

Company Registration No. 03749443 (England and Wales)

ZAHA HADID LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012



ZAHA HADID LIMITED

COMPANY INFORMATION

Directors	Z Hadid P Schumacher N Calvert
Secretary	W K T Yao
Company number	03749443
Registered office	New Derwent House 69 - 73 Theobalds Road London WC1X 8TA
Auditors	HW Lee Associates LLP New Derwent House 69 - 73 Theobalds Road London WC1X 8TA
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 2012

The directors present their report and financial statements for the year ended 30 April 2012

Principal activities and review of the business

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

Trading conditions have been very challenging for architects in the last financial year but despite the uncertainty over the UK and overseas economy, Zaha Hadid Limited (ZHL) has achieved another profitable year. Turnover is down by 20% to £34M from £43M in 2011, however after excluding the element that is payable to project consultants, turnover has remained consistent at around £23M. Gross profit has increased by £1.4M from last year (£10.6M vs £9.2M). This has been achieved by the cost savings in reducing the staffing levels of the company. The redundancy program that took place during the early part of the year, and the continued monitoring of headcount meant that the average number of employees decreased by 15% to 304 from 357.

Zaha Hadid Limited (ZHL) has enjoyed significant success throughout the period, enabling the practice to maintain its position as a global industry leader.

In February, Zaha Hadid Limited was appointed to design the new CBI Headquarters Building in Baghdad. This project will be the first for Hadid in her country of birth and illustrates the exciting opportunities for ZHL in the development of the region.

Recently completed projects demonstrate ZHL's steadfast commitment to the highest standards of design and innovation in architecture.

In July and August, the London Aquatics Centre welcomed over a million visitors, witnessed ten new world records during the 2012 Olympics, and many more records at the Paralympic Games. Described by the Financial Times as an 'organic, sculptural tour de force, its interior now one of London's most uplifting spaces', the Aquatics Centre was praised by visitors to the Olympic Games. Spectators polled by the University of Westminster overwhelmingly agreed that the Olympic swimming events had been held at the best possible venue, with 80% of spectators feeling the distinctive Aquatics Centre will be seen as a symbol of the hugely successful London Games.

The Riverside Museum in Glasgow celebrated its first anniversary and also welcomed its two millionth visitor. In a city of half a million people, this popularity demonstrates the public's affection for ZHL's work. The Riverside also received critical success, winning the Micheletti Award from the European Museum Academy as Europe's most innovative new museum in the field of technology, labour and social history. New Yorker magazine explained the museum's popularity: 'The Riverside Museum has a boldness that transcends coy nostalgia. This is powerful architecture. Hadid has taken something hard, tough and workaday and made it fluid and inviting.'

As with each of ZHL's completed projects worldwide, the London Aquatics Centre and Riverside Museum highlight the critical success and public admiration of the work. New projects by ZHL have opened in Europe, the USA and across the Far East. These innovative and inspirational buildings underline the success of ZHL's designs, ensuring the practice wins further new work. Indeed, in Europe's current competitive market, ZHL has recently been awarded new projects in France, Germany and Italy by established clients with international reputations for excellence and solid business growth.

ZAHA HADID LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

Opened last year, the Guangzhou Opera House hosts some of the most popular public cultural programmes in China, with the building receiving further recognition and awards. ZHL has built on this success. Over the period, the practice has secured five new projects including major urban developments in key Chinese cities. Hadid first visited China in 1981. With three decades of experience, ZHL is building cultural, civic and commercial projects throughout China. These designs reflect China's long cultural history, but also the country's remarkable future.

Throughout this period, ZHL continues to be a global leader in the research and development of design and construction technologies, while Zaha Hadid's outstanding contribution to the profession was acknowledged. She received the Jane Drew Prize, the Sunday Times included Hadid in their list of the fifty most influential Britons of the past fifty years, and Zaha Hadid was made a Dame Commander of the Order of the British Empire for her services to architecture in the Queen's birthday honours.

Managing its resources in line with clients' requirements and the continued assessment of skills has placed ZHL in a very competitive position. The investment and implementation of new IT and infrastructure has ensured the practice will benefit from its experience in established markets, with further growth expected as the full potential of new markets is realized.

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 £1,750,000. 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 the 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 2011:

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 2012

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 2012

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

3/12/12

ZAHA HADID LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ZAHA HADID LIMITED

We have audited the financial statements of Zaha Hadid Limited for the year ended 30 April 2012 set out on pages 7 to 20. 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 2012 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

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

HW Lee Associates LLP

Sudhir Rawal (Senior Statutory Auditor)
for and on behalf of HW Lee Associates LLP

20.12.12

Chartered Accountants
Statutory Auditor

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

ZAHA HADID LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2012

	Notes	2012 £	2011 £
Turnover	2	34,478,861	43,052,821
Cost of sales		(23,836,461)	(33,844,641)
Gross profit		10,642,400	9,208,180
Administrative expenses		(8,807,160)	(7,508,655)
Operating profit	3	1,835,240	1,699,525
Other interest receivable and similar income	4	12,266	29,359
Profit on ordinary activities before taxation		1,847,506	1,728,884
Tax on profit on ordinary activities	5	(511,513)	(547,487)
Profit for the year	12	1,335,993	1,181,397

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 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	7		626,582		850,248
Current assets					
Debtors	8	15,251,223		16,983,101	
Cash at bank and in hand		2,573,863		4,572,895	
		<u>17,825,086</u>		<u>21,555,996</u>	
Creditors: amounts falling due within one year	9	<u>(16,471,452)</u>		<u>(20,012,021)</u>	
Net current assets			<u>1,353,634</u>		<u>1,543,975</u>
Total assets less current liabilities			<u><u>1,980,216</u></u>		<u><u>2,394,223</u></u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account	12		<u>1,980,214</u>		<u>2,394,221</u>
Shareholders' funds	13		<u><u>1,980,216</u></u>		<u><u>2,394,223</u></u>

ZAHA HADID LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 APRIL 2012

Approved by the Board and authorised for issue on 3/12/12


Z Hadid
Director

Company Registration No. 03749443

ZAHA HADID LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2012

	2012	2011
	£	£
Net cash inflow/(outflow) from operating activities	983,180	(3,590,424)
Returns on investments and servicing of finance		
Interest received	12,266	29,359
Net cash inflow for returns on investments and servicing of finance	12,266	29,359
Taxation	(387,449)	(1,497,775)
Capital expenditure		
Payments to acquire tangible assets	(176,618)	(702,994)
Net cash outflow for capital expenditure	(176,618)	(702,994)
Equity dividends paid	(1,750,000)	(500,000)
Net cash outflow before management of liquid resources and financing	(1,318,621)	(6,261,834)
Decrease in cash in the year	(1,318,621)	(6,261,834)

ZAHA HADID LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2012

1 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2012	2011
	£	£
Operating profit	1,835,240	1,699,525
Depreciation of tangible assets	400,284	430,862
Decrease/(increase) in debtors	1,860,365	(4,164,319)
Decrease in creditors within one year	(3,793,120)	(1,881,889)
Net effect of foreign exchange differences	680,411	325,397
Net cash inflow/(outflow) from operating activities	983,180	(3,590,424)

2 Analysis of net funds	1 May 2011	Cash flow	Other non-cash changes	30 April 2012
	£	£	£	£
Net cash				
Cash at bank and in hand	4,572,895	(1,318,621)	(680,411)	2,573,863
Net funds	4,572,895	(1,318,621)	(680,411)	2,573,863

3 Reconciliation of net cash flow to movement in net funds	2012	2011
	£	£
Decrease in cash in the year	(1,318,621)	(6,261,834)
Net effect of foreign exchange differences	(680,411)	(325,397)
Movement in net funds in the year	(1,999,032)	(6,587,231)
Opening net funds	4,572,895	11,160,126
Closing net funds	2,573,863	4,572,895

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2012

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

1.9 Employer Financed Retirement Benefit Schemes (EFRBS)

During the year the Company established an employer financed retirement benefit scheme for the benefit of its officers, employees and their wider families, The Zaha Hadid Limited 2011 EFRBS ("the Scheme")

In accordance with UITF Abstract 32 "Employee Benefit Trusts and other intermediate payment arrangements", the Company does not include the assets and liabilities of the Scheme on its balance sheet to the extent that it considers that it will not retain any future economic benefit from the assets of the Scheme and will not have control of the rights or other access to those future economic benefits

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2012

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

	2012 £	2011 £
Geographical segment		
UK	4,057,108	5,628,173
Europe	9,123,417	9,942,917
Middle East	7,729,887	20,561,607
Asia Pacific	13,076,745	6,073,452
Rest of the World	491,704	846,672
	<u>34,478,861</u>	<u>43,052,821</u>

3 Operating profit

	2012 £	2011 £
Operating profit is stated after charging		
Depreciation of tangible assets	400,284	430,862
Employer Financed Retirement Benefit Scheme Contribution	1,000,200	-
Loss on foreign exchange transactions	680,411	325,397
Operating lease rentals	628,167	510,447
	<u></u>	<u></u>

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts

	45,000	36,000
Consultancy services	199,293	115,195
Accounting services	11,170	3,775
Payroll services	4,143	5,360
Taxation services	22,331	16,110
Company secretarial services	275	325
	<u>282,212</u>	<u>176,765</u>

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

4	Investment income	2012	2011
		£	£
	Bank interest	12,266	29,359
		<u>12,266</u>	<u>29,359</u>
		<u><u>12,266</u></u>	<u><u>29,359</u></u>
5	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	640,000	650,000
		<u>640,000</u>	<u>650,000</u>
	Total current tax	640,000	650,000
	Deferred tax		
	Deferred tax credit current year	(128,487)	(102,513)
		<u>(128,487)</u>	<u>(102,513)</u>
		<u><u>511,513</u></u>	<u><u>547,487</u></u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,847,506	1,728,884
		<u>1,847,506</u>	<u>1,728,884</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2011 - 28.00%)	480,352	484,088
		<u>480,352</u>	<u>484,088</u>
	Effects of		
	Non deductible expenses	10,048	50,769
	Depreciation add back	104,074	120,641
	Capital allowances	(67,889)	(106,830)
	Other tax adjustments	113,415	101,332
		<u>159,648</u>	<u>165,912</u>
	Current tax charge for the year	640,000	650,000
		<u><u>640,000</u></u>	<u><u>650,000</u></u>
6	Dividends	2012	2011
		£	£
	Ordinary interim paid	1,750,000	500,000
		<u>1,750,000</u>	<u>500,000</u>

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

7 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 May 2011	2,396,343	81,722	2,478,065
Additions	176,619	-	176,619
Disposals	(584,501)	-	(584,501)
At 30 April 2012	1,988,461	81,722	2,070,183
Depreciation			
At 1 May 2011	1,588,148	39,669	1,627,817
On disposals	(584,501)	-	(584,501)
Charge for the year	386,267	14,018	400,285
At 30 April 2012	1,389,914	53,687	1,443,601
Net book value			
At 30 April 2012	598,547	28,035	626,582
At 30 April 2011	808,195	42,053	850,248

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2012

8 Debtors	2012	2011
	£	£
Trade debtors	10,240,231	8,054,082
Amounts recoverable on long term contracts	1,865,298	3,558,202
Amounts owed by parent and fellow subsidiary undertakings	1,263,276	2,785,490
Directors' current accounts	-	868,470
Other debtors	873,693	983,971
Prepayments and accrued income	706,425	559,073
Deferred tax asset (see note 10)	302,300	173,813
	<u>15,251,223</u>	<u>16,983,101</u>

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

	2012	2011
	£	£
Deferred tax asset	<u>302,300</u>	<u>173,813</u>

9 Creditors: amounts falling due within one year	2012	2011
	£	£
Payments received on account	6,630,516	9,899,274
Trade creditors	4,554,314	4,624,959
Corporation tax	555,499	302,948
Other taxes and social security costs	340,217	370,431
Directors' current accounts	12,876	-
Other creditors	5,561	79
Accruals and deferred income	4,372,469	4,814,330
	<u>16,471,452</u>	<u>20,012,021</u>

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

10 Provisions for liabilities

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

	2012 £
Balance at 1 May 2011	(173,813)
Profit and loss account	(128,487)
	<hr/>
Balance at 30 April 2012	(302,300)
	<hr/> <hr/>

	2012 £	2011 £
Decelerated capital allowances	(106,300)	(79,000)
Other timing differences	(196,000)	(94,813)
	<hr/>	<hr/>
	(302,300)	(173,813)
	<hr/> <hr/>	<hr/> <hr/>

11 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
2 Ordinary of £1 each	2	2
	<hr/> <hr/>	<hr/> <hr/>

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 May 2011	2,394,221
Profit for the year	1,335,993
Dividends paid	(1,750,000)
	<hr/>
Balance at 30 April 2012	1,980,214
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ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

13 Reconciliation of movements in shareholders' funds	2012	2011
	£	£
Profit for the financial year	1,335,993	1,181,397
Dividends	(1,750,000)	(500,000)
Net (depletion in)/addition to shareholders' funds	(414,007)	681,397
Opening shareholders' funds	2,394,223	1,712,826
Closing shareholders funds	1,980,216	2,394,223

14 Financial commitments

At 30 April 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2013

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Operating leases which expire				
Between two and five years	266,317	266,317	183,878	-
In over five years	300,000	300,000	-	-
	566,317	566,317	183,878	-

15 Directors' remuneration	2012	2011
	£	£
Remuneration for qualifying services	120,000	30,000
Sums paid to third parties for directors' services	1,026,992	714,664
	1,146,992	744,664

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.

During the year the Company, in order to motivate and incentivise its officers and employees, established an employer financed retirement benefit scheme for the benefit of the Company's officers, employees and their wider families, The Zaha Hadid Limited 2011 EFRBS ("the Scheme"). The company made contributions of £1,000,200 (2011-£nil) in total under the Scheme, of which £990,050 (2011-£nil) has not been earmarked. The value created in the Scheme is held on discretionary terms. The contributions to this scheme are not considered to be Directors Remuneration.

ZAHA HADID LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

16 Employees

Number of employees

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

	2012 Number	2011 Number
Directors	3	3
Production	265	318
Administration	36	36
	<u>304</u>	<u>357</u>

Employment costs

	2012 £	2011 £
Wages and salaries	10,900,701	12,016,021
Social security costs	1,106,853	1,259,782
	<u>12,007,554</u>	<u>13,275,803</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 2012

18 Related party relationships and transactions

Loans to directors

Description	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Zaha Hadid	868,470	618,654	-	(1,500,000)	(12,876)
	<u>868,470</u>	<u>618,654</u>	<u>-</u>	<u>(1,500,000)</u>	<u>(12,876)</u>

During the year the company paid £575,118 (2011 - £524,443) of personal expenditure and £43,536 (2011 - £329,021) of personal tax liabilities on behalf of Zaha Hadid

Other transactions

Included within debtors at the year end are amounts of £263,312 (2011 - £29,081) owed by Zaha Hadid Design Limited. During the year the company received sales receipts of £Nil (2011 - £1,305) and made payments of £462,544 (2011 - £467,250) on Zaha Hadid Design Limited's behalf. During the year the company was charged £1,026,992 (2011 - £714,664) 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 £192,226 (2011 - £196,564), 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 £6,059 (2011 - £35,072).

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.