisons with external data sources; • assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions appropriately reflected the risks inherent in the valuation of goodwill; and • performed our own sensitivity analysis which included consideration of the effect of a possible reduction in assumed growth rates and cash flows.

Our application of materiality

Materiality for the Group financial statements as a whole was set at £235,000 (2016: £250,000) which represents approximately 1.5% of net earnings for the year.

We report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £11,750 (2016: £12,500) in addition to other misstatements that warranted reporting on qualitative grounds.

The audit of the company-only financial statements of Aukett Swanke Group Plc was performed at a level of £83,000 (2016: £80,000) which represents approximately 3% of net assets at the year-end.

An overview of the scope of our audit

The audit of the Group financial statements comprised full scope audits performed on the consolidated group headed up by Aukett Swanke Group Plc (in addition to its standalone parent entity financial statements), along with a full scope audit on its six UK-domiciled subsidiaries as required by statutory regulations in the UK. Full scope audits were also performed by a separate independent audit firm within the United Arab Emirates ('UAE') on the subsidiary John R Harris & Partners, along with the Group's UAE-domiciled branches of Shankland Cox Limited and Aukett Fitzroy Robinson International Limited. Where the work was performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the group financial statements as a whole.

Specific procedures were performed around certain elements of the Berlin and Frankfurt joint ventures given their size and significance to the overall group and other unaudited entities within the group were reviewed analytically by reference to their expected financial performance and position.

We planned our audit by undertaking an evaluation of the systems and controls in place on the group's core transactional cycles and the controls in place designed to capture and record information for financial statement disclosures. Our testing was performed using a combination of tests of operating effectiveness of controls and for those areas where this would be perceived as being ineffective, substantive analytical procedures and other substantive procedures such as verification of transactions or samples from populations to underlying evidence.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 45, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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.

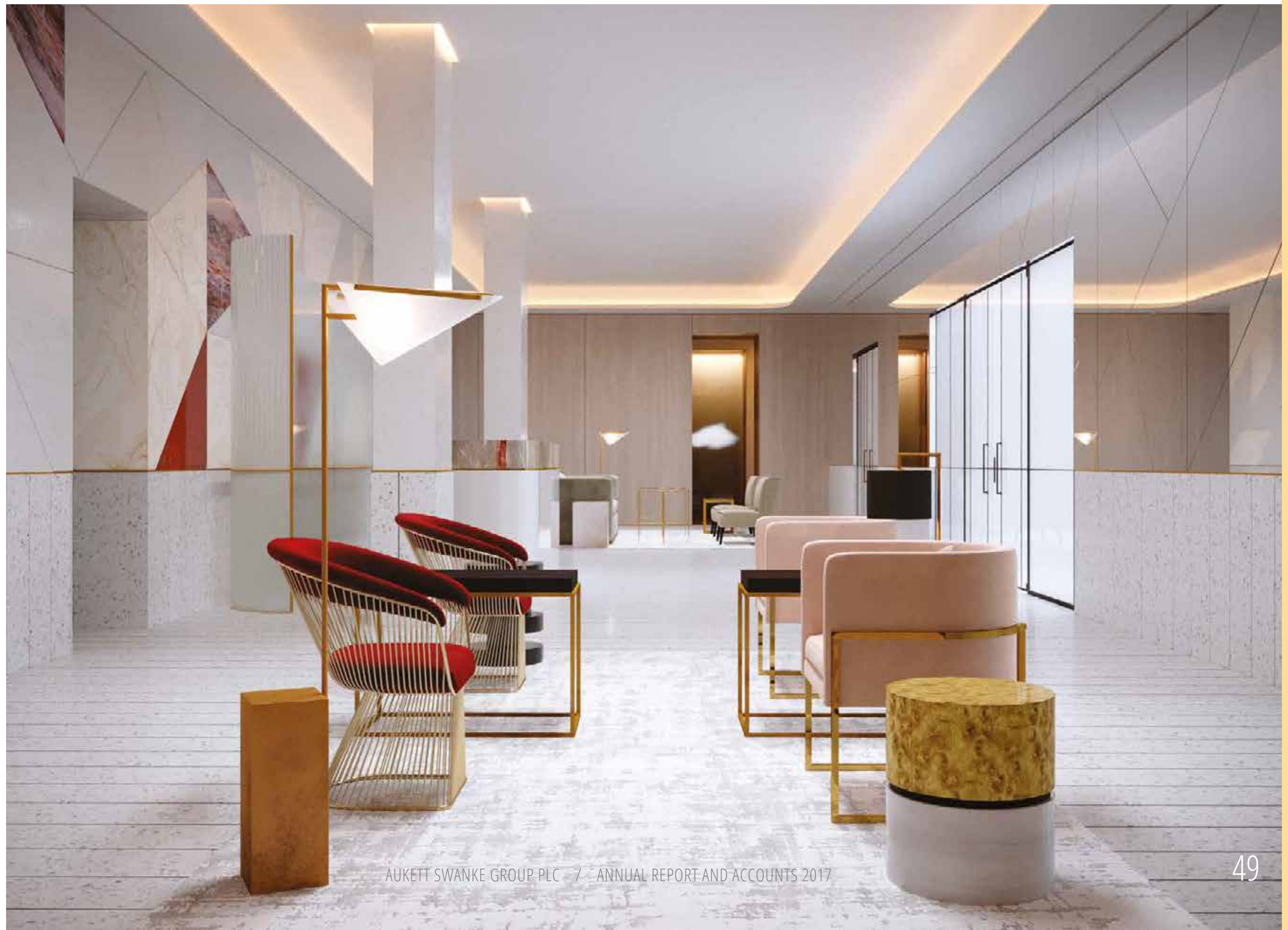
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Tim Neathercoat (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

10 January 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



CONSOLIDATED INCOME STATEMENT

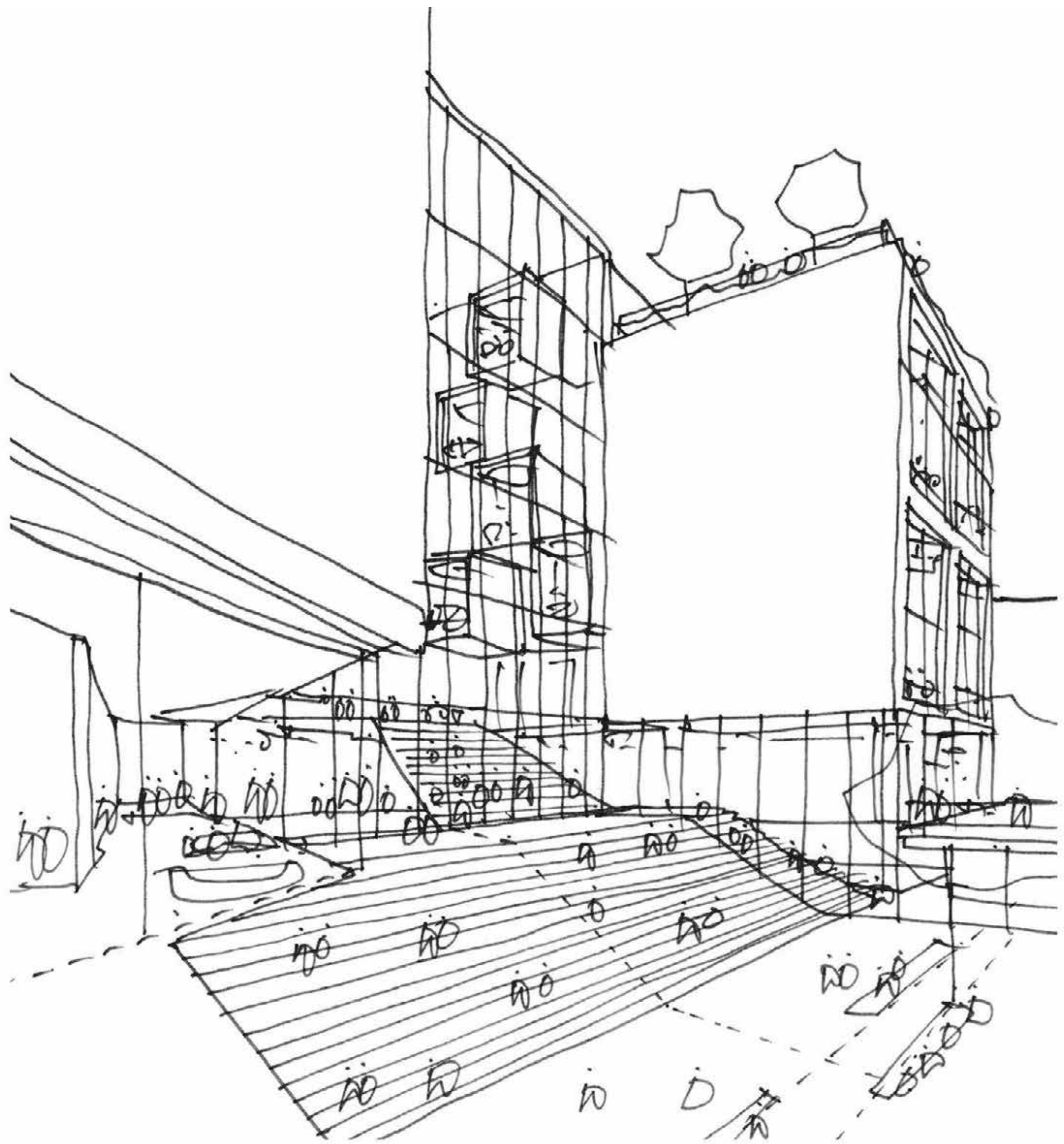
For the year ended 30 September 2017

	Note	2017 £'000	2016 £'000
Revenue	3	18,395	20,841
Sub consultant costs		(2,325)	(2,431)
Revenue less sub consultant costs	3	16,070	18,410
Personnel related costs		(13,114)	(13,929)
Property related costs		(2,360)	(2,632)
Other operating expenses		(2,229)	(1,901)
Other operating income	4	1,089	732
Operating (loss) / profit		(544)	680
Finance income		-	8
Finance costs	5	(34)	(28)
(Loss) / profit after finance costs		(578)	660
Share of results of associate and joint ventures		253	267
(Loss) / profit before tax		(325)	927
Tax credit / (charge)	10	21	(106)
(Loss) / profit from continuing operations		(304)	821
(Loss) / profit for the year		(304)	821
(Loss) / profit attributable to:			
Owners of Aukett Swanke Group Plc		(323)	772
Non-controlling interests		19	49
		(304)	821
Basic and diluted earnings per share for (loss) / profit attributable to the ordinary equity holders of the Company:			
From continuing operations		(0.20)p	0.47p
Total (loss) / earnings per share	11	(0.20)p	0.47p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2017

	2017 £'000	2016 £'000
(Loss) / profit for the year	(304)	821
Currency translation differences	(124)	424
Other comprehensive (loss) / income for the year	(124)	424
Total comprehensive (loss) / income for the year	(428)	1,245
Total comprehensive (loss) / income for the year is attributable to:		
Owners of Aukett Swanke Group Plc	(425)	1,158
Non-controlling interests	(3)	87
	(428)	1,245



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2017

	Note	2017 £'000	2016 £'000
Non current assets			
Goodwill	12	2,377	2,409
Other intangible assets	13	908	1,056
Property, plant and equipment	14	210	506
Investment in associate	16	530	529
Investments in joint ventures	17	233	181
Deferred tax	22	213	219
Total non current assets		4,471	4,900
Current assets			
Trade and other receivables	18	7,931	9,227
Cash at bank and in hand		1,188	1,839
Total current assets		9,119	11,066
Total assets		13,590	15,966
Current liabilities			
Trade and other payables	19	(4,723)	(6,553)
Current tax		-	(12)
Borrowings	20	(467)	(247)
Provisions	23	(151)	(90)
Total current liabilities		(5,341)	(6,902)
Non current liabilities			
Borrowings	20	(537)	(802)
Deferred tax	22	(71)	(100)
Provisions	23	(880)	(973)
Total non current liabilities		(1,488)	(1,875)
Total liabilities		(6,829)	(8,777)
Net assets		6,761	7,189
Capital and reserves			
Share capital	24	1,652	1,652
Merger reserve		1,176	1,176
Foreign currency translation reserve		8	110
Retained earnings		2,250	2,573
Other distributable reserve		1,494	1,494
Total equity attributable to equity holders of the Company		6,580	7,005
Non-controlling interests		181	184
Total equity		6,761	7,189

The financial statements on pages 50 to 95 were approved and authorised for issue by the Board of Directors on 10 January 2018 and were signed on its behalf by:

Nicholas Thompson
Chief Executive Officer

Beverley Wright
Chief Financial Officer

COMPANY STATEMENT OF FINANCIAL POSITION

At 30 September 2017

	Note	2017 £'000	2016 £'000
Non current assets			
Investments	15	5,514	6,463
Trade and other receivables	18	26	49
Total non current assets		5,540	6,512
Current assets			
Trade and other receivables	18	1,311	1,311
Cash at bank and in hand		623	596
Total current assets		1,934	1,907
Total assets		7,474	8,419
Current liabilities			
Trade and other payables	19	(2,536)	(3,619)
Borrowings	20	(239)	(247)
Total current liabilities		(2,775)	(3,866)
Non current liabilities			
Borrowings	20	(537)	(802)
Total non current liabilities		(537)	(802)
Total liabilities		(3,312)	(4,668)
Net assets		4,162	3,751
Capital and reserves			
Share capital	24	1,652	1,652
Retained earnings		(160)	(571)
Merger reserve		1,176	1,176
Other distributable reserve		1,494	1,494
Total equity attributable to equity holders of the Company		4,162	3,751

The result for the year contained within the parent company's income statement is £411,000 (2016: £538,000).

The financial statements on pages 50 to 95 were approved and authorised for issue by the Board of Directors on 10 January 2018 and were signed on its behalf by:

Nicholas Thompson
Chief Executive Officer

Beverley Wright
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2017

	Note	2017 £'000	2016 £'000
Cash flows from operating activities			
Cash (expended) / generated from operations	26	(746)	104
Interest paid		(34)	(29)
Income taxes paid		(8)	(99)
Net cash outflow from operating activities		(788)	(24)
Cash flows from investing activities			
Purchase of property, plant and equipment		(27)	(147)
Sale of property, plant and equipment		2	4
Acquisition of subsidiary, net of cash acquired		-	(761)
Interest received		-	8
Dividends received		215	-
Net cash received / (used) in investing activities		190	(896)
Net cash outflow before financing activities		(598)	(920)
Cash flows from financing activities			
Proceeds from bank loans		-	1,123
Repayment of bank loans		(250)	(175)
Dividends paid		-	(181)
Net cash (outflow) / inflow from financing activities		(250)	767
Net change in cash and cash equivalents		(848)	(153)
Cash and cash equivalents at start of year		1,839	1,873
Currency translation differences		(31)	119
Cash and cash equivalents at end of year	21	960	1,839

Cash and cash equivalents are comprised of:

Cash at bank and in hand		1,188	1,839
Secured bank overdrafts		(228)	-
Cash and cash equivalents at end of year		960	1,839

COMPANY STATEMENT OF CASH FLOWS

For the year ended 30 September 2017

	Note	2017 £'000	2016 £'000
Cash flows from operating activities			
Cash generated / (expended) from operations	26	96	(846)
Interest paid		(34)	(23)
Income taxes paid		-	(3)
Net cash inflow / (outflow) from operating activities		62	(872)
Cash flows from investing activities			
Purchase of subsidiaries		-	(1,126)
Dividends received		215	820
Net cash generated from / (used in) investing activities		215	(306)
Net cash inflow / (outflow) before financing activities		277	(1,178)
Cash flows from financing activities			
Proceeds from bank loans		-	1,123
Repayment of bank loans		(250)	(175)
Dividends paid		-	(181)
Net cash (outflow) / inflow from financing activities		(250)	767
Net change in cash and cash equivalents		27	(411)
Cash and cash equivalents at start of year		596	1,007
Currency translation differences		-	-
Cash and cash equivalents at end of year		623	596

Cash and cash equivalents are comprised of:

Cash at bank and in hand		623	596
Cash and cash equivalents at end of year		623	596

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2017

	Share capital £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Other distributable reserve £'000	Merger reserve £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
At 30 September 2015	1,652	(276)	1,801	1,791	1,176	6,144	107	6,251
Profit for the year	-	-	772	-	-	772	49	821
Other comprehensive income	-	386	-	-	-	386	38	424
Total comprehensive income	-	386	772	-	-	1,158	87	1,245
Other adjustments	-	-	-	-	-	-	(10)	(10)
Dividends paid	-	-	-	(297)	-	(297)	-	(297)
At 30 September 2016	1,652	110	2,573	1,494	1,176	7,005	184	7,189
Loss for the year	-	-	(323)	-	-	(323)	19	(304)
Other comprehensive loss	-	(102)	-	-	-	(102)	(22)	(124)
Total comprehensive income	-	(102)	(323)	-	-	(425)	(3)	(428)
At 30 September 2017	1,652	8	2,250	1,494	1,176	6,580	181	6,761

The other distributable reserve was created in September 2007 during a court and shareholder approved process to reduce the capital of the Company.

The merger reserve was created through a business combination in December 2013 representing the issue of 19,594,959 new ordinary shares at a price of 7.00 pence per share.

CONVERSION OF INDUSTRIAL BUILDING TO WORKPLACE / R+D / EDUCATION / LEISURE OPTIONS

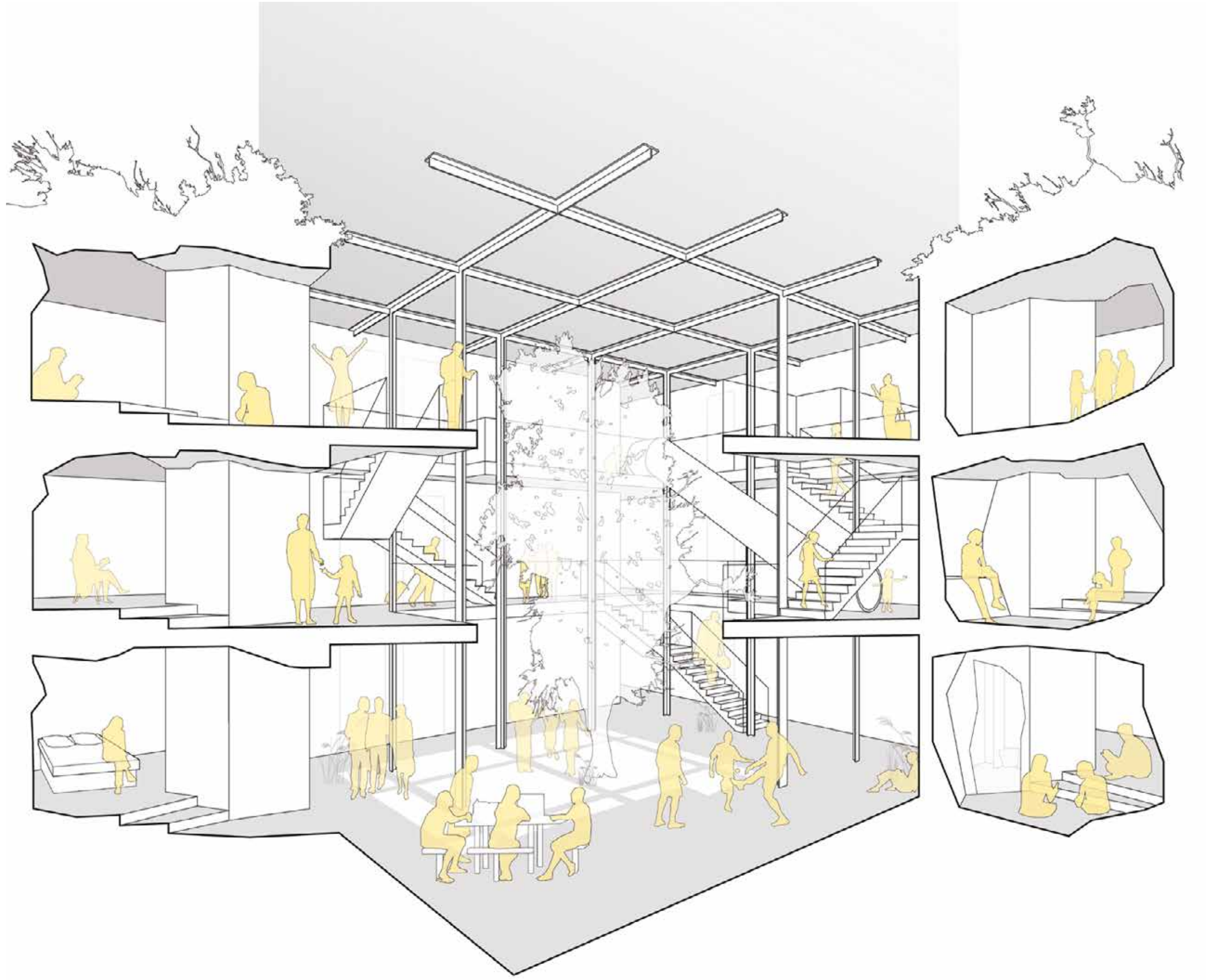
COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2017

	Share capital £'000	Retained earnings £'000	Other distributable reserve £'000	Merger reserve £'000	Total Equity £'000
At 30 September 2015	1,652	(1,109)	1,791	1,176	3,510
Profit for the year	-	538	-	-	538
Dividends paid	-	-	(297)	-	(297)
At 30 September 2016	1,652	(571)	1,494	1,176	3,751
Profit for the year	-	411	-	-	411
At 30 September 2017	1,652	(160)	1,494	1,176	4,162

The other distributable reserve was created in September 2007 during a court and shareholder approved process to reduce the capital of the Company.

The merger reserve was created through a business combination in December 2013 representing the issue of 19,594,959 new ordinary shares at a price of 7.00 pence per share.



1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

Basis of preparation

The financial statements for the Group and parent have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Companies Act 2006 as applicable to companies reporting under IFRSs.

New accounting standards, amendments and interpretations applied

There were no new accounting standards which required additional disclosures to this year's financial statements.

New accounting standards, amendments and interpretations not yet applied

A review has been undertaken of new accounting standards, amendments and interpretations to existing standards which have been issued but have an effective date making them applicable to future financial statements. The following standards are effective for accounting periods beginning on or after 1 January 2018 and have not yet been adopted by the Group:

i) IFRS 15 'Revenues from contracts with customers' (see below).

ii) IFRS 9 'Financial instruments'. The standard provides a single classification and measurement model for financial assets and replaces the existing IAS 39. The standard introduces new requirements for the classification and measurement of financial liabilities; a new model for recognising provisions based on expected credit losses and simplifies hedge accounting compared to IAS 39. New disclosure requirements will also be introduced upon adoption of the standard.

The most significant part of the new requirements is anticipated to be the need to apply an expected credit loss model when calculating impairment losses on the Group's trade and other receivables. In applying IFRS 9, the Group must consider the probability of default occurring over the contractual life of its trade receivables and contract asset balances on initial recognition of those assets. This is likely to result in earlier recognition of impairment provisions and greater judgement will be required due to the need to factor in forward looking information when estimating the appropriate amount of provisions.

On review of the financial instruments of the Group, it is expected that there will be little change to the measurement basis of financial assets and financial liabilities given the intentions of management in respect of the business model of the financial instruments held and the fact that most of the Group's financial instruments generate cash flows solely through the payment of principal and interest. As such, it is expected that the financial instruments of the Group will continue to be accounted for at amortised cost.

The group is yet to assess the full impact of implementing IFRS 9 and expects to report a more detailed qualitative analysis in the interim financial statements for the six months ending 31 March 2018 and an estimate of the financial impact in the financial statements for the year ending 30 September 2018.

The group expects to adopt this standard for its accounting period beginning on 1 October 2018.

iii) IFRS 16 'Leases'. The standard will require almost all leases to be on the balance sheet of lessees and introduces a single income statement model which effectively brings the majority leases onto the balance sheet. The full impact of this accounting standard is currently unknown because the most significant leases are due to expire before the standard is effective.

This standard is effective for accounting periods beginning on or after 1 January 2019 and the group expects to adopt this standard for its accounting period beginning on 1 October 2019.

There are no other IFRSs or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Group.

IFRS 15 Revenues from contracts with customers:

IFRS 15 is the new revenue standard which replaces existing standards and guidance including IAS 18 Revenue and IAS 11 Construction Contracts. Applying IFRS 15, an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

To recognise revenue under IFRS 15, an entity applies the following five steps:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligations in the contract. Performance obligations are promises in a contract to transfer to a customer goods or services that are distinct;

Step 3: Determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, an entity must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer;

Step 4: Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract; and

Step 5: Recognise revenue when a performance obligation is satisfied by transferring a promised good or service to a customer. A performance obligation may be satisfied at a point in time or over time. For a performance obligation satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

The group expects to apply IFRS 15 for its accounting period beginning on 1 October 2018. There will be no impact on cash flows with collection remaining in line with contractual terms.

It is anticipated that the group will to be in a position to provide more detailed qualitative disclosures describing the likely impact of transition to IFRS 15 in the interim financial statements for the six months ending 31 March 2018.

There remains a significant amount of work to be performed in order to quantify the full potential impact of IFRS 15 on revenue, costs and profit and the group anticipates to provide an estimate of this in the financial statements for the year ended 30 September 2018.

Going concern

The Group's business activities, the principal risks and uncertainties facing the Group, and the financial position of the Group are described in the Strategic Report. The liquidity risks faced by the Group are further described in note 31.

The Group currently meets its day to day working capital requirements through its cash balances. It maintains its net overdraft facility for additional financial flexibility and foreign currency hedging purposes. This overdraft facility was renewed for a further 12 months in October 2017.

The processes the directors have undertaken, and the reasons for the conclusions they have reached, regarding the applicability of a going concern basis are explained below. In undertaking their assessment the directors have followed the guidance issued in 2016 by the Financial Reporting Council entitled 'Guidance on the going concern basis of accounting and reporting on solvency and liquidity risks'.

Forecasts for the Group have been prepared on a monthly basis which comprise detailed income statements, statements of financial position and cash flow statements for each of the Group's operations.

The forecasts and projections show the Group should be able to operate within its currently available facilities and the directors believe this to be the case.

The Group's principal banker is Coutts & Co, with whom the Group has an excellent long term relationship extending through previous business cycles. Coutts & Co have again renewed the Group's facility as described in note 31 and above.

All of the directors, and most members of the Group's senior management, have experience of managing businesses through challenging economic circumstances, in most cases over a number of business cycles.

The Board, after making the enquiries described above, has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board considers it appropriate to prepare the financial statements on a going concern basis.

Basis of consolidation and equity accounting

The consolidated financial statements incorporate those of the Company and its subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to variable returns from the investee, in addition to the ability to direct the investee and affect those returns through exercising its power. Intra group transactions, balances and any unrealised gains and losses on transactions between Group companies are eliminated on consolidation.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given and equity instruments issued. Identifiable assets acquired and liabilities assumed in an acquisition are measured initially at their fair values at the acquisition date, irrespective of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

The consolidated financial statements also include the Group's share of the results and reserves of its associate and joint ventures.

Associates

Associates are entities for which the Group has significant influence but not control or joint control. This is presumed to be the case where the Group holds between 20% and 50% of the voting rights, but consideration is given to the substance of the contractual governance agreements in place. Investments in associates are accounted for under the equity method.

Joint ventures

The Group has joint ventures in Frankfurt and the Czech Republic where ownership is contractual and the agreements require unanimous consent from all parties for relevant activities. The entities are considered joint ventures.

Joint ventures are accounted for under the equity method.

Borrowings

Borrowings are initially recognised at fair value, net of any transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of any transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, bank current accounts held at call, bank deposits with very short maturity terms and bank overdrafts where these form an integral part of the group's cash management process, for the purposes of the statement of cash flows.

Company income statement

The Company has taken advantage of the exemption provided by section 408 of the Companies Act 2006 not to present its income statement for the year. The company's result is disclosed at the foot of the company's statement of financial position.

Deferred taxation

Deferred income tax is provided in full, using the statement of financial position liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements, and measured at an undiscounted basis.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax liabilities are recognised in respect of the unremitted earnings of overseas operations where they are expected to be remitted to the United Kingdom in the foreseeable future.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be generated against which the temporary differences can be utilised.

Dividends

Dividend payments are recognised as liabilities once they are no longer at the discretion of the Company.

Dividend income from investments is recognised in the income statement when the shareholders' rights to receive payment have been established.

Equity instruments

Equity instruments issued by the Company are recorded as the proceeds received, net of direct issue costs.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group or Company has become a party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value.

Foreign currency

Transactions in currencies other than the functional currency of each operation are recorded at the rates of exchange prevailing on the dates of the transactions. At the date of each statement of financial position, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the date of the statement of financial position. Gains and losses arising on retranslation are included in the consolidated income statement for the year.

On consolidation, the assets and liabilities of the Group's overseas operations are translated from their functional currencies at exchange rates prevailing at the date of the statement of financial position. Income and expense items are translated from their functional currencies at the average exchange rates for the year, which are materially consistent with the spot rates observed in the year for those entities. Exchange differences arising are recognised directly in equity and transferred to the Group's foreign currency translation reserve. If an overseas operation is disposed of then the cumulative translation differences are recognised as realised income or an expense in the year disposal occurs.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate. The Group has elected to treat goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRS as sterling denominated assets and liabilities.

Goodwill

Goodwill arising on acquisitions represents the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired. Where the net fair value of the identifiable assets and liabilities of the acquiree is in excess of the consideration paid, negative goodwill is recognised immediately in the income statement.

Goodwill is tested annually for impairment and an impairment loss would be recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Impairment

At the date of each statement of financial position, a review of property, plant and equipment and intangible assets (excluding goodwill) is carried out to determine whether there is any indication that those assets have suffered any impairment. If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of any impairment.

Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash generating unit to which the asset belongs is estimated.

Other intangible assets

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently the intangible assets are carried at cost less accumulated amortisation and accumulated impairment. Amortisation is charged on a straight line basis with the useful economic lives attributed as follows:

Trade name – 25 years

Trade licence – 10 years

Customer relationships – 7 to 10 years

Order book – Over the life of the contracts

Amortisation is charged to other operating expenses within the consolidated income statement.

Investments

Investments in subsidiaries, associates and joint ventures are held in the statement of financial position of the Company at historical cost less any allowance for impairment.

Leases and asset finance arrangements

Where asset finance arrangements result in substantially all the risks and rewards of ownership resting with the Group, the arrangement is treated as a finance lease with the assets included in the statement of financial position. All other lease arrangements are treated as operating leases and the annual rentals are charged to the income statement on a straight line basis over the lease term.

Where a rent free period is received in respect of a property lease the incentive is considered an integral part of the agreement, and the cost of the lease net of the incentive is charged to the income statement on a straight line basis over the lease term.

Operating segments

The Group's reportable operating segments are based on the geographical areas in which its studios are located. Internally the Group prepares discrete financial information for each of its geographical segments.

Each reportable operating segment provides the same type of service to clients, namely integrated professional design services for the built environment and internally the Group does not sub divide its business by type of service.

Other operating expenses

Other operating expenses include legal and professional costs, professional indemnity insurance premiums, marketing expenses and other general expenses.

Property, plant and equipment

All property, plant and equipment is stated at historical cost of acquisition less depreciation and any impairment provisions. Historical cost of acquisition includes expenditure that is directly attributable to the acquisition of the items.

Depreciation of property, plant and equipment is calculated to write off the cost of acquisition over the expected useful economic lives using the straight line method and over the following number of years:

Leasehold improvements – Unexpired term of lease

Office furniture – 4 years

Office equipment – 4 years

Computer equipment – 2 years

Provisions

Provisions are recognised when a present obligation has arisen as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where the effect of the time value of money is material, the provision is based on the present value of future outflows, discounted at the pre-tax discount rate that reflects the risks specific to the liability.

In those geographies where it is a legal requirement, provision is also made for end of service benefit ('EOSB'), being amounts payable to employees when their contract with the group ends (see note 23).

Post retirement benefits

Costs in respect of defined contribution pension arrangements are charged to the income statement on an accruals basis in line with the amounts payable in respect of the accounting period. The Group has no defined benefit pension arrangements.

Revenue recognition

Revenue represents the value of services performed for customers under contract (excluding value added taxes). Revenue from contracts is assessed on an individual basis with revenue earned being ascertained based on the stage of completion of the contract which is estimated using a combination of the milestones in the contract and the proportion of total time expected to be required to undertake the contract which had been performed.

The amount by which revenue exceeds progress billings is classified as amounts due from customers for contract work and included in trade and other receivables. To the extent progress billings exceed relevant revenue, the excess is classified as advances received from customers for contract work and included in trade and other payables.

Revenue is only recognised when there is a contractual right to consideration and any revenue earned can be estimated reliably. Variations in contract work, claims and incentive payments are only recognised when it is probable they will result in revenue and they are capable of being measured reliably.

Share based payments

The Group has issued share options to certain employees, in return for which the Group receives services from those employees. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense other than where management perceive the fair value to be immaterial.

The total amount to be expensed is determined by reference to the fair value of the options granted including any market performance conditions (for example the Company's share price) but excluding the impact of any service or non market performance vesting conditions (for example the requirement of the grantee to remain an employee of the Group).

The fair value of the options granted is estimated by management by utilising a Black-Scholes option pricing model with reference to expected volatility, vesting period, exercise price, and market share price at the time of grant.

Non market vesting conditions are included in the assumptions regarding the number of options that are expected to vest. The total expense is recognised over the vesting period. At the end of each period the Group revises its estimates of the number of options expected to vest based on the non market vesting conditions. It recognises the impact of any revision in the income statement with a corresponding adjustment to equity.

The grant by the Company of options over its shares to employees of subsidiary undertakings is treated as a capital contribution. The fair value of employee services received is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Trade receivables

Trade receivables are amounts due from clients for services provided in the ordinary course of business and are stated net of any provision for impairment.

An allowance for impairment of trade receivables is established when there are indicators suggesting that the specific debtor balance in question have been impaired. Known significant financial difficulties of the client and lengthy delinquency in receipt of payments are considered indicators that a trade receivable may be impaired. Where a trade receivable is considered impaired the carrying amount is reduced using an allowance and the amount of the loss is recognised in the income statement within other operating expenses.

2 ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

Accounting estimates

In preparing the financial statements, the directors make estimates and assumptions concerning the future. The resulting accounting estimates, 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 considered to be:

Recognition of contractual revenue

Revenue from contracts is assessed on an individual basis with revenue earned being ascertained based on the stage of completion of the contract which is estimated using a combination of the milestones in the contract and the proportion of total time expected to be required to undertake the contract which had been performed.

Estimates of the total time expected to be required to undertake the contracts are made on a regular basis and subject to management review. These estimates may differ from the actual results due to a variety of factors such as efficiency of working, accuracy of assessment of progress to date and client decision making.

The amount by which revenue exceeds progress billing is shown as amounts due from customers for contract work in note 18. The amount by which progress billing exceeds revenue is shown as advances received from customers for contract work in note 19.

A change of 16% (2016: 13%) as a percentage of total amounts due from customers for contract work or a change of 25% (2016: 15%) as a percentage of amounts received from customers for contract work would cause a material adjustment to revenue.

Impairment of trade receivables

The Group provides architectural, interior design and related services to a wide variety of clients including property developers, owner occupiers and governmental organisations, both in the United Kingdom and overseas.

The Group endeavours to undertake work only for clients who have the financial strength to complete projects but even so, much property development is financed by funds not unconditionally committed at the commencement of the project. Problems with financing can on occasion unfortunately lead to clients being unable to pay their debts either on a temporary or more permanent basis.

The Group monitors receipts from clients closely and undertakes a range of actions if there are indications a client is experiencing funding problems. The Group makes impairment allowances if it is considered there is a significant risk of non-payment. The factors assessed when considering an impairment allowance include the ownership of the development site, the general financial strength and financial difficulties of the client, likely use / demand for the completed project, and the length of time likely to be necessary to resolve the funding problems.

The Group strives to maintain good relations with clients, but on occasions disputes do arise with clients requiring litigation to recover outstanding monies. In such circumstances, the directors carefully consider the individual facts relating to each case (such as strength of the legal arguments and financial strength of the client) when deciding the level of any impairment allowance.

An increase of 4% (2016: 3.4%) as a percentage of total trade receivables would lead to a material bad debt exposure. Further quantitative information concerning trade receivables is shown in note 29.

Impairment of goodwill

Details of the impairment reviews undertaken in respect of the carrying value of goodwill are given in note 12.

Impairment of investments in subsidiaries, associates and joint ventures

The company's investment in subsidiaries, associates and joint ventures are reviewed annually for impairment. The recoverable amount is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets and forecasts covering a five year period. Cash flows beyond the five year period are extrapolated using long term average growth rates.

The key assumptions made in these projections are the same as those given in relation to impairment of goodwill in note 12.

Critical accounting judgements

Critical judgements represent key decisions made by management in the application of the Group's accounting policies. Where a significant risk of materially different outcomes exists due to management assumptions, this will represent a critical accounting judgement. Accounting judgements are continually reviewed in light of new information and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are considered to be:

Recognition of fee claim revenue

The nature of the project work undertaken by the Group means sometimes the scale and scope of a project increases after work has commenced. Subsequent changes to the scale and scope of the work may require negotiation with the clients for variations.

Advance agreement of the quantum of variation fees is not always possible, in particular when the timescale for project completion is changing or where the cost of variations cannot be determined until the work has been undertaken.

In such circumstances the revenue recognised is limited to the amounts considered both probably recoverable, and capable of reliable measurement, taking into account all the relevant circumstances of the individual project and client.

3 OPERATING SEGMENTS

The Group comprises three separately reportable geographical segments ('hubs'), together with a group costs segment. Geographical segments are based on the location of the operation undertaking each project.

The Group's operating segments consist of the United Kingdom, the Middle East and Continental Europe. Turkey and Russia are included within Continental Europe together with Germany and the Czech Republic.

Income statement segment information

Segment revenue	2017 £'000	2016 £'000
United Kingdom	8,915	12,142
Middle East	8,631	7,383
Continental Europe	849	1,316
Revenue	18,395	20,841

Segment revenue less sub consultant costs	2017 £'000	2016 £'000
United Kingdom	8,765	12,080
Middle East	6,833	5,424
Continental Europe	472	906
Revenue less sub consultant costs	16,070	18,410

All of the Group's revenue relates to the value of services performed for customers under construction type contracts.

Segment net finance expense	2017 £'000	2016 £'000
United Kingdom	-	-
Middle East	-	-
Continental Europe	-	8
Group costs	(34)	(28)
Net finance expense	(34)	(20)

Segment depreciation	2017 £'000	2016 £'000
United Kingdom	164	254
Middle East	95	72
Continental Europe	29	33
Depreciation	288	359

Segment amortisation	2017 £'000	2016 £'000
United Kingdom	27	27
Middle East	65	112
Continental Europe	18	38
Amortisation	110	177

2017 Segment result	Before goodwill and acquisition adjustments £'000	Fair value gains on deferred consideration and acquisition settlement £'000	Goodwill Impairment and release of negative goodwill £'000	Total £'000
United Kingdom	19	-	-	19
Middle East	(687)	700	-	13
Continental Europe	(136)	-	-	(136)
Group costs	(221)	-	-	(221)
Loss before tax	(1,025)	700	-	(325)

2016 Segment result	Before goodwill and acquisition adjustments £'000	Fair value gains on deferred consideration and acquisition settlement £'000	Goodwill Impairment and release of negative goodwill £'000	Total £'000
United Kingdom	1,052	-	-	1,052
Middle East	(119)	-	160	41
Continental Europe	112	-	(17)	95
Group costs	(261)	-	-	(261)
Profit / (Loss) before tax	784	-	143	927

The Group's share of results from joint ventures and associate included within the Continental Europe segment result are shown in notes 16 and 17.

Statement of financial position segment information

Segment assets	2017 £'000	2016 £'000
United Kingdom	2,564	2,633
Middle East	3,971	4,918
Continental Europe	241	374
Trade receivables and amounts due from customers for contract work	6,776	7,925
Other current assets	2,343	3,141
Non current assets*	4,471	4,900
Total assets	13,590	15,966

**Non current assets include investments in associates and joint ventures.*

Segment liabilities	2017 £'000	2016 £'000
United Kingdom	1,656	2,502
Middle East	1,762	1,860
Continental Europe	225	147
Trade payables, advances received for contract work and accruals	3,643	4,509
Other current liabilities	1,698	2,393
Non current liabilities	1,488	1,875
Total liabilities	6,829	8,777

Geographical areas

Revenue	2017 £'000	2016 £'000
United Kingdom	8,915	12,142
Country of domicile	8,915	12,142
Russia	367	448
Turkey	482	868
United Arab Emirates	8,631	7,383
Foreign countries	9,480	8,699
Revenue	18,395	20,841

Non current assets	2017 £'000	2016 £'000
United Kingdom	2,138	2,347
Country of domicile	2,138	2,347
Russia	25	11
Czech Republic	17	17
Germany	747	693
Turkey	139	239
United Arab Emirates	1,192	1,374
Foreign countries	2,120	2,334
Non current assets excluding deferred tax	4,258	4,681
Deferred tax	213	219
Non current assets	4,471	4,900

Major clients

During the year ended 30 September 2017, the Group did not derive 10% or more of its revenues from any client (2016: one client).

	2017 £'000	2016 £'000
Largest client revenues	1,121	2,252

The largest client revenues for 2017 relate to the Middle East operating segment (2016: United Kingdom operating segment)

Revenue by project site

The geographical split of revenue based on the location of project sites was:

	2017 £'000	2016 £'000
United Kingdom	8,107	12,014
Middle East	9,032	7,349
Continental Europe	1,119	1,396
Rest of the world	137	82
Revenue	18,395	20,841

4 OTHER OPERATING INCOME

	2017 £'000	2016 £'000
Property rental income	238	432
Management charges to joint ventures and associates	109	104
Licence fee income	3	5
Other sundry income	39	31
Release of negative goodwill on acquisition	-	160
Fair value gain on the reduction of deferred consideration	128	-
Gain recognised on acquisition settlement	572	-
Total other operating income	1,089	732

The gain recognised on acquisition settlement of £572,000 (2016: £nil) relates to an amicable settlement on deferred consideration with the vendor of Shankland Cox Limited in respect of contract losses which were not known at the date of acquisition.

5 FINANCE COSTS

	2017 £'000	2016 £'000
Payable on bank loans and overdrafts	34	28
Total finance costs	34	28

6 AUDITOR REMUNERATION

During the year the Group incurred the following costs in relation to the Company's auditor and associates of the Company's auditor:

	2017 £'000	2016 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	36	30
Fees payable to the Company's auditor and its associates for other services		
Audit of the Company's subsidiaries pursuant to legislation	62	64
Non audit services - tax compliance services	-	1
Non audit services - audit related assurance services	-	3

The figures presented above are for Aukett Swanke Group Plc and its subsidiaries as if they were a single entity. Aukett Swanke Group Plc has taken the exemption permitted by United Kingdom Statutory Instrument 2008/489 to omit information about its individual accounts.

7 EMPLOYEE INFORMATION

The average number of persons employed by the Group and Company during the year was as follows:

	Group		Company	
	2017 Number	2016 Number	2017 Number	2016 Number
Technical	203	220	-	-
Administrative	43	47	8	6
Total	246	267	8	6

In addition to the number of staff disclosed above, the Group's associate and joint ventures employed an average of 156 persons (2016: 121 persons).

The costs of the persons employed by the Group and Company during the year were:

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Wages and salaries	10,733	11,254	697	510
Social security costs	643	853	87	64
Contributions to defined contribution pension arrangements	335	359	78	55
Total	11,711	12,466	862	629

The Group contributes to defined contribution pension arrangements for its employees both in the UK and overseas. The assets of these arrangements are held by financial institutions entirely separately from those of the Group.

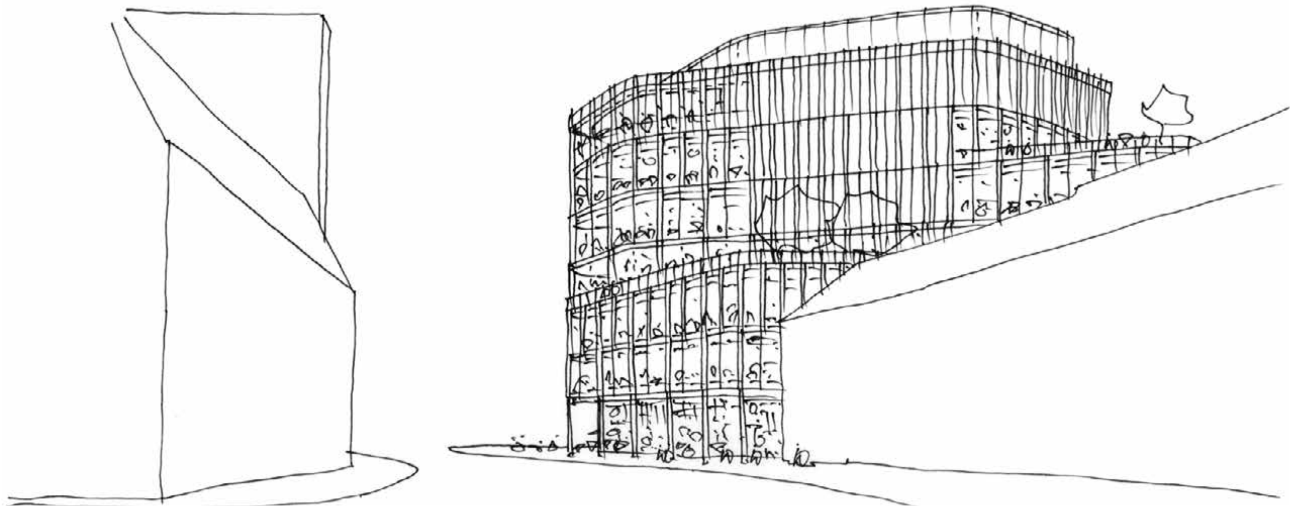
The Group's Turkish subsidiary is required to pay termination benefits to each employee who completes one year of service and whose employment is terminated upon causes that qualify the employees to receive termination indemnity payments.

The Group's Middle East subsidiaries are required to pay termination benefits to each employee who completes one year of service as stipulated by UAE labour laws. Further details of this can be found in note 23.

8 OPERATING LEASES

The operating lease payments recognised as an expense during the year were:

	2017 £'000	2016 £'000
Property	944	1,141
Plant & equipment	25	32
Total	969	1,173



9 DIRECTORS' EMOLUMENTS

Directors with operational roles in the UK business waived part of their emoluments in the year to reflect difficult trading conditions. The total amounts waived were £22,000 (2016: £nil).

2017	Aggregate emoluments £'000	Pension contributions £'000	Total received £'000	Waived £'000	Total entitlement £'000
Anthony Simmonds	45	-	45	-	45
Nicholas Thompson	198	31	229	-	229
Beverley Wright	156	23	179	-	179
John Bullough	30	-	30	-	30
Andrew Murdoch	104	18	122	11	133
Nick Pell	105	-	105	11	116
Total	638	72	710	22	732

2016	Aggregate emoluments £'000	Pension contributions £'000	Total received £'000	Waived £'000	Total entitlement £'000
Anthony Simmonds	45	-	45	-	45
Nicholas Thompson	206	30	236	-	236
Beverley Wright	153	21	174	-	174
John Bullough	30	-	30	-	30
Andrew Murdoch	113	21	134	-	134
Nick Pell	113	3	116	-	116
David Hughes	25	9	34	-	34
Total	685	84	769	-	769

David Hughes resigned as a Director on 22 December 2015.

Aggregate emoluments include bonuses awarded.

Benefits were accruing to three Directors (2016: five Directors) under defined contribution pension arrangements.

The aggregate emoluments of the highest paid Director were £198,000 (2016: £206,000) together with pension contributions of £31,000 (2016: £30,000).

10 TAX CHARGE

	2017 £'000	2016 £'000
Current tax	2	(13)
Adjustment in respect of previous years	2	20
Total current tax	4	7
Origination and reversal of temporary differences	17	(89)
Changes in tax rates	-	(24)
Total deferred tax (note 22)	17	(113)
Total tax credit / (charge)	21	(106)

The standard rate of corporation tax in the United Kingdom is applicable for the financial year was 19% (2016: 20%)

The tax assessed for the year differs from the United Kingdom standard rate as explained below:

	2017 £'000	2016 £'000
(Loss) / profit before tax	(325)	927
(Loss) / profit before tax multiplied by the standard rate of corporation tax in the United Kingdom of 19% (2016: 20%)	(62)	185
Effects of:		
non tax deductible goodwill impairment	-	3
other non tax deductible expenses	43	54
differences in overseas tax rates	-	3
associate and joint ventures reported net of tax	(48)	(53)
impact on deferred tax of change in UK tax rate	-	24
tax losses not recognised	60	35
current tax adjustment in respect of previous years	(2)	(20)
income not taxable	(12)	(125)
Total tax (credit) / charge	(21)	106

11 EARNINGS PER SHARE

The calculations of basic and diluted earnings per share are based on the following data:

Earnings	2017 £'000	2016 £'000
Continuing operations	(323)	772
(Loss) / profit for the year	(323)	772

Number of shares	2017 Number	2016 Number
Weighted average of ordinary shares in issue	165,213,652	165,213,652
Effect of dilutive options	-	153,916
Diluted weighted average of ordinary shares in issue	165,213,652	165,367,568

As explained in note 25 the Company has granted options over 500,000 of its ordinary shares. These have not been included above as the average share price was below the exercise price in 2017 and they therefore do not have a dilutive effect.

12 GOODWILL

Group	£'000
Cost	
At 1 October 2015	2,533
Other adjustments	45
Exchange differences	101
At 30 September 2016	2,679
Exchange differences	(31)
At 30 September 2017	2,648
Impairment	
At 1 October 2015	250
Charge	17
Exchange differences	3
At 30 September 2016	270
Charge	-
Exchange differences	1
At 30 September 2017	271
Net book value	
At 30 September 2017	2,377
At 30 September 2016	2,409
At 30 September 2015	2,283

The net book value of goodwill is allocated to the Group's cash generating units ("CGU") as follows:

	United Kingdom £'000	Russia £'000	Turkey £'000	Middle East £'000	Total £'000
At 30 September 2015	1,740	16	56	471	2,283
Other adjustments	-	-	-	45	45
Impairment	-	(17)	-	-	(17)
Exchange differences	-	1	10	87	98
At 30 September 2016	1,740	-	66	603	2,409
Exchange differences	-	-	(12)	(20)	(32)
At 30 September 2017	1,740	-	54	583	2,377

The other adjustment of £45,000 to the Middle East CGU in 2016 is in respect of a measurement period adjustment relating to the acquisition of John R Harris & Partners Limited in June 2015 to reflect new information obtained within one year about facts and circumstances that were in existence at the acquisition date.

The goodwill allocated to each cash generating unit is tested annually for impairment.

The recoverable amount of a cash generating unit is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets and forecasts covering a five year period. Cash flows beyond the five year period are extrapolated using long-term average growth rates.

The carrying value of goodwill allocated to the United Kingdom and the Middle East is significant in comparison with the total carrying value of goodwill but the carrying value of goodwill allocated to Turkey is not. During the year ended 30 September 2016, goodwill allocated to Russia was impaired in full.

The key assumptions in the discounted cash flow projections for the United Kingdom operation are:

- the future level of revenue - which is based on knowledge of past property development cycles and external forecasts such as the construction forecasts published by Experian. Historically the property development market has both declined more swiftly and recovered more sharply than the economy as a whole. Management also consider the level of future secured revenues at the point of drawing up these calculations;
- the future level of costs - which is based on the expected variability with revenue of the various types of expenditure incurred, and in particular the average revenue earning capacity of members of staff. These assumptions are based on historical experience and an assessment of the current cost base;
- long-term growth rate - which has been assumed to be 2.4% per annum based on the average historical growth in gross domestic product in the United Kingdom over the past fifty years; and
- the discount rate - which is the Group's pre-tax weighted average cost of capital and has been assessed at 14.9% (2016: 14.5%). This is considered appropriate as the United Kingdom operation produces more than half of the Group's revenue less sub consultant costs.

Based on the discounted cash flow projections, the recoverable amount of the UK CGU is estimated to exceed carrying values by at least £400,000. A 3% fall in all future forecast revenues without a corresponding reduction in costs in the UK CGU, or an increase in the discount rate by 150 basis points, would result in carrying amounts exceeding their recoverable amount. Management believes that the carrying value of goodwill remains recoverable despite this sensitivity given the conservative nature of the underlying forecasts prepared.

The key assumptions in the discounted cash flow projections for the Middle East operation are:

- the future level of revenue - which is based on knowledge of the current and expected level of construction activity in the Middle East;
- working capital requirements - which is based on management's best in a geography where it is common to have high levels of trade receivables;
- the future level of costs - which is based on the expected variability with revenue of the various types of expenditure incurred, and in particular the average revenue earning capacity of members of staff. These assumptions are based on historical experience and an assessment of the current cost base;
- long term growth rate - which has been assumed to be 5.1% per annum based on the average historical growth in gross domestic product in the Middle East over the past forty years; and
- the discount rate - the pre-tax cost of capital has been assessed at 14.0% (2016: 13.6%). This is considered appropriate as the Middle East operation does not suffer corporation tax.

Based on the discounted cash flow projections, the recoverable amount of the Middle East CGU is estimated to exceed carrying values by at least £900,000. A 4% fall in all future forecast revenues without a corresponding reduction in costs in the Middle East CGU, or an increase in the discount rate by 350 basis points, would result in carrying amounts exceeding their recoverable amount. Management believe that the carrying value of goodwill remains recoverable despite this sensitivity given the conservative nature of the underlying forecasts prepared.

13 OTHER INTANGIBLE ASSETS

Group	Trade name £'000	Customer relationships £'000	Order book £'000	Trade licence £'000	Total £'000
Cost					
At 30 September 2015	379	369	149	65	962
Acquisition of subsidiary	282	28	-	-	310
Exchange differences	46	51	26	11	134
At 30 September 2016	707	448	175	76	1,406
Exchange differences	(18)	(31)	(11)	(3)	(63)
At 30 September 2017	689	417	164	73	1,343
Amortisation					
At 30 September 2015	27	60	55	2	144
Charge	41	50	79	7	177
Exchange differences	5	4	19	1	29
At 30 September 2016	73	114	153	10	350
Charge	27	53	22	8	110
Exchange differences	-	(12)	(11)	(2)	(25)
At 30 September 2017	100	155	164	16	435
Net book value					
At 30 September 2017	589	262	-	57	908
At 30 September 2016	634	334	22	66	1,056
At 30 September 2015	352	309	94	63	818

Amortisation is included in other operating charges in the consolidated income statement.

Trade name

The trade name was acquired as part of the acquisition of Swanke Hayden Connell Europe Limited ("SHC") in December 2013 and also on the acquisition of Shankland Cox Limited ("SCL") in February 2016. The SHC trade name reflects the inclusion of the Swanke name in the enlarged Group. Trade names are amortised on a straight line basis over a 25 year period from the acquisition date and have remaining amortisation periods of 21 and 23 years, respectively.

Customer relationships

The customer relationships were acquired as part of the acquisition of SHC in December 2013, on the acquisition of John R Harris & Partners Limited ("JRHP") in June 2015 and on the acquisition of SCL in February 2016. This represents the value attributed to clients who provided repeat business to the Group on the strength of these relationships. Customer relationships are amortised on a straight line basis over a 7-10 year period from the acquisition dates. The customer relationships acquired in December 2013 have a remaining amortisation period of 3 years. The customer relationships acquired in December 2015 and February 2016 both have remaining amortisation periods of 8 years.

Order book

The net book value of the order book was acquired as part of the acquisition of JRHP in June 2015. This represents the value of ongoing contracts acquired at the acquisition date. The amortisation of the order book is over the period to completion of the contracts, all of which had been completed by 30 September 2017.

Trade licence

The trade licence was acquired as part of the acquisition of JRHP in June 2015. This represents the value of licences granted to JRHP for architectural activities in the regions in which it operates. The licence is amortised on a straight line basis over a 10 year period from the acquisition date and has a remaining amortisation period of 8 years.

14 PROPERTY, PLANT & EQUIPMENT

Group	Leasehold improvements £'000	Furniture & equipment £'000	Total £'000
Cost			
At 30 September 2015	558	1,250	1,808
Additions	-	151	151
Acquisition of subsidiary	-	132	132
Disposals	(7)	(92)	(99)
Exchange differences	6	53	59
At 30 September 2016	557	1,494	2,051
Additions	-	27	27
Disposals	(204)	(45)	(249)
Exchange differences	(7)	(20)	(27)
At 30 September 2017	346	1,456	1,802
Depreciation			
At 30 September 2015	328	917	1,245
Charge	103	256	359
Disposals	(7)	(75)	(82)
Exchange differences	3	20	23
At 30 September 2016	427	1,118	1,545
Charge	74	214	288
Disposals	(178)	(45)	(223)
Exchange differences	(7)	(11)	(18)
At 30 September 2017	316	1,276	1,592
Net book value			
At 30 September 2017	30	180	210
At 30 September 2016	130	376	506
At 30 September 2015	230	333	563

15 INVESTMENTS

Company	Subsidiaries £'000	Joint ventures £'000	Associate £'000	Total £'000
Cost				
At 30 September 2015	7,785	21	12	7,818
Additions	2,142	-	-	2,142
Disposals	-	-	-	-
At 30 September 2016	9,927	21	12	9,960
Conversion of debt	150	-	-	150
Disposals	-	-	-	-
At 30 September 2017	10,077	21	12	10,110
Provisions				
At 30 September 2015	3,497	-	-	3,497
Charge	-	-	-	-
At 30 September 2016	3,497	-	-	3,497
Conversion of debt	150	-	-	150
Charge	949	-	-	949
At 30 September 2017	4,596	-	-	4,596
Net book value				
At 30 September 2017	5,481	21	12	5,514
At 30 September 2016	6,430	21	12	6,463
At 30 September 2015	4,288	21	12	4,321

The increase in cost of £150,000 during the year relates to converting amounts due from Aukett Fitzroy Robinson Sp Zoo into ordinary share capital before the commencement of liquidation proceedings. The original loan balance due had been impaired in previous accounting periods and therefore, there is no effect on the results of the Company arising from this transaction.

A provision for impairment has also been made against the Company's investment in Swanke Hayden Connell Europe Limited as the Company's only trading subsidiary, Swanke Hayden Connell International Limited, is no longer generating new revenue and is expected to become dormant within the next 12 months and therefore the recoverable amount is forecast to be lower than the original cost of this investment.

Subsidiary operations

The following are the subsidiary undertakings at 30 September 2017:

Name	Country of incorporation and registered office address (see table below)	Proportion of ordinary equity held 2017	2016	Nature of business
Subsidiaries				
Aukett Swanke Limited	(A)	100%	100%	Architecture & design
Aukett Fitzroy Robinson International Limited	(A)	100%	100%	Architecture & design
Veretec Limited	(A)	100%	100%	Architecture & design
Aukett Swanke OOO	(B)	100%	100%	Architecture & design
Swanke Hayden Connell International Limited	(A)	100%	100%	Architecture & design
Swanke Hayden Connell Mimarlik AS	(C)	100%	100%	Architecture & design
John R Harris & Partners Limited	(D)	80%	80%	Architecture & design
Shankland Cox Limited	(A)	100%	100%	Architecture & Engineering
Aukett Swanke Architectural Design Limited	(A)	100%	-	Architecture & design
Swanke Hayden Connell Europe Limited	(A)	100%	100%	Non trading
Aukett Fitzroy Robinson Sp Zoo	(E)	100%	100%	In liquidation
Fitzroy Robinson Limited	(A)	100%	100%	Dormant
Swanke Limited	(A)	100%	100%	Dormant
John R Harris & Partners Limited	(A)	100%	100%	Dormant
Aukett Fitzroy Robinson Limited	(A)	100%	100%	Dormant
Thomas Nugent Architects Limited	(A)	100%	100%	Dormant
Aukett Fitzroy Robinson Europe Limited	(A)	100%	100%	Dormant
Aukett Limited	(A)	100%	100%	Dormant
Aukett (UK) Limited	(A)	100%	100%	Dormant
Aukett Group Limited	(A)	100%	100%	Dormant
Fitzroy Robinson West & Midlands Limited	(A)	100%	100%	Dormant

Aukett Fitzroy Robinson International Limited is incorporated in England & Wales, but operates principally through its Middle East branch which is registered in the Abu Dhabi emirate of the United Arab Emirates.

John R Harris & Partners Limited is incorporated in Cyprus and operates principally in the Middle East. It is also the only subsidiary for which there is a non-controlling interest. The proportion of equity and voting rights held by the non-controlling interests is 20%.

Shankland Cox Limited is incorporated in England & Wales, but operates principally through its Middle East branches registered in emirates of the United Arab Emirates including Abu Dhabi, Dubai, Al Ain and Ras Al Khaimah.

Aukett Swanke Architectural Design Limited is incorporated in England & Wales, but operates principally in the United Arab Emirates.

Interest in associate and joint ventures

Set out below are the associate and joint ventures of the Group as at 30 September 2017. The entities listed below have share capital consisting solely of ordinary shares, held directly by the Group. The country of incorporation is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Country of incorporation and registered office address (see below)	Proportion of ordinary equity held		Nature of relationship	Measurement method
		2017	2016		
Aukett + Heese Frankfurt GmbH	(F)	50%	50%	Joint venture	Equity
Aukett sro	(G)	50%	50%	Joint venture	Equity
Aukett + Heese GmbH	(H)	25%	25%	Associate	Equity

All joint venture and associate entities provide architectural and design services. There are no contingent liabilities or commitments in relation to the joint ventures or associates.

Country of incorporation and registered office addresses

Ref	Country of Incorporation	Registered office address
(A)	England & Wales	36-40 York Way, London, N1 9AB, United Kingdom
(B)	Russia	10 Letnikovskaya str, bld.4, Moscow, 115114, Russia
(C)	Turkey	Kore Sehitleri 34, Deniz Is Hani, 34394 Zincirlikuyu, Istanbul, Turkey
(D)	Cyprus	17-19 Themistokli Dervi street, The City House, 1066 Nicosia, Cyprus
(E)	Poland	ul Emilii Plater 18, 00-688 Warszawa, Poland
(F)	Germany	Gutleutstrasse 163, 60327 Frankfurt am Main, Germany
(G)	Czech Republic	Janackovo Nabrezi 471/49, 150 00 Prague 5 , Czech Republic
(H)	Germany	Budapester Strasse 43, 10787 Berlin, Germany

16 INVESTMENT IN ASSOCIATE

As disclosed in note 15, the Group owns 25% of Aukett + Heese GmbH which is based in Berlin, Germany. The table below provides summarised financial information for Aukett + Heese GmbH as it is material to the Group. The information disclosed reflects Aukett + Heese GmbH's relevant financial statements and not the Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method.

Summarised balance sheet	2017 £'000	2016 £'000
Assets		
Non current assets	270	372
Current assets	3,428	3,116
Total assets	3,698	3,488
Liabilities		
Current liabilities	(1,577)	(1,372)
Non current liabilities	-	-
Total liabilities	(1,577)	(1,372)
Net assets	2,121	2,116

Reconciliation to carrying amounts:

	2017 £'000	2016 £'000
Opening net assets at 1 October	2,116	1,017
Profit for the period	569	840
Other comprehensive income	41	259
Dividends paid	(605)	-
Closing net assets	2,121	2,116
Group's share in %	25%	25%
Group's share in £'000	530	529
Carrying amount	530	529

Summarised statement of comprehensive income	2017 £'000	2016 £'000
Revenue	14,310	8,254
Sub consultant costs	(5,885)	(1,807)
Revenue less sub consultant costs	8,425	6,447
Operating costs	(7,610)	(5,244)
Profit before tax	815	1,203
Taxation	(246)	(363)
Profit for the period from continuing operations	569	840
Other comprehensive income	41	259
Total comprehensive income	610	1,099

The Group received dividends of £151,000 (2016: £nil) from Aukett + Heese GmbH. The principal risks and uncertainties associated with Aukett + Heese GmbH are the same as those detailed within the Group's Strategic Report.

MERCEDES PLATZ, BERLIN

17 INVESTMENTS IN JOINT VENTURES

Frankfurt

As disclosed in note 15, the Group owns 50% of Aukett + Heese Frankfurt GmbH which is based in Frankfurt.

	£'000
At 30 September 2015	94
Share of profits	50
Dividends paid	-
Exchange differences	20
At 30 September 2016	164
Share of profits	112
Dividends paid	(65)
Exchange differences	5
At 30 September 2017	216

The Group received dividends of £65,000 (2016: £nil) from Aukett + Heese GmbH. The following amounts represent the Group's 50% share of the assets and liabilities, and revenue and expenses of Aukett + Heese Frankfurt GmbH.

	2017 £'000	2016 £'000
Assets		
Non current assets	9	8
Current assets	453	308
Total assets	462	316
Liabilities		
Current liabilities	(246)	(152)
Non current liabilities	-	-
Total liabilities	(246)	(152)
Net assets	216	164

	2017 £'000	2016 £'000
Revenue	684	474
Sub consultant costs	(128)	(92)
Revenue less sub consultant costs	556	382
Operating costs	(406)	(323)
Profit before tax	150	59
Taxation	(38)	(9)
Profit after tax	112	50

The principal risks and uncertainties associated with Aukett + Heese Frankfurt GmbH are the same as those detailed within the Group's Strategic Report.

Prague

As disclosed in note 15, the Group owns 50% of Aukett sro which is based in Prague.

	£'000
At 30 September 2015	6
Share of profits	8
Exchange differences	3
At 30 September 2016	17
Share of profits	(1)
Exchange differences	1
At 30 September 2017	17

The following amounts represent the Group's 50% share of the assets and liabilities of Aukett sro.

	2017 £'000	2016 £'000
Assets		
Non current assets	-	1
Current assets	117	71
Total assets	117	72
Liabilities		
Current liabilities	(100)	(55)
Non current liabilities	-	-
Total liabilities	(100)	(55)
Net assets	17	17

	2017 £'000	2016 £'000
Revenue	255	168
Sub consultant costs	(85)	(10)
Revenue less sub consultant costs	170	158
Operating costs	(171)	(150)
(Loss) / profit before tax	(1)	8
Taxation	-	-
(Loss) / profit after tax	(1)	8

The principal risks and uncertainties associated with Aukett Sro are the same as those detailed within the Group's Strategic Report.

18 TRADE AND OTHER RECEIVABLES

Group	2017 £'000	2016 £'000
Gross trade receivables	5,945	7,334
Impairment allowances	(685)	(1,276)
Net trade receivables	5,260	6,058
Amounts due from customers for contract work	1,516	1,867
Amounts owed by associates and joint ventures	29	49
Other receivables	590	435
Prepayments	536	818
Total	7,931	9,227

Company	2017 £'000	2016 £'000
Amounts due after more than one year	-	
Amounts owed by associate and joint ventures	26	49
Total amounts due after more than one year	26	49
Amounts due within one year		
Amounts owed by subsidiaries	1,268	1,270
Amounts owed by associate and joint ventures	3	-
Other receivables	10	35
Prepayments	30	6
Total amounts due within one year	1,311	1,311
Total	1,337	1,360

The amounts owed by subsidiaries were secured in January 2013 by debentures over all the assets of the relevant subsidiaries. These debentures rank after the debentures securing the bank loan and overdraft.

19 TRADE AND OTHER PAYABLES

Group	2017 £'000	2016 £'000
Trade payables	1,282	1,089
Advances received from customers for contract work	663	1,616
Other taxation and social security	625	626
Other payables	455	1,302
Dividends payable	-	116
Accruals	1,698	1,804
Total	4,723	6,553

Company	2017 £'000	2016 £'000
Trade payables	34	22
Amounts owed to subsidiaries	2,422	3,421
Other payables	3	1
Dividends payable	-	116
Accruals	77	59
Total	2,536	3,619

See note 33 for further details of the amounts due to subsidiaries.

20 BORROWINGS

Group	2017 £'000	2016 £'000
Secured bank overdrafts	228	-
Secured bank loan	776	1,049
Total borrowings	1,004	1,049
Amounts due for settlement within 12 months	467	247
Current liability	467	247
Amounts due for settlement between one and two years	239	247
Amounts due for settlement between two and five years	298	555
Non current liability	537	802
Total borrowings	1,004	1,049

Company	2017 £'000	2016 £'000
Secured bank loan	776	1,049
Total borrowings	776	1,049
Instalments due within 12 months	239	247
Current liability	239	247
Instalments due between one and two years	239	247
Instalments due between two and five years	298	555
Non current liability	537	802
Total borrowings	776	1,049

The bank loan and overdraft are secured by debentures over all the assets of the Company and certain of its United Kingdom subsidiaries. The bank loan and overdraft carry interest at 2.5% above the London Interbank Offer Rate (LIBOR) for the relevant currency.

21 ANALYSIS OF NET FUNDS

Group	2017 £'000	2016 £'000
Cash at bank and in hand	1,188	1,839
Secured bank overdrafts (note 20)	(228)	-
Cash and cash equivalents	960	1,839
Secured bank loan (note 20)	(776)	(1,049)
Net funds	184	790

22 DEFERRED TAX

Group	Tax depreciation on plant and equipment £'000	Trading losses £'000	Other temporary differences £'000	Total £'000
At 30 September 2015	60	228	(54)	234
Income statement	(4)	(73)	(36)	(113)
Exchange differences	-	1	(3)	(2)
At 30 September 2016	56	156	(93)	119
Income statement	33	(41)	25	17
Exchange differences	-	-	6	6
At 30 September 2017	89	115	(62)	142

Group	2017 £'000	2016 £'000
Deferred tax assets	213	219
Deferred tax liabilities	(71)	(100)
Net deferred tax balance	142	119

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The Group has not recognised deferred income tax in respect of losses that can be carried forward against future taxable income in its Russian operation.

The Group also did not recognise deferred income tax in respect of taxable losses carried forward against future taxable income of certain of its subsidiaries which are incorporated in the UK but operate wholly through permanent establishments in the Middle East and future profits are therefore anticipated to be non-taxable.

23 PROVISIONS

Group	Property lease provision £'000	Employee benefit obligations £'000	Total £'000
At 30 September 2015	147	207	354
On acquisition of subsidiary	-	589	589
Utilised	-	(124)	(124)
Charged to the income statement	45	97	142
Exchange differences	-	102	102
At 30 September 2016	192	871	1,063
Utilised	(65)	(163)	(228)
Charged to the income statement	24	206	230
Exchange differences	-	(34)	(34)
At 30 September 2017	151	880	1,031

Property lease provision

During the year the group vacated one of the two London properties and utilised most of the provision that had been provided in respect of obligations arising under the lease.

The provision carried forward at 30 September 2017 is the future estimated cost of work to be performed after seeking appropriate external professional advice for the Group's London premises, on obligations arising under its lease.

Employee benefit obligations

The Group's Middle East subsidiaries are required to pay termination indemnities to each employee who completes one year of service as stipulated by UAE labour laws. The applicable labour laws currently require a percentage of final salary to be paid upon resignation or termination. The percentage is determined by reference to the number of years of continuous employment and cannot exceed two years' salary.

The charge to the income statement comprises the service cost and the interest on the liability and is included in personnel related expenses. The obligation has been measured at the reporting date using the projected unit credit method in accordance with IAS 19 and is funded from working capital.

The key actuarial assumptions used in the calculation are detailed below:

	2017	2016
Combined average length of service	5 years	5 years
Discount rate	2.15%	2.13%
Salary growth rate	3.7%	2.7%

The Group determined discount rates on the basis of current yields on 5 year high quality corporate bonds in the same currency as the liabilities. Forecast consumer price inflation ("CPI") in the region has been used as a proxy for forecast salary growth.

The sensitivity of the employee benefit obligation to changes in assumptions is set out below. The effects of a change in assumption are weighted proportionally to the total plan obligations to determine the total impact for each assumption presented.

		Impact on employee benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Combined average length of service	1 year	2.53%	(9.48)%
Salary growth rate	1%	0.51%	(0.51)%
Discount rate	1%	(0.51)%	0.53%

The Group's Turkish subsidiary is required to pay termination indemnities to each employee who completes one year of service and whose employment is terminated upon causes that qualify the employee to receive termination indemnity. The liability has been measured in line with IAS 19 and is funded from working capital.

24 SHARE CAPITAL

Group and Company	2017 £'000	2016 £'000
Allocated, called up and fully paid		
165,213,652 (2016: 165,213,652) ordinary shares of 1p each	1,652	1,652

	Number
At 1 October 2015	165,213,652
No changes	-
At 30 September 2016	165,213,652
No changes	-
At 30 September 2017	165,213,652

The Company's issued ordinary share capital comprised a single class of ordinary share. Each share carries the right to one vote at general meetings of the Company.

The objectives, policies and processes for managing capital are outlined in the strategic report.

25 SHARE OPTIONS

The Company has granted options over its Ordinary Shares to Group employees as follows:

Granted	At 1 October 2016 Number	Granted Number	Lapsed Number	At 30 September 2017 Number	Exercise price Pence	Earliest exercisable date	Latest exercisable date
11 April 2011	1,000,000	-	(1,000,000)	-	5.00	12 April 2013	11 April 2017
6 March 2017	-	500,000	-	500,000	4.25	6 March 2019	6 March 2023
Total	1,000,000	500,000	(1,000,000)	500,000			

The share options granted on 11 April 2011 lapsed during the year and are no longer exercisable.

The 500,000 share options granted on 6 March 2017 relate to Beverley Wright, a Director of the Company. These share options vest after 2 years' service and are exercisable between 2 and 6 years after grant. The fair value of these options is not considered to be material. Further details of transactions with related parties can be found in note 33.

26 CASH GENERATED FROM OPERATIONS

Group	2017 £'000	2016 £'000
(Loss) / profit before tax – continuing operations	(325)	927
Finance income	-	(8)
Finance costs	34	28
Share of results of associate and joint ventures	(253)	(267)
Goodwill impairment provision	-	17
Intangible amortisation	110	177
Depreciation	288	359
Loss on disposal of property, plant & equipment	23	10
Decrease in trade and other receivables	913	628
Decrease in trade and other payables	(1,485)	(1,583)
Change in provisions	3	16
Negative goodwill	-	(160)
Unrealised foreign exchange differences	(54)	(40)
Net cash (expended by) / generated from operations	(746)	104

Company	2017 £'000	2016 £'000
Profit before income tax	411	543
Dividends receivable	(715)	(820)
Finance costs	34	23
Decrease / (increase) in trade and other receivables	23	(879)
(Decrease) / increase in trade and other payables	(583)	70
Fixed asset impairment	949	-
Unrealised foreign exchange differences	(23)	217
Net cash generated from / (expended by) operations	96	(846)

27 FINANCIAL INSTRUMENTS

Risk management

The Company and the Group hold financial instruments principally to finance their operations or as a direct consequence of their business activities. The principal risks considered to arise from financial instruments are foreign currency risk and interest rate risk (market risks), counterparty risk (credit risk) and liquidity risk. Neither the Company nor the Group trade in financial instruments.

Categories of financial assets and liabilities

Group	2017 £'000	2016 £'000
Trade receivables	5,260	6,058
Amounts due from customers for contract work	1,516	1,867
Amounts owed by associate and joint ventures	29	49
Other receivables	590	434
Cash at bank and in hand	1,188	1,839
Loans and receivables	8,583	10,247
Trade payables	(1,282)	(1,089)
Other payables	(455)	(1,419)
Accruals	(1,698)	(1,804)
Secured bank loans and overdrafts	(1,004)	(1,049)
Provisions	(1,031)	(1,063)
Financial liabilities measured at amortised cost	(5,470)	(6,424)
Net financial instruments	3,113	3,823

Company	2017 £'000	2016 £'000
Amounts owed by subsidiaries	1,268	1,271
Amount owed by associate and joint ventures	29	49
Other receivables	10	-
Cash at bank and in hand	623	596
Loans and receivables	1,930	1,916
Trade payables	(34)	(22)
Amounts owed to subsidiaries	(2,422)	(3,422)
Other payables	(3)	(117)
Accruals	(77)	(59)
Secured bank loan	(776)	(1,049)
Financial liabilities measured at amortised cost	(3,312)	(4,669)
Net financial instruments	(1,382)	(2,753)

The Directors consider that there were no material differences between the carrying values and the fair values of all the Company's and all the Group's financial assets and financial liabilities at each year end based on the expected future cash flows.

Collateral

As disclosed in note 20 the bank loan and overdraft are secured by a debenture over all the present and future assets of the Company and certain of its United Kingdom subsidiaries. The carrying amount of the financial assets covered by this debenture were:

	2017 £'000	2016 £'000
Group	2,832	5,930
Company	1,072	1,010

Other receivables in the consolidated statement of financial position include a £148,000 rent security deposit (2016: £148,000) in respect of the Group's London studio premises.

28 FOREIGN CURRENCY RISK

The Group's operations seek to contract with customers and suppliers in their own functional currencies to minimise exposure to foreign currency risk, however, for commercial reasons contracts are occasionally entered into in foreign currencies.

Where contracts are denominated in other currencies the Group usually seeks to minimise net foreign currency exposure from recognised project related assets and liabilities by using foreign currency denominated overdrafts.

The Group does not hedge future revenues from contracts denominated in other currencies due to the rights of clients to suspend or cancel projects. The Board has taken a decision not to hedge the net assets of the Group's overseas operations.

Financial instruments which are denominated in a currency other than the functional currency of the entity by which they are held are as follows:

Group	2017 £'000	2016 £'000
Czech Koruna	29	49
EU Euro	97	76
Polish Zloty	-	-
Russian Rouble	714	636
UAE Dirham	938	504
UK Sterling	(32)	-
US Dollar	(130)	(653)
Turkish Lira	42	7
Net financial instruments held in foreign currencies	1,658	619

Company	2017 £'000	2016 £'000
Czech Koruna	29	49
EU Euro	97	80
Russian Rouble	25	-
US Dollar	(768)	(906)
UAE Dirham	67	(650)
Turkish Lira	42	6
Net financial instruments held in foreign currencies	(508)	(1,421)

A 10% percent weakening of UK Sterling against all currencies at 30 September would have increased / (decreased) equity by the amounts shown below. This analysis is applied currency by currency in isolation (i.e. ignoring the impact of currency correlation and assumes that all other variables, in particular interest rates, remain consistent). A 10% strengthening of UK Sterling against all currencies would have an equal but opposite effect.

	2017		2016	
	Profit £'000	Equity £'000	Profit £'000	Equity £'000
Group	130	67	100	105
Company	(51)	-	(142)	-

The following foreign exchange gains / (losses) arising from financial assets and financial liabilities have been recognised in the income statement:

	2017 £'000	2016 £'000
Group	(31)	26
Company	(2)	(190)

The Group's exchange loss of £31,000 (2016: gain of £26,000) includes cumulative exchange reserve losses of £nil (2016: £nil) recycled through the income statement on discontinued operations.

29 COUNTERPARTY RISK

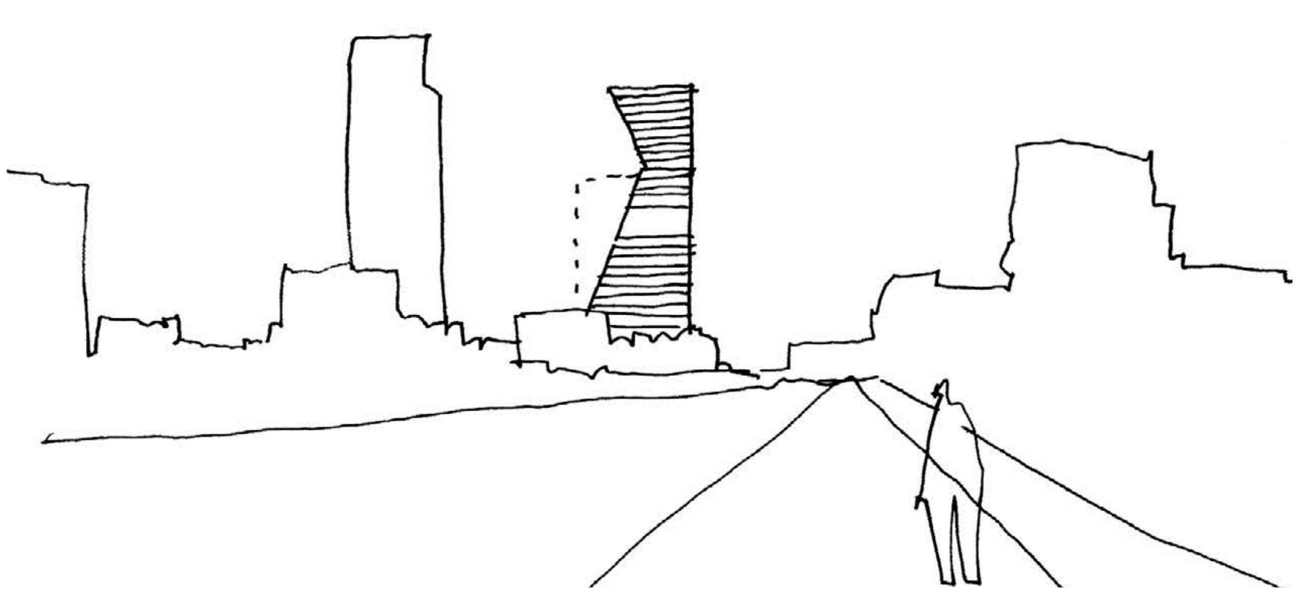
Group

No collateral is held in respect of any financial assets and therefore the maximum exposure to credit risk at the date of the statement of financial position is the carrying value of financial assets shown in note 27.

Counterparty risk is only considered significant in relation to trade receivables, amounts due from customers for contract work, other receivables and cash and cash equivalents.

The ageing of trade receivables against which no impairment allowance has been made, as the directors consider their recovery is probable, was:

	2017 £'000	2016 £'000
Not overdue	2,013	2,170
Between 0 and 30 days overdue	638	929
Between 30 and 60 days overdue	728	408
Greater than 60 days overdue	1,881	2,551
Total	5,260	6,058



The movement on impairment allowances for trade receivables was as follows:

	£'000
At 30 September 2015	357
Acquisition of subsidiary	696
Charged to the income statement	155
Allowance utilised	(80)
Exchange differences	148
At 30 September 2016	1,276
Charged to the income statement	213
Allowance utilised	(788)
Exchange differences	(16)
At 30 September 2017	685

All of the trade receivables considered to be impaired were greater than 90 days overdue.

The processes undertaken when considering whether a trade receivable may be impaired are set out in note 2. All amounts overdue have been individually considered for any indications of impairment and provision for impairment made where considered appropriate.

The concentration of counterparty risk within the £6,776,000 (2016: £7,925,000) of trade receivables and amounts due from customers for contract work is illustrated in the table below showing the three largest exposures to individual clients at 30 September.

	2017 £'000	2016 £'000
Largest exposure	666	623
Second largest exposure	418	429
Third largest exposure	402	329

The Group's principal banker is Coutts & Co, a member of the Royal Bank of Scotland group.

At 30 September 2017 the largest exposure to a single financial institution represented 41% (2016: 60%) of the Group's cash and cash equivalents.

Company

The Company does not have any trade receivables or amounts due from customers for contract work.

The amounts owed by United Kingdom subsidiaries were secured in January 2013 by debentures over all the assets of the relevant subsidiaries. These debentures rank after the debentures securing the bank loan and overdraft. Prior to this all amounts owed by United Kingdom subsidiaries and by associate and joint ventures were unsecured. The amounts owed by associate and joint ventures remain unsecured.

All of the Company's cash and cash equivalents are held by Coutts & Co.

The Company is exposed to counterparty risk though the guarantees set out in note 32.

30 INTEREST RATE RISK

Group	2017 £'000	2016 £'000
Rent deposit	148	148
Secured bank loans	(776)	(1,049)
Secured bank overdrafts	(228)	-
Interest bearing financial instruments	(856)	(901)

Company	2017 £'000	2016 £'000
Secured bank loans	(776)	(1,049)
Interest bearing financial instruments	(776)	(1,049)

The property rent deposit earns variable rates of interest based on short-term interbank lending rates.

Due to the current low levels of worldwide interest rates, and Group treasury management requirements, the cash and cash equivalents are in practice currently not interest bearing, and therefore have not been included in interest bearing financial instruments disclosures.

The bank loan and overdraft carry interest at 2.5% above the London Interbank Offer Rate (LIBOR) of the relevant currency.

A 1% rise in worldwide interest rates would have the following impact on profit, assuming that all other variables, in particular the interest bearing balance, remain constant. A 1% fall in worldwide interest rates would have an equal but opposite effect.

	2017 £'000	2016 £'000
Group	(9)	(9)
Company	(8)	(10)

31 LIQUIDITY RISK

The Group's cash balances are held at call or in deposits with very short maturity terms.

At 30 September 2017 the Group had £850,000 (2016: £850,000) of gross borrowing facility and £250,000 net borrowing facility (2016: £nil) under its United Kingdom bank overdraft facility. In October 2017 Coutts & Co renewed the overdraft facility, temporarily increasing it to £500,000, which is now next due for review in November 2018, with an interim review in March 2018 and a reduction at that point to £250,000.

The maturity analysis of financial liabilities, including expected future charges through the Income Statement is as shown below.

The timing and amount of cashflows in respect of provisions reflect management estimates based on the assumptions described in note 23, rather than contractual maturity dates and amounts.

Group Timing of cashflows	Borrowings £'000	Provisions £'000	Other financial liabilities £'000	Total £'000
Within one year	274	827	4,312	5,413
Between one and two years	270	271	-	541
Between two and five years	579	404	-	983
	1,123	1,502	4,312	6,937
Expected future charges through the income statement	(74)	(439)	-	(513)
Financial liabilities at 30 September 2016	1,049	1,063	4,312	6,424

Timing of cashflows	Borrowings £'000	Provisions £'000	Other financial liabilities £'000	Total £'000
Within one year	489	981	3,435	4,905
Between one and two years	256	98	-	354
Between two and five years	307	370	-	677
	1,052	1,449	3,435	5,936
Expected future charges through the income statement	(48)	(418)	-	(466)
Financial liabilities at 30 September 2017	1,004	1,031	3,435	5,470

Company Timing of cashflows	Borrowings £'000	Provisions £'000	Other financial liabilities £'000	Total £'000
Within one year	274	-	3,620	3,894
Between one and two years	270	-	-	270
Between two and five years	579	-	-	579
	1,123	-	3,620	4,743
Expected future charges through the income statement	(74)	-	-	(74)
Financial liabilities at 30 September 2016	1,049	-	3,620	4,669

Timing of cashflows				
Within one year	261	-	2,536	2,797
Between one and two years	256	-	-	256
Between two and five years	307	-	-	307
	824	-	2,536	3,360
Expected future charges through the income statement	(48)	-	-	(48)
Financial liabilities at 30 September 2017	776	-	2,536	3,312

32 GUARANTEES, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

A cross guarantee and offset agreement is in place between the Company and certain of its United Kingdom subsidiaries in respect of the United Kingdom bank loan and overdraft facility. Details of the UK bank loan are disclosed in note 20. At 30 September 2017 the overdrafts of its United Kingdom subsidiaries guaranteed by the Company totalled £228,000 (2016: £nil).

The Company and certain of its United Kingdom subsidiaries are members of a group for Value Added Tax (VAT) purposes. At 30 September 2017 the net VAT payable balance of those subsidiaries was £284,000 (2016: £321,000).

At the year end, one of the Group's Middle East subsidiaries had outstanding letters of guarantee totalling £165,000 (2016: £166,000). These guarantees are secured by matching cash on deposit, which is included within trade and other receivables.

In common with other firms providing professional services, the Group is subject to the risk of claims of professional negligence from clients. The Group maintains professional indemnity insurance in respect of these risks but is exposed to the cost of excess deductibles on any successful claims. The directors assess each claim and make accruals for excess deductibles where, on the basis of professional advice received, it is considered that a liability is probable.

The Group had the following aggregate commitments under operating leases.

	2017 £'000	2016 £'000
Not later than one year	549	1,016
Later than one year and not later than five years	1	392
Later than five years	-	-
Total	550	1,408

The Group's most significant lease relates to its London studio premises which comprises £403,000 (2016: £1,350,000) of the amounts shown in the table above. The lease of its York Way studio does not contain any break clauses and expires in July 2018. The lease of its Christopher Street studio was concluded during the year.

At 30 September 2017 the Company had entered into a forward contract to purchase 80,000 US Dollars at a predetermined exchange rate on or before 10 November 2017. The total outstanding commitment payable under this contract as at the balance sheet date was £57,000. Management does not consider the fair value of this forward contract to be material.

The Group has contractual commitments totalling £150,000 per annum in respect of software maintenance plans, expiring in December 2019. The total future commitments arising under these contracts as at the balance sheet date amount to £339,000.

At both 30 September 2017 and 2016 neither the Group nor the Company had any capital commitments in respect of property, plant and equipment.

The Group previously acted as a lessor through the sub-let of the ground and first floors at its Christopher Street studio. The following is the aggregate minimum future receivables under these operating leases.

	2017 £'000	2016 £'000
Not later than one year	-	260
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	-	260

33 RELATED PARTY TRANSACTIONS

Key management personnel compensation

The key management personnel of the Group comprises the Directors of the Company together with the managing and financial directors of the United Kingdom and international operations.

Group	2017 £'000	2016 £'000
Short term employee benefits	1,472	1,553
Post employment benefits	114	136
Total	1,586	1,689

The key management personnel of the Company comprises its Directors.

Company	2017 £'000	2016 £'000
Short term employee benefits	719	774
Post employment benefits	73	84
Total	791	858

During the year the Company granted 500,000 options over its ordinary shares to Beverley Wright, a director of the Company. The fair value of these share options is not considered to be material.

Transactions and balances with associate and joint ventures

The Group makes management charges to Aukett + Heese Frankfurt GmbH. The amount charged during the year in respect of these services amounted to £47,000 (2016: £45,000). Aukett + Heese Frankfurt charged the Group £7,000 (2016: £nil) for architectural services. Dividends of £65,000 (2016: £nil) were received from Aukett + Heese Frankfurt GmbH during the year. The amount owed to the Group by Aukett + Heese Frankfurt GmbH at the balance sheet date was £nil (2016: £nil).

The Group makes management charges to Aukett + Heese GmbH. The amount charged by the Group during the year in respect of these services amounted to £62,000 (2016: £55,000). The Group also charged Aukett + Heese GmbH £50,000 for architectural services. Dividends of £150,000 were received from Aukett + Heese GmbH during the year. The amount owed to the Group by Aukett + Heese GmbH at 30 September 2017 was £1,000 (2016: £nil).

As disclosed in note 15, the Group owns 50% of Aukett + Heese Frankfurt GmbH and 25% of Aukett + Heese GmbH. The remaining 50% of Aukett + Heese Frankfurt GmbH and 75% of Aukett + Heese GmbH are owned by Lutz Heese, a former director of the Company.

The Group charges name licence fees and management fees to Aukett sro, a joint venture in which the Group has a 50% interest. During the year, charges of £3,000 (2016: £5,000) were made to Aukett sro in respect of these services. The Group was also charged £29,000 for architectural services provided by Aukett sro during the year. The amount owed to the Group and to the Company by Aukett sro at 30 September 2017 was £29,000 (2016: £49,000) relating to previously declared but not yet paid dividends and name licence charges.

None of the balances with the associate or joint ventures are secured.

Transactions and balances with subsidiaries

The names of the Company's subsidiaries are set out in note 15.

The Company made management charges to its subsidiaries for management services of £1,191,000 (2016: £800,000) and paid charges to its subsidiaries for office accommodation and other related services of £90,000 (2016: £90,000).

At 30 September 2017 the Company was owed £1,268,000 (2016: £1,271,000) by its subsidiaries and owed £2,422,000 (2016: £3,421,000) to its subsidiaries. These balances arose through various past transactions including working capital advances, treasury management and management charges. The amounts owed at the year end are non interest bearing and repayable on demand.

The amounts owed by United Kingdom subsidiaries were secured in January 2013 by debentures over all the assets of the relevant subsidiaries. These debentures rank after the debentures securing the bank loan and overdraft. Prior to this all amounts owed by subsidiaries were unsecured.

34 CORPORATE INFORMATION

General corporate information regarding the Company is shown on page 31. The addresses of the Group's principal operations are shown on page 4. A description of the Group's operations and principal activities is given within the Strategic Report.

WORK / LEARN / LIVE / PLAY CHASSIS

SHAREHOLDER INFORMATION

Listing information

The shares of Aukett Swanke Group Plc are listed on the Alternative Investment Market (AIM) of the London Stock Exchange.

Tradable Instrument Display Mnemonic (TIDM formerly EPIC):	AUK
Stock Exchange Daily Official List (SEDOL) code:	0061795
International Securities Identification Number (ISIN):	GB0000617950

Share price

The Company's share price is available from the website of the London Stock Exchange (www.londonstockexchange.co.uk).

The Company's mid-market share price is published daily in The Times and The Financial Times newspapers.

Registrars

Enquiries relating to matters such as loss of a share certificate, dividend payments or notification of a change of address should be directed to Equiniti who are the Company's Registrars at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA - 0371 384 2030 (lines are open 8.30am to 5.30pm, Monday to Friday excluding public holidays in England and Wales). Callers from outside the UK should dial +44 (0)121 415 7047.

The website is: www.equiniti.com

Equiniti also provides a website which enables shareholders to view up to date information about their shareholding in the Company at: www.shareview.co.uk

Investor relations

In accordance with AIM Rule 26 regarding company information disclosure, various investor orientated information is available on our website at: www.aukettswanke.com.

The Company Secretary can be contacted by email at: cosec@aukettswanke.com

Donate your shares

The Company supports ShareGift, the charity share donation scheme administered by The Orr Mackintosh Foundation (registered charity number 1052686).

Through ShareGift, shareholders who have only a very small number of shares which might be considered uneconomic to sell are able to donate them to charity. Donated shares are aggregated and sold by ShareGift, the proceeds being passed onto a wide range of UK charities.

Donating shares to charity gives rise neither to a gain or loss for UK capital gains tax purposes and UK taxpayers may also be able to claim income tax relief on such gifts of shares.

Further details about ShareGift can be obtained from ShareGift, 67/68 Jermyn Street, London SW1Y 6NY - 020 7930 3737 - www.sharegift.org

"Following the curve of the lake, the building nestles into the environment and feels very much an integral part of its natural surroundings. That makes The Bradfield Centre a very special place"

- Jeanette Walker, Director of Cambridge Science Park www.aukettswanke.com