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ZAHA HADID LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2002

LACA Limited
5 Southampton Place
London
WC1A 2DA



ZAHA HADID LIMITED

COMPANY INFORMATION

Directors	Zaha Hadid P Schumacher
Secretary	Woody K T Yao
Company number	3749443
Registered office	5 Southampton Place London WC1A 2DA
Auditors	LACA Limited 5 Southampton Place London WC1A 2DA
Business address	Studio 9 10 Bowling Green Lane London EC1R 0BD
Bankers	National Westminster Bank plc 34 Sloane Square London SW1W 8AZ

ZAHA HADID LIMITED

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ZAHA HADID LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2002

The directors present their report and financial statements for the year ended 30 April 2002.

Principal activities

The principal activity of the company continued to be that of architects and designers.

Directors

The following directors have held office since 1 May 2001:

Zaha Hadid	
P Schumacher	
G C Modlen	(Resigned 12 February 2002)
M Dochantschi	(Resigned 12 February 2002)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 April 2002	1 May 2001
Zaha Hadid	2	2
P Schumacher	-	-

Auditors

LACA Limited were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


Zaha Hadid

Director

.....24/2/03.....

ZAHA HADID LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ZAHA HADID LIMITED

We have audited the financial statements of Zaha Hadid Limited on pages 3 to 8 for the year ended 30 April 2002. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



LACA Limited

...25/3/03.....

Chartered Accountants
Registered Auditor

5 Southampton Place
London
WC1A 2DA

ZAHA HADID LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2002

	Notes	2002 £	2001 £
Turnover	2	2,804,310	2,120,979
Cost of sales		(1,967,449)	(1,494,288)
Gross profit		836,861	626,691
Administrative expenses		(665,135)	(589,365)
Operating profit	3	171,726	37,326
Other interest receivable and similar income		3,450	1,908
Interest payable and similar charges		(7,086)	(2,784)
Profit on ordinary activities before taxation		168,090	36,450
Tax on profit on ordinary activities	4	(32,765)	(13,100)
Profit on ordinary activities after taxation		135,325	23,350
Dividends		(31,000)	(25,800)
Retained profit/(loss) for the year	12	104,325	(2,450)

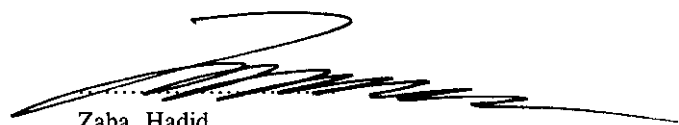
ZAHA HADID LIMITED

BALANCE SHEET AS AT 30 APRIL 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	5		91,352		108,398
Current assets					
Stocks	6	104,916		197,736	
Debtors	7	1,185,334		521,133	
Cash at bank and in hand		425,167		745,601	
		<u>1,715,417</u>		<u>1,464,470</u>	
Creditors: amounts falling due within one year	8	<u>(1,518,198)</u>		<u>(1,361,559)</u>	
Net current assets			<u>197,219</u>		<u>102,911</u>
Total assets less current liabilities			<u>288,571</u>		<u>211,309</u>
Creditors: amounts falling due after more than one year	9		(11,175)		(34,938)
Provisions for liabilities and charges	10		(13,500)		(16,800)
			<u>263,896</u>		<u>159,571</u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account	12		263,894		159,569
Shareholders' funds			<u>263,896</u>		<u>159,571</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on24/2/03.....


Zaha Hadid
Director

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover and profits

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

1.3 Tangible fixed assets and depreciation

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

Fixtures, fittings & equipment	25% straight line
Motor vehicles	25% straight line

1.4 Stock

Work in progress is valued at the lower of cost and net realisable value.

1.5 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

In the year to 30 April 2002 98.00% (2001 - 98.00%) of the company's turnover was to markets outside the United Kingdom.

3 Operating profit

	2002	2001
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	46,230	38,934
Auditors' remuneration	5,000	4,500
Directors' emoluments	82,885	94,151

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2002

4	Taxation	2002 £	2001 £
	Domestic current year tax		
	U.K. corporation tax	36,600	3,600
	Adjustment for prior years	(535)	-
		<hr/>	<hr/>
	Current tax charge	36,065	3,600
	Deferred tax		
	Deferred tax charge/credit current year	(3,300)	9,500
		<hr/>	<hr/>
		32,765	13,100
		<hr/>	<hr/>

5	Tangible fixed assets	Plant and machinery etc £
	Cost	
	At 1 May 2001	155,036
	Additions	29,184
		<hr/>
	At 30 April 2002	184,220
	Depreciation	
	At 1 May 2001	46,638
	Charge for the year	46,230
		<hr/>
	At 30 April 2002	92,868
	Net book value	
	At 30 April 2002	91,352
		<hr/>
	At 30 April 2001	108,398
		<hr/>

The net book value of tangible fixed assets includes £38,038 (2001 - £57,056) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £19,018 (2001 - £19,018) for the year.

6	Stocks	2002 £	2001 £
	Long term contract balances:		
	- Net cost less foreseeable losses	104,916	197,736
		<hr/>	<hr/>

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2002

7 Debtors	2002	2001
	£	£
Trade debtors	943,406	473,081
Other debtors	241,928	48,052
	<u>1,185,334</u>	<u>521,133</u>
8 Creditors: amounts falling due within one year	2002	2001
	£	£
Bank loans and overdrafts	69,002	97,093
Net obligations under hire purchase contracts	23,764	24,627
Trade creditors	533,824	603,694
Taxation and social security	237,359	290,566
Payments received on account	-	26,055
Other creditors	654,249	319,524
	<u>1,518,198</u>	<u>1,361,559</u>
9 Creditors: amounts falling due after more than one year	2002	2001
	£	£
Net obligations under hire purchase contracts	<u>11,175</u>	<u>34,938</u>
10 Provisions for liabilities and charges		Deferred taxation £
Balance at 1 May 2001		16,800
Profit and loss account		<u>(3,300)</u>
Balance at 30 April 2002		<u>13,500</u>
Deferred taxation provided in the financial statements is as follows:		
	2002	2001
	£	£
Accelerated capital allowances	<u>13,500</u>	<u>16,800</u>

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2002

11	Share capital	2002 £	2001 £
	Authorised		
	1,000 Ordinary shares of £ 1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £ 1 each	<u>2</u>	<u>2</u>
12	Statement of movements on profit and loss account		
			Profit and loss account
			£
	Balance at 1 May 2001		159,569
	Retained profit for the year		<u>104,325</u>
	Balance at 30 April 2002		<u>263,894</u>

14 Control

The ultimate controlling party is Zaha Hadid who is a director of the company and owns 100% of the issued share capital.

Related party transactions

Zaha Hadid has financed the company throughout the year under review. At the year end an amount of £139,286 (2001 - £184,934), which is included in other creditors, was due to her.