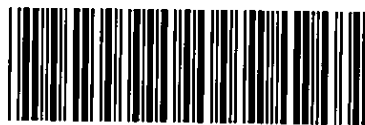


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ZAHA HADID LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2008

Lee Associates Audit Limited
5 Southampton Place
London
WC1A 2DA

FRIDAY



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LD8

27/02/2009

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COMPANIES HOUSE

ZAHA HADID LIMITED

COMPANY INFORMATION

Directors	Z Hadid P Schumacher
Secretary	Woody K T Yao
Company number	3749443
Registered office	5 Southampton Place London WC1A 2DA
Auditors	Lee Associates Audit 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 2008

The directors present their report and financial statements for the year ended 30 April 2008.

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 showed pre tax profits of £5,038,969 (2007 - £1,028,780) which increase has been achieved by an increase in turnover of £12,665,243, whilst maintaining strict control over overhead costs. The directors note that gross margins have remained consistent year on year at 29.5% (2007 - 29.38%)

The directors note that it is impractical to quantify the creative design produced by the company in terms of key performance indicators.

Results and dividends

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

An interim ordinary dividend was paid amounting to £550,000. 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 this progress will be maintained for the foreseeable future.

Directors

The following directors have held office since 1 May 2007:

Z Hadid

P Schumacher

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 2008

Directors' responsibilities

The directors are responsible for preparing the 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 that 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 auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



.....
Z Hadid
Director
27/2/09

ZAHA HADID LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ZAHA HADID LIMITED

We have audited the financial statements of Zaha Hadid Limited for the year ended 30 April 2008 set out on pages 5 to 15. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we 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.

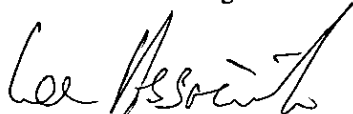
ZAHA HADID LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF ZAHA HADID LIMITED

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 2008 and of its profit for the year then ended;
- the financial statements 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 Limited

27/2/09

Chartered Accountants

Registered Auditor

5 Southampton Place
London
WC1A 2DA

ZAHA HADID LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2008

	Notes	2008 £	2007 £
Turnover	2	26,230,755	13,565,512
Cost of sales		(18,492,395)	(9,579,412)
Gross profit		7,738,360	3,986,100
Administrative expenses		(2,747,137)	(2,983,653)
Operating profit	3	4,991,223	1,002,447
Other interest receivable and similar income	4	47,746	26,333
Profit on ordinary activities before taxation		5,038,969	1,028,780
Tax on profit on ordinary activities	5	(1,400,801)	(336,590)
Profit for the year	12	3,638,168	692,190

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 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	7		511,125		401,484
Current assets					
Debtors	8	11,847,299		9,246,074	
Cash at bank and in hand		9,533,899		2,353,496	
		<u>21,381,198</u>		<u>11,599,570</u>	
Creditors: amounts falling due within one year	9	<u>(17,209,892)</u>		<u>(10,385,891)</u>	
Net current assets			<u>4,171,306</u>		<u>1,213,679</u>
Total assets less current liabilities			<u>4,682,431</u>		<u>1,615,163</u>
Provisions for liabilities	10		-		(20,900)
			<u>4,682,431</u>		<u>1,594,263</u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account	12		4,682,429		1,594,261
Shareholders' funds	13		<u>4,682,431</u>		<u>1,594,263</u>

Approved by the Board and authorised for issue on 27/2/09


Zaha Hadid
Director

ZAHA HADID LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2008

	2008	2007
	£	£
Net cash inflow from operating activities	7,597,961	1,203,846
Returns on investments and servicing of finance		
Interest received	47,746	26,333
Net cash inflow for returns on investments and servicing of finance	47,746	26,333
Taxation	(334,896)	(372,393)
Capital expenditure		
Payments to acquire tangible assets	(298,932)	(316,229)
Net cash outflow for capital expenditure	(298,932)	(316,229)
Equity dividends paid	(550,000)	(425,000)
Net cash inflow before management of liquid resources and financing	6,461,879	116,557
Increase in cash in the year	6,461,879	116,557

ZAHA HADID LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2008

1 Reconciliation of operating profit to net cash inflow from operating activities	2008 £	2007 £
Operating profit	4,991,223	1,002,447
Depreciation of tangible assets	189,291	203,101
Increase in debtors	(2,590,425)	(5,303,743)
Increase in creditors within one year	5,680,440	5,127,595
Net effect of foreign exchange differences	(672,568)	174,446
Net cash inflow from operating activities	7,597,961	1,203,846

2 Analysis of net funds	1 May 2007 £	Cash flow £	Other non-cash changes £	30 April 2008 £
Net cash:				
Cash at bank and in hand	2,353,496	6,507,835	672,568	9,533,899
Bank overdrafts	(16,998)	(45,956)	-	(62,954)
	2,336,498	6,461,879	672,568	9,470,945
Net funds	2,336,498	6,461,879	672,568	9,470,945

3 Reconciliation of net cash flow to movement in net funds	2008 £	2007 £
Increase in cash in the year	6,461,879	116,557
Net effect of foreign exchange differences	672,568	(174,446)
Movement in net funds in the year	7,134,447	(57,889)
Opening net funds	2,336,498	2,394,387
Closing net funds	9,470,945	2,336,498

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2008

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

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.

2 Turnover

Geographical market

	Turnover 2008	2007
	£	£
UK	(7,058,185)	2,170,482
Overseas	(19,172,570)	11,395,030
	<u>(26,230,755)</u>	<u>13,565,512</u>

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2008

3	Operating profit	2008	2007
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	189,291	203,101
	Loss on foreign exchange transactions	-	174,446
	Operating lease rentals		
	- Plant and machinery	8,797	7,613
	Auditors' remuneration (including expenses and benefits in kind)	20,000	6,000
	and after crediting:		
	Profit on foreign exchange transactions	(672,911)	-
		<u> </u>	<u> </u>
4	Investment income	2008	2007
		£	£
	Bank interest	47,746	26,333
		<u> </u>	<u> </u>
		<u>47,746</u>	<u>26,333</u>

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2008

5	Taxation	2008	2007
		£	£
	Domestic current year tax		
	U.K. corporation tax	1,459,000	336,000
	Adjustment for prior years	(26,499)	(3,810)
		<u>1,432,501</u>	<u>332,190</u>
	Current tax charge		
	Deferred tax		
	Deferred tax charge/credit current year	(31,700)	4,400
		<u>1,400,801</u>	<u>336,590</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>5,038,969</u>	<u>1,028,780</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2007 - 30.00%)	<u>1,511,691</u>	<u>308,634</u>
	Effects of:		
	Non deductible expenses	1,173	7
	Depreciation add back	56,787	60,930
	Capital allowances	(72,109)	(55,446)
	Adjustments to previous periods	(26,499)	(3,810)
	Other tax adjustments	(38,542)	21,875
		<u>(79,190)</u>	<u>23,556</u>
	Current tax charge	<u>1,432,501</u>	<u>332,190</u>
6	Dividends	2008	2007
		£	£
	Ordinary interim paid	<u>550,000</u>	<u>425,000</u>

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2008

7 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 May 2007	790,974	25,651	816,625
Additions	298,931	-	298,931
Disposals	(62,007)	-	(62,007)
At 30 April 2008	1,027,898	25,651	1,053,549
Depreciation			
At 1 May 2007	389,490	25,651	415,141
On disposals	(62,007)	-	(62,007)
Charge for the year	189,290	-	189,290
At 30 April 2008	516,773	25,651	542,424
Net book value			
At 30 April 2008	511,125	-	511,125
At 30 April 2007	401,484	-	401,484

8 Debtors

	2008 £	2007 £
Trade debtors	10,635,662	8,120,267
Other debtors	52,559	175,524
Prepayments and accrued income	1,148,278	950,283
Deferred tax asset (see note 10)	10,800	-
	11,847,299	9,246,074

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2008

9 Creditors: amounts falling due within one year	2008 £	2007 £
Bank loans and overdrafts	62,954	16,998
Trade creditors	4,254,171	2,567,497
Corporation tax	1,428,163	330,558
Other taxes and social security costs	320,985	158,595
Directors' current accounts	5,839	1,384
Other creditors	-	74,807
Accruals and deferred income	11,137,780	7,236,052
	<u>17,209,892</u>	<u>10,385,891</u>

The bank overdraft is secured by a mortgage debenture.

10 Provisions for liabilities and charges

The deferred tax asset (included in debtors, note 8) is made up as follows:

	2008 £	2007 £
Balance at 1 May 2007	20,900	
Profit and loss account	(31,700)	
Balance at 30 April 2008	<u>(10,800)</u>	
	2008 £	2007 £
Decelerated capital allowances	(10,800)	13,500
Other timing differences	-	7,400
	<u>(10,800)</u>	<u>20,900</u>

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2008

11 Share capital	2008 £	2007 £
Authorised		
1,000 Ordinary of £1 each	1,000	1,000
Allotted, called up and fully paid		
2 Ordinary of £1 each	2	2

12 Statement of movements on profit and loss account	Profit and loss account £
Balance at 1 May 2007	1,594,261
Profit for the year	3,638,168
Dividends paid	(550,000)
Balance at 30 April 2008	4,682,429

13 Reconciliation of movements in shareholders' funds	2008 £	2007 £
Profit for the financial year	3,638,168	692,190
Dividends	(550,000)	(425,000)
Net addition to shareholders' funds	3,088,168	267,190
Opening shareholders' funds	1,594,263	1,327,073
Closing shareholders' funds	4,682,431	1,594,263

14 Financial commitments

At 30 April 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2009:

	Land and buildings 2008 £	2007 £
Operating leases which expire:		
Between two and five years	268,387	268,387

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2008

15 Directors' emoluments	2008	2007
	£	£
Emoluments for qualifying services	373,248	565,744
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	187,597	300,000
16 Employees		
Number of employees		
The average monthly number of employees (including directors) during the year was:		
	2008	2007
	Number	Number
Directors	2	2
Production	221	135
Administration	18	19
	241	156
Employment costs	2008	2007
	£	£
Wages and salaries	7,031,407	4,496,389
Social security costs	846,157	475,246
	7,877,564	4,971,635

17 Control

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