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**ZAHA HADID LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2006**

*Lee Associates Audit Limited*  
*5 Southampton Place*  
*London*  
*WC1A 2DA*

TUESDAY



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30/01/2007

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COMPANIES HOUSE

# **ZAHA HADID LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Zaha Hadid P Schumacher
<b>Secretary</b>	Woody K T Yao
<b>Company number</b>	3749443
<b>Registered office</b>	5 Southampton Place London WC1A 2DA
<b>Auditors</b>	Lee Associates Audit Limited 5 Southampton Place London WC1A 2DA
<b>Business address</b>	Studio 9 10 Bowling Green Lane London EC1R 0BD
<b>Bankers</b>	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 2006

The directors present their report and financial statements for the year ended 30 April 2006.

### Principal activities and review of the business

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

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

### Results and dividends

The results for the year are set out on page 5.

An interim ordinary dividend was paid amounting to £240,000. The directors do not recommend payment of a final dividend.

### Future developments

The directors are extremely pleased with the company's progress to date and note that with the winning of new contracts, not least for the 2012 London Olympics, that this progress will be maintained for the foreseeable future.

### Directors

The following directors have held office since 1 May 2005:

Zaha Hadid  
P Schumacher

### Directors' interests

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

	30 April 2006	Ordinary of £1 each 1 May 2005
Zaha Hadid	2	2
P Schumacher	-	-

Charitable donations	2006 £	2005 £
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During the year the company made the following payments:

Charitable donations	-	1,000
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### Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Lee Associates Audit Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

# ZAHA HADID LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2006

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### Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 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.

### Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Zaha Hadid  
Director

22/1/2007

# **ZAHA HADID LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF ZAHA HADID LIMITED**

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We have audited the financial statements of Zaha Hadid Limited for the year ended 30 April 2006 set out on pages 5 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the directors and auditors**

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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, and whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

# ZAHA HADID LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE SHAREHOLDERS OF ZAHA HADID LIMITED

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#### Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*Lee Associates Audit Ltd*

Lee Associates Audit Limited

*30/1/07*

Chartered Accountants

Registered Auditor

5 Southampton Place  
London  
WC1A 2DA

# ZAHA HADID LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2006

	Notes	2006 £	2005 £
Turnover	2	9,625,553	5,588,457
Cost of sales		(6,820,891)	(4,108,971)
Gross profit		2,804,662	1,479,486
Administrative expenses		(1,578,889)	(1,184,572)
Operating profit	3	1,225,773	294,914
Other interest receivable and similar income	4	8,910	2,651
Interest payable and similar charges	5	(665)	(3,936)
Profit on ordinary activities before taxation		1,234,018	293,629
Tax on profit on ordinary activities	6	(384,504)	(60,413)
Profit for the year	14	849,514	233,216

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.



# ZAHA HADID LIMITED

## BALANCE SHEET

AS AT 30 APRIL 2006

	Notes	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	8		288,356		169,966
<b>Current assets</b>					
Debtors	9	3,942,331		2,975,732	
Cash at bank and in hand		2,418,006		282,186	
		<u>6,360,337</u>		<u>3,257,918</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(5,305,120)</u>		<u>(2,698,236)</u>	
<b>Net current assets</b>			<u>1,055,217</u>		<u>559,682</u>
<b>Total assets less current liabilities</b>			<u>1,343,573</u>		<u>729,648</u>
<b>Creditors: amounts falling due after more than one year</b>	11		-		(590)
<b>Provisions for liabilities</b>	12		<u>(16,500)</u>		<u>(11,500)</u>
			<u>1,327,073</u>		<u>717,558</u>
<b>Capital and reserves</b>					
Called up share capital	13		2		2
Profit and loss account	14		<u>1,327,071</u>		<u>717,556</u>
<b>Shareholders' funds</b>	15		<u>1,327,073</u>		<u>717,558</u>

Approved by the Board and authorised for issue on .....

  
Zaha Hadid  
Director

22/1/2007

.....  
P Schumacher  
Director

# ZAHA HADID LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2006

	£	2006 £	£	2005 £
<b>Net cash inflow from operating activities</b>		2,677,732		173,260
<b>Returns on investments and servicing of finance</b>				
Interest received	8,910		2,651	
Interest paid	(665)		(3,936)	
<b>Net cash inflow/(outflow) for returns on investments and servicing of finance</b>		8,245		(1,285)
<b>Taxation</b>		(64,743)		(56,713)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(243,965)		(169,853)	
Receipts from sales of tangible assets	810		-	
<b>Net cash outflow for capital expenditure</b>		(243,155)		(169,853)
<b>Equity dividends paid</b>		(240,000)		-
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		2,138,079		(54,591)
<b>Financing</b>				
Capital element of hire purchase contracts	(13,440)		(14,308)	
<b>Net cash outflow from financing</b>		(13,440)		(14,308)
<b>Increase/(decrease) in cash in the year</b>		2,124,639		(68,899)

# ZAHA HADID LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2006

1	Reconciliation of operating profit to net cash inflow from operating activities	2006	2005
		£	£
	Operating profit	1,225,773	294,914
	Depreciation of tangible assets	124,765	77,641
	Decrease in stocks	-	45,000
	Increase in debtors	(966,599)	(1,891,470)
	Increase in creditors within one year	2,302,753	1,646,696
	Net effect of foreign exchange differences	(8,960)	479
	Net cash inflow from operating activities	2,677,732	173,260

2	Analysis of net funds	1 May 2005	Cash flow	Other non-cash changes	30 April 2006
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	282,186	2,126,860	8,960	2,418,006
	Bank overdrafts	(21,398)	(2,221)	-	(23,619)
		260,788	2,124,639	8,960	2,394,387
	Debt:				
	Finance leases	(13,441)	13,441	-	-
	Net funds	247,347	2,138,080	8,960	2,394,387

3	Reconciliation of net cash flow to movement in net funds	2006	2005
		£	£
	Increase/(decrease) in cash in the year	2,124,639	(68,899)
	Cash outflow from decrease in debt and lease financing	13,441	14,307
	Net effect of foreign exchange differences	8,960	(479)
	Movement in net funds in the year	2,147,040	(55,071)
	Opening net funds	247,347	302,418
	Closing net funds	2,394,387	247,347

# **ZAHA HADID LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2006**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **1.2 Turnover**

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

#### **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 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **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 tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### **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.

# ZAHA HADID LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2006

### 2 Turnover

#### Geographical market

	Turnover 2006 £	2005 £
UK	12	8
Overseas	88	92
	<u>100</u>	<u>100</u>

### 3 Operating profit

	2006 £	2005 £
Operating profit is stated after charging:		
Depreciation of tangible assets	124,765	77,641
Loss on foreign exchange transactions	-	479
Operating lease rentals		
- Plant and machinery	20,626	7,104
Auditors' remuneration	5,000	5,000
and after crediting:		
Profit on foreign exchange transactions	(8,960)	-
	<u>(8,960)</u>	<u>-</u>

### 4 Investment income

	2006 £	2005 £
Bank interest	8,910	2,651
	<u>8,910</u>	<u>2,651</u>

### 5 Interest payable

	2006 £	2005 £
Hire purchase interest	553	2,188
On overdue tax	112	1,748
	<u>665</u>	<u>3,936</u>

# ZAHA HADID LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2006

6	Taxation	2006	2005
		£	£
	<b>Domestic current year tax</b>		
	U.K. corporation tax	370,761	56,000
	Adjustment for prior years	(496)	(87)
		<u>370,265</u>	<u>55,913</u>
	<b>Foreign corporation tax</b>		
	Foreign corporation tax	9,239	-
		<u>9,239</u>	<u>-</u>
	<b>Current tax charge</b>	<u>379,504</u>	<u>55,913</u>
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	5,000	4,500
		<u>5,000</u>	<u>4,500</u>
		<u>384,504</u>	<u>60,413</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>1,234,018</u>	<u>293,629</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 19.00%)	<u>370,205</u>	<u>55,790</u>
	<b>Effects of:</b>		
	Non deductible expenses	12,996	12,976
	Depreciation add back	37,430	14,752
	Capital allowances	(38,243)	(17,406)
	Foreign tax adjustments	9,239	-
	Adjustments to previous periods	(496)	-
	Other tax adjustments	(11,627)	(10,199)
		<u>9,299</u>	<u>123</u>
	<b>Current tax charge</b>	<u>379,504</u>	<u>55,913</u>
7	Dividends	2006	2005
		£	£
	Ordinary interim paid	<u>240,000</u>	<u>-</u>

# ZAHA HADID LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2006

### 8 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 May 2005	441,587	25,651	467,238
Additions	243,965	-	243,965
Disposals	(1,080)	-	(1,080)
At 30 April 2006	684,472	25,651	710,123
<b>Depreciation</b>			
At 1 May 2005	275,880	21,392	297,272
On disposals	(270)	-	(270)
Charge for the year	120,506	4,259	124,765
At 30 April 2006	396,116	25,651	421,767
<b>Net book value</b>			
At 30 April 2006	288,356	-	288,356
At 30 April 2005	165,707	4,259	169,966

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

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Net book values</b>			
At 30 April 2006	-	-	-
At 30 April 2005	4,875	4,255	9,130
<b>Depreciation charge for the year</b>			
At 30 April 2006	-	-	-
At 30 April 2005	4,875	4,255	9,130

# ZAHA HADID LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2006

9 Debtors	2006 £	2005 £
Trade debtors	3,588,499	1,778,237
Other debtors	33,111	588,719
Prepayments and accrued income	320,721	608,776
	<u>3,942,331</u>	<u>2,975,732</u>

10 Creditors: amounts falling due within one year	2006 £	2005 £
Bank loans and overdrafts	23,619	21,398
Net obligations under hire purchase contracts	-	12,851
Trade creditors	962,591	698,229
Corporation tax	370,761	56,000
Other taxes and social security costs	316,071	364,322
Directors' current accounts	2,770	-
Other creditors	21,238	91,253
Accruals and deferred income	3,608,070	1,454,183
	<u>5,305,120</u>	<u>2,698,236</u>

The bank overdraft is secured by a mortgage debenture.

11 Creditors: amounts falling due after more than one year	2006 £	2005 £
Net obligations under hire purchase contracts	-	590
Net obligations under hire purchase contracts Repayable within one year	-	13,994
Finance charges and interest allocated to future accounting periods	-	(553)
Included in liabilities falling due within one year	-	13,441
	-	(12,851)
	-	590



# ZAHA HADID LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2006

### 12 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 May 2005	11,500
Profit and loss account	5,000
	<u>16,500</u>
Balance at 30 April 2006	<u>16,500</u>

The deferred tax liability is made up as follows:

	2006 £	2005 £
Accelerated capital allowances	<u>16,500</u>	<u>11,500</u>

### 13 Share capital

	2006 £	2005 £
Authorised 1,000 Ordinary of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid 2 Ordinary of £1 each	<u>2</u>	<u>2</u>

### 14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 May 2005	717,557
Profit for the year	849,514
Dividends paid	(240,000)
	<u>1,327,071</u>
Balance at 30 April 2006	<u>1,327,071</u>

# ZAHA HADID LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2006

<b>15 Reconciliation of movements in shareholders' funds</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	849,514	233,216
Dividends	(240,000)	-
Net addition to shareholders' funds	609,514	233,216
Opening shareholders' funds	717,558	484,342
Closing shareholders' funds	1,327,073	717,558

## **16 Financial commitments**

At 30 April 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2007:

	<b>Land and buildings</b>
	<b>2006</b>
	<b>£</b>
Operating leases which expire:	
Within one year	90,500

<b>17 Directors' emoluments</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Emoluments for qualifying services	530,849	55,000
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	330,849	55,000

# ZAHA HADID LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2006

### 18 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2006 Number	2005 Number
Directors	2	2
Production	94	62
Administration	9	7
	<u>105</u>	<u>71</u>

#### Employment costs

	2006 £	2005 £
Wages and salaries	2,947,579	1,672,569
Social security costs	310,002	182,221
	<u>3,257,581</u>	<u>1,854,790</u>

### 19 Control

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