

Company Registration No. 03749443 (England and Wales)

**ZAHA HADID LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2011**

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# **ZAHA HADID LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Z Hadid P Schumacher N Calvert
<b>Secretary</b>	W K T Yao
<b>Company number</b>	03749443
<b>Registered office</b>	New Derwent House 69 - 73 Theobalds Road London WC1X 8TA
<b>Auditors</b>	HW Lee Associates LLP New Derwent House 69 - 73 Theobalds Road London WC1X 8TA
<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 2011**

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The directors present their report and financial statements for the year ended 30 April 2011

### **Principal activities and review of the business**

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

Despite the impact of the global economic downturn being felt heavily within the architectural industry during 2011, Zaha Hadid Limited (ZHL) has achieved another profitable year. Turnover is down by 3.5% to £43.1M from £44.6M in 2010. Gross profit has decreased slightly by £0.8M from last year (£9.2M vs £10.0M), as a result of this decrease in turnover. During the year the company had increased its staff numbers to deal with additional work in the Middle East and Asia, this meant that the average number of employees rose by 16% to 357 from 307. As detailed below due to events in North Africa and the Middle East later in the year the company had to undertake a redundancy program due to a number of projects being stopped.

Throughout the year, ZHL has maintained its position at the forefront of the industry with the completion of major projects around the world that highlight the critical success and public admiration of the work.

In February 2011, ZHL celebrated its completed Guangzhou Opera House design. The building was very well-received within China and also internationally with the Guardian reporting that "the world's most spectacular opera house has just opened in China".

This success has translated into further new projects across China and South East Asia. ZHL is well positioned to provide its clients in the region the highest standards of design and innovation.

2011 was a landmark year for the practice within the UK. The Riverside Museum in Glasgow opened in June to record attendances. In only 6 months, the Riverside welcomed over a million visitors, far exceeding projections and placing the museum within the top ten most visited in the UK. The New York Times underlined this success by listing Glasgow at number 12 in its worldwide list of cities to visit in 2012 largely because of its "stunning" new Riverside Museum.

A year ahead of the London 2012 Olympic Games, Zaha Hadid joined International Olympic Committee chairman Jacques Rogge and Mayor Boris Johnson in July 2011 to celebrate the completion of the London Aquatics Centre. Described by the Telegraph as 'London 2012's jaw-dropping centrepiece', the Aquatics Centre was also praised by Rogge who said "Everything stands out: the harmony, the quality, the innovation. It's a masterpiece." This international acclaim has already attracted global clients to the practice, while the 2012 Olympic Games will further highlight ZHL's work to a worldwide audience.

ZHL's ongoing research and collaboration with industry leaders ensures the practice remains at the vanguard of technological innovations. Working with advanced design software, materials and construction methods, ZHL operates with concepts, logics and methods to develop buildings for its clients that engage, integrate and adapt to the complexities of 21st Century corporate and public institutions.

In October 2011 ZHL was awarded one of architecture's highest accolades: the Royal Institute of British Architects' Stirling Prize. ZHL's design for the MAXXI National Museum of 21st Century Arts in Rome won the prize in 2010 and the Evelyn Grace Academy in London was awarded the Stirling for 2011, the only school to ever win the award. In her summation, RIBA president Angela Brady described the academy as 'an exceptional example of what can be achieved when we invest carefully in a well-designed new school building. The result - a highly imaginative, exciting Academy is what every school should and could be. Evelyn Grace Academy is a very worthy winner of architecture's most prestigious award.'

# **ZAHA HADID LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2011**

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ZHL continually reviews its resourcing in line with projected requirements. Unforeseen events across North Africa and the Middle East, where the practice has several large projects at various stages of development, were factored into ZHL's ongoing 12-month forecasts of work on existing and future projects. Following a period of consultation, ZHL confirmed a number of staff redundancies in the spring of 2011. Re-allocating staff to other projects and success in securing new work enabled the practice to retain significantly more staff than anticipated at the beginning of the consultation period.

While some projects in the Middle East remain under review, the new Sheikh Zayed Bridge in Abu Dhabi demonstrates ZHL's commitment to the region with over two decades of experience working throughout the Middle East. Opened by UAE President, H E Sheikh Khalifa, the bridge serves as the gateway to the city and is an integral element of Abu Dhabi's 30-year masterplan. Since its completion, the design has been honoured internationally and we are very encouraged to find clients throughout the Middle East from both the private and public sectors continuing to approach the practice for ambitious new projects.

ZHL maintains its focus on the future by delivering current projects and securing new business. The practice will complete seven seminal projects around the world in the coming year and we look forward to further demonstrating how ZHL's work provides clients with innovative and inspirational corporate, cultural and residential buildings.

The company and its management are faced with the following principal risks and uncertainties:

Recruiting and retaining staff of the appropriate experience and calibre

The global market for construction projects

Competition within the sector both in the UK and internationally

Financial risks as set out below

The directors note that it is impractical to quantify the creative design produced by the company in terms of key performance indicators, other than those given earlier.

### **Results and dividends**

The results for the year are set out on page 7.

An interim ordinary dividend was paid amounting to £500,000. The directors do not recommend payment of a final dividend.

### **Future developments**

Despite the continued uncertain and difficult global economic situation, the directors are pleased with the company's progress on existing projects and its continuing ability to win new contracts. They expect that this success will be maintained for the foreseeable future.

### **Directors**

The following directors have held office since 1 May 2010:

Z Hadid

P Schumacher

N Calvert

### **Employee involvement**

The company's policy is to consult and discuss with employees matters likely to affect employees' interests using appropriate content and methods of communication.

# **ZAHA HADID LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2011**

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### **Disabled persons**

The company has an equal opportunities policy to ensure that it recruits and retains the best applicants. Once employed, a career plan is developed so as to ensure suitable opportunities for all employees including those with a disability. Arrangements are made, wherever possible, to make reasonable adjustments as appropriate for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

### **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.

### **Financial instruments**

#### Treasury operations and financial instruments

The company's operations expose it to a variety of financial risks that include liquidity risk, foreign currency risk and credit risk.

Treasury policies are designed to manage the main financial risks faced by the company in relation to funding and investment. These policies ensure that any borrowings and investment are with high quality counterparties, are limited to specific instruments, the exposure to any one counterparty or type of instrument is controlled, and the company's exposure to exchange rate movements is monitored. No transactions of a purely speculative nature are undertaken. The directors monitor the company's financing through regular review of trading performance and authorise all significant transactions.

#### Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the businesses.

#### Foreign currency risk

The company operates internationally and therefore has a number of contracts denominated in non-sterling currencies. The company manages its exposure to foreign exchange movements by converting significant foreign currency cash balances into sterling as soon as practicable. The company does not hold any financial instruments designed to manage fluctuations in foreign exchange rates.

#### Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

### **Auditors**

In accordance with the company's articles, a resolution proposing that HW Lee Associates LLP be reappointed as auditors of the company will be put at a General Meeting.

# **ZAHA HADID LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2011**

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### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and 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). 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 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.

### **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

30/1/12

# **ZAHA HADID LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

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

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We have audited the financial statements of Zaha Hadid Limited for the year ended 30 April 2011 set out on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



# **ZAHA HADID LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

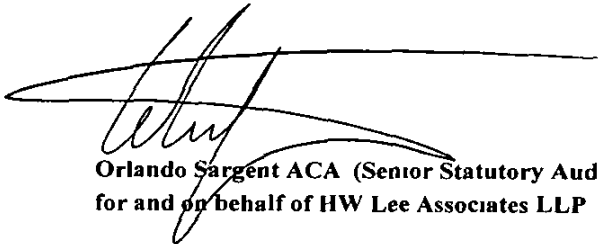
### **TO THE MEMBERS OF ZAHA HADID LIMITED**

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#### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



**Orlando Sargent ACA (Senior Statutory Auditor)**  
for and on behalf of HW Lee Associates LLP

**Chartered Accountants**  
**Statutory Auditor**

31/1/12

New Derwent House  
69 - 73 Theobalds Road  
London  
WC1X 8TA

# **ZAHA HADID LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 APRIL 2011**

	Notes	2011 £	2010 £
<b>Turnover</b>	<b>2</b>	43,052,821	44,629,620
Cost of sales		(33,844,641)	(34,651,179)
<b>Gross profit</b>		9,208,180	9,978,441
Administrative expenses		(7,508,655)	(5,912,647)
<b>Operating profit</b>	<b>3</b>	1,699,525	4,065,794
Other interest receivable and similar income	<b>4</b>	29,359	27,624
<b>Profit on ordinary activities before taxation</b>		1,728,884	4,093,418
Tax on profit on ordinary activities	<b>5</b>	(547,487)	(1,149,296)
<b>Profit for the year</b>	<b>12</b>	1,181,397	2,944,122

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

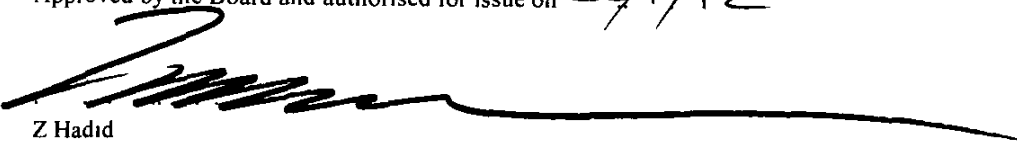
# ZAHA HADID LIMITED

## BALANCE SHEET

AS AT 30 APRIL 2011

	Notes	2011 £	£	2010 £	£
<b>Fixed assets</b>					
Tangible assets	7		850,248		578,116
<b>Current assets</b>					
Debtors	8	16,983,101		12,716,269	
Cash at bank and in hand		4,572,895		11,161,958	
		<u>21,555,996</u>		<u>23,878,227</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(20,012,021)</u>		<u>(22,743,517)</u>	
<b>Net current assets</b>			<u>1,543,975</u>		<u>1,134,710</u>
<b>Total assets less current liabilities</b>			<u>2,394,223</u>		<u>1,712,826</u>
<b>Capital and reserves</b>					
Called up share capital	11		2		2
Profit and loss account	12		2,394,221		1,712,824
<b>Shareholders' funds</b>	13		<u>2,394,223</u>		<u>1,712,826</u>

Approved by the Board and authorised for issue on 30/1/12

  
Z Hadid  
Director

Company Registration No. 03749443

# **ZAHA HADID LIMITED**

## **CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 APRIL 2011**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(3,590,424)</b>	<b>10,318,509</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	29,359	27,624
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>29,359</b>	<b>27,624</b>
<b>Taxation</b>	<b>(1,497,775)</b>	<b>(441,799)</b>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(702,994)	(569,251)
<b>Net cash outflow for capital expenditure</b>	<b>(702,994)</b>	<b>(569,251)</b>
<b>Equity dividends paid</b>	<b>(500,000)</b>	<b>(6,500,000)</b>
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>	<b>(6,261,834)</b>	<b>2,835,083</b>
<b>(Decrease)/increase in cash in the year</b>	<b>(6,261,834)</b>	<b>2,835,083</b>

# ZAHA HADID LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2011

<b>1 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Operating profit	1,699,525	4,065,794
Depreciation of tangible assets	430,862	333,860
(Increase)/decrease in debtors	(4,164,319)	1,884,591
(Decrease)/increase in creditors within one year	(1,881,889)	4,047,573
Net effect of foreign exchange differences	325,397	(13,309)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(3,590,424)</b>	<b>10,318,509</b>

<b>2 Analysis of net funds</b>	<b>1 May 2010</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>30 April 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Net cash:				
Cash at bank and in hand	11,161,958	(6,263,666)	(325,397)	4,572,895
Bank overdrafts	(1,832)	1,832	-	-
<b>Net funds</b>	<b>11,160,126</b>	<b>(6,261,834)</b>	<b>(325,397)</b>	<b>4,572,895</b>

<b>3 Reconciliation of net cash flow to movement in net funds</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
(Decrease)/increase in cash in the year	(6,261,834)	2,835,083
Net effect of foreign exchange differences	(325,397)	13,309
<b>Movement in net funds in the year</b>	<b>(6,587,231)</b>	<b>2,848,392</b>
Opening net funds	11,160,126	8,311,734
<b>Closing net funds</b>	<b>4,572,895</b>	<b>11,160,126</b>

# **ZAHA HADID LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2011**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently

#### **1.3 Turnover**

Turnover represents amounts receivable for architectural and design services net of VAT

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

#### **1.4 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

#### **1.5 Leasing**

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

#### **1.6 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

#### **1.7 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. Deferred tax assets are recognised to the extent that they are considered to be recoverable. The deferred tax balance has not been discounted

#### **1.8 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 2011**

### **2 Turnover**

The total turnover of the company for the year has been derived from its principal activity

#### **Segmental analysis by geographical area**

The analysis by geographical area of the company's turnover is set out as below

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Geographical segment</b>		
UK	5,628,173	7,770,144
Europe	9,942,917	10,322,572
Middle East	20,561,607	21,181,772
Asia Pacific	6,073,452	4,289,849
Rest of the World	846,672	1,065,283
	<u>43,052,821</u>	<u>44,629,620</u>

### **3 Operating profit**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Depreciation of tangible assets	430,862	333,860
Loss on foreign exchange transactions	325,397	-
Operating lease rentals	510,447	300,000
and after crediting		
Profit on foreign exchange transactions	-	(13,309)
	<u>-</u>	<u>(13,309)</u>

#### **Auditors' remuneration**

Fees payable to the company's auditor for the audit of the company's annual accounts	36,000	22,750
Consultancy services	115,195	75,237
Accounting services	3,775	13,733
Payroll services	5,360	4,356
Taxation services	16,110	17,568
Company secretarial services	325	959
VAT services	-	582
	<u>176,765</u>	<u>135,185</u>

# ZAHA HADID LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

<b>4</b>	<b>Investment income</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Bank interest	29,359	27,624
		<u>29,359</u>	<u>27,624</u>
<b>5</b>	<b>Taxation</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U K corporation tax	650,000	1,170,300
	Adjustment for prior years	-	196
	<b>Total current tax</b>	<u>650,000</u>	<u>1,170,496</u>
	<b>Deferred tax</b>		
	Deferred tax credit current year	(102,513)	(21,200)
		<u>547,487</u>	<u>1,149,296</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>1,728,884</u>	<u>4,093,418</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2010 - 28.00%)	<u>484,088</u>	<u>1,146,157</u>
	Effects of		
	Non deductible expenses	50,769	2,800
	Depreciation add back	120,641	93,481
	Capital allowances	(106,830)	(72,290)
	Adjustments to previous periods	-	196
	Other tax adjustments	101,332	152
		<u>165,912</u>	<u>24,339</u>
	<b>Current tax charge for the year</b>	<u>650,000</u>	<u>1,170,496</u>
<b>6</b>	<b>Dividends</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Ordinary interim paid	<u>500,000</u>	<u>6,500,000</u>



# ZAHA HADID LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

### 7 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 May 2010	1,749,420	25,651	1,775,071
Additions	646,923	56,071	702,994
At 30 April 2011	2,396,343	81,722	2,478,065
<b>Depreciation</b>			
At 1 May 2010	1,171,304	25,651	1,196,955
Charge for the year	416,844	14,018	430,862
At 30 April 2011	1,588,148	39,669	1,627,817
<b>Net book value</b>			
At 30 April 2011	808,195	42,053	850,248
At 30 April 2010	578,116	-	578,116

### 8 Debtors

	2011 £	2010 £
Trade debtors	8,054,082	6,844,950
Amounts recoverable on long term contracts	3,558,202	1,202,462
Amounts owed by parent and fellow subsidiary undertakings	2,785,490	2,789,250
Directors' current accounts	868,470	765,006
Other debtors	983,971	602,127
Prepayments and accrued income	559,073	441,174
Deferred tax asset (see note 10)	173,813	71,300
	<u>16,983,101</u>	<u>12,716,269</u>

Amounts falling due after more than one year and included in the debtors above are

	2011 £	2010 £
Deferred tax asset	<u>173,813</u>	<u>71,300</u>

# ZAHA HADID LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

<b>9 Creditors: amounts falling due within one year</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	-	1,832
Payments received on account	9,899,274	12,988,549
Trade creditors	4,624,959	5,388,759
Corporation tax	302,948	1,150,723
Other taxes and social security costs	370,431	338,739
Other creditors	79	-
Accruals and deferred income	4,814,330	2,874,915
	<u>20,012,021</u>	<u>22,743,517</u>

The company's overdraft facilities provided by its' bankers are secured by a mortgage debenture over all other assets of the company

## 10 Provisions for liabilities

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

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Balance at 1 May 2010	(71,300)	
Profit and loss account	(102,513)	
Balance at 30 April 2011	<u>(173,813)</u>	
	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Decelerated capital allowances	(79,000)	(71,300)
Other timing differences	(94,813)	-
	<u>(173,813)</u>	<u>(71,300)</u>

<b>11 Share capital</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Allotted, called up and fully paid		
2 Ordinary of £1 each	<u>2</u>	<u>2</u>

# ZAHA HADID LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

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

	Profit and loss account
	£
Balance at 1 May 2010	1,712,824
Profit for the year	1,181,397
Dividends paid	(500,000)
Balance at 30 April 2011	<u>2,394,221</u>

### 13 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	1,181,397	2,944,122
Dividends	(500,000)	(6,500,000)
Net addition to/(depletion in) shareholders' funds	<u>681,397</u>	<u>(3,555,878)</u>
Opening shareholders' funds	1,712,826	5,268,704
Closing shareholders' funds	<u>2,394,223</u>	<u>1,712,826</u>

### 14 Financial commitments

At 30 April 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2012

	Land and buildings 2011 £	2010 £
Operating leases which expire		
Between two and five years	266,317	-
In over five years	300,000	300,000
	<u>566,317</u>	<u>300,000</u>

# ZAHA HADID LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

<b>15 Directors' remuneration</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	30,000	250,324
Sums paid to third parties for directors' services	714,664	2,060,576
	<u>744,664</u>	<u>2,310,900</u>

The sums paid to third parties for directors services are payable to Zaha Hadid (Services) Limited, a related party. It is not possible to attribute this amount to individual directors.

## 16 Employees

### Number of employees

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

	<b>2011</b>	<b>2010</b>
	<b>Number</b>	<b>Number</b>
Directors	3	3
Production	318	272
Administration	36	32
	<u>357</u>	<u>307</u>

### Employment costs

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Wages and salaries	12,016,021	10,070,402
Social security costs	1,259,782	1,106,721
	<u>13,275,803</u>	<u>11,177,123</u>

## 17 Control

The ultimate parent company is Zaha Hadid Holdings Limited, a company registered in England and Wales.

Zaha Hadid Holdings Limited prepares group financial statements and copies can be obtained from Companies House.

The ultimate controlling party is Zaha Hadid.

# ZAHA HADID LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

### 18 Related party relationships and transactions

#### Loans to directors

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Z Hadid - Personal costs paid by the company	-	765,006	853,464	-	(750,000)	868,470
		<u>765,006</u>	<u>853,464</u>	<u>-</u>	<u>(750,000)</u>	<u>868,470</u>

During the year the company paid £524,443 (2010 - £558,191) of personal expenditure and £329,021 (2010 - £206,451) of personal tax liabilities on behalf of Zaha Hadid. The closing balance was repaid within nine months of the year end.

#### Other transactions

Included within debtors at the year end are amounts of £29,081 (2010 - £354,012) owed by Zaha Hadid Design Limited. During the year the company received sales receipts of £1,305 (2010 - £27,504) and made payments of £467,250 (2010 - £562,604) on Zaha Hadid Design Limited's behalf. During the year the company was charged £714,664 (2010 - £2,060,576) by Zaha Hadid (Services) Limited in respect of directors' services.

The above parties are related by virtue of common control exercised by Zaha Hadid.

During the year the company incurred legal fees of some £196,564 (2010 - £123,706), with Calvert Solicitors, a firm of solicitors in which N Calvert is a partner. The balance due to Calvert Solicitors at the year end was £35,072 (2010 - £44,697).

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

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**ZAHA HADID LIMITED**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 30 APRIL 2011**

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# ZAHA HADID LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2011

		2011		2010
	£	£	£	£
<b>Turnover</b>				
Sales		43,052,821		44,629,620
<b>Cost of sales</b>				
Direct costs	20,890,339		22,701,373	
Wages and salaries	11,049,310		8,654,971	
Directors' remuneration	30,000		250,324	
Employer's N I. contributions	1,160,328		983,935	
Sums paid to third parties	714,664		2,060,576	
		(33,844,641)		(34,651,179)
<b>Gross profit</b>	21 39%	9,208,180	22 36%	9,978,441
<b>Administrative expenses</b>		(7,508,655)		(5,912,647)
<b>Operating profit</b>		1,699,525		4,065,794
<b>Other interest receivable and similar income</b>				
Bank interest received		29,359		27,624
<b>Profit before taxation</b>	4 02%	1,728,884	9 17%	4,093,418

# **ZAHA HADID LIMITED**

## **SCHEDULE OF ADMINISTRATIVE EXPENSES**

**FOR THE YEAR ENDED 30 APRIL 2011**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Administrative expenses</b>		
Wages and salaries	936,711	1,165,107
Employer's N I contributions	99,454	122,786
Staff recruitment	63,331	79,501
Rent	510,447	300,000
Rates and storage	429,544	249,885
Insurance	425,671	324,327
Light and heat	66,228	71,541
Cleaning	76,130	52,446
Repairs and maintenance	399,339	346,281
Printing, postage and stationery	296,485	287,037
Advertising	566	138
Telephone	132,063	97,870
Computer running costs	1,849,697	1,524,471
Travelling expenses	415,260	293,450
Entertaining	181,317	-
Legal and professional fees	463,143	333,965
Accountancy	140,765	112,435
Audit fee	36,000	22,750
Bank charges	25,307	43,541
Profit/loss on foreign currency	325,397	(13,309)
Sundry expenses	173,169	122,780
Charitable donations - other	-	500
Subscriptions	25,522	24,465
Books and periodicals	6,247	16,820
Depreciation on fixtures & fittings	416,844	333,860
Depreciation on motor vehicles	14,018	-
	<b>7,508,655</b>	<b>5,912,647</b>