

RICHARD ROGERS AND PARTNERS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2003

*LACA Limited
Chartered Accountants
5 Southampton Place
London
WC1A 2DA*



RICHARD ROGERS AND PARTNERS LIMITED

DIRECTORS AND ADVISERS

Directors	Lord R G Rogers M I P Davies L Abbott L Grut A Kalsi G K Stirk I Harbour A Morris R T Paul M Darbon
Secretary	M White
Company number	1698321
Registered office	Thames Wharf Studios Rainville Road London W6 9HA
Registered auditors	LACA Limited 5 Southampton Place London WC1A 2DA
Business address	Thames Wharf Studios Rainville Road London W6 9HA
Bankers	Lloyds TSB Bank Plc Pall Mall St James 8-10 Waterloo Place London SW1Y 4BE
Solicitors	Jones Day 21 Tudor Street London EC4Y 0DJ

RICHARD ROGERS AND PARTNERS LIMITED

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RICHARD ROGERS AND PARTNERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2003

The directors present their report and financial statements for the year ended 30 June 2003.

Directors

The following directors have held office since 1 July 2002:

Lord R G Rogers	
J M Young	(Resigned 30 June 2004)
M L S Goldschmied	(Resigned 30 June 2004)
M J P Davies	
L Abbott	
L Grut	
A Kalsi	
G K Stirk	
I Harbour	
A Morris	
R T Paul	
M Darbon	

Principal activities and review of the business

The principal activity of the company continued to be that of a holding company. The principal activity of the group was that of architectural and design consultants.

The directors are satisfied with the progress of the group in the year under review.

The directors consider that the group will continue to trade profitably for the foreseeable future.

Results and dividends

The consolidated profit and loss account for the year is set out on page 5.

The directors do not recommend payment of an ordinary dividend.

The directors recommend payment of a preference dividend amounting to £158,739.

Market value of land and buildings

In the opinion of the directors the market value of land and buildings exceeds the current net book value.

RICHARD ROGERS AND PARTNERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2003

Directors' interests

The directors' interests in the shares of the company and other group companies were as stated below:

Richard Rogers and Partners Limited	£1 Ordinary shares	
	30 June 2003	1 July 2002
Lord R G Rogers	1	1
J M Young (Resigned 30 June 2004)	1	1
M L S Goldschmied	1	1
M J P Davies	1	1
L Abbott	1	1
G K Stirk	1	1
I Harbour	1	1
A Morris	1	1

Except as disclosed above, no director held any beneficial interest in the company or its subsidiary undertakings.

On 14 July 2004, J M Young transferred his one ordinary share to Lord R G Rogers, due to his resignation from the company. Under the terms of the Memorandum and Articles of Association of the company, where shareholders hold more than one ordinary share, those shares in excess of one share become non-voting for the duration they are held by that shareholder. This ensures that no shareholder has more than one voting share at any point.

Charitable contributions

During the year charitable donations of £193,191 were charged to the consolidated profit and loss account (2002 : £639,185).

Creditor payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

Auditors

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

RICHARD ROGERS AND PARTNERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2003

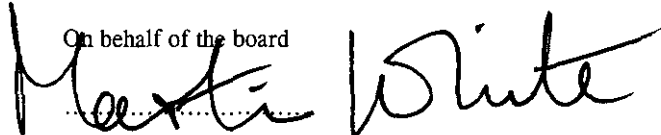
Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group 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;
- state whether applicable 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 group 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 the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



11/10/04

RICHARD ROGERS AND PARTNERS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF RICHARD ROGERS AND PARTNERS LIMITED

We have audited the financial statements of Richard Rogers and Partners Limited on pages 5 to 21 for the year ended 30 June 2003. These financial statements have been prepared under the historical cost convention and 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 auditor's 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 3 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

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

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

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's and the group's affairs as at 30 June 2003 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

LACA Limited

LACA Limited

**Chartered Accountants
Registered Auditor**

11/10/04

**Chartered Accountants
5 Southampton Place
London
WC1A 2DA**

RICHARD ROGERS AND PARTNERS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2003

	Notes	2003 £	2002 £
Turnover	2	16,982,050	15,070,805
Cost of sales		(11,615,070)	(9,399,315)
Gross profit		5,366,980	5,671,490
Administrative expenses		(4,892,195)	(5,293,002)
Operating profit	3	474,785	378,488
Other interest receivable and similar income		13,764	45,357
Interest payable and similar charges	4	(113,794)	(97,896)
Profit on ordinary activities before taxation		374,755	325,949
Tax on profit on ordinary activities	5	(81,960)	222,529
Profit on ordinary activities after taxation		292,795	548,478
Dividends (including those in respect of non-equity shares)	7	(158,739)	(164,961)
Retained profit for the year	16	134,056	383,517

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.

RICHARD ROGERS AND PARTNERS LIMITED

BALANCE SHEETS AS AT 30 JUNE 2003

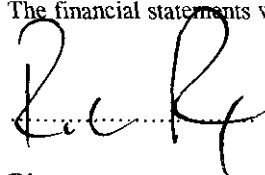
	Notes	Group 2003 £	2002 £	Company 2003 £	2002 £
Fixed assets					
Tangible assets	8	845,358	889,646	-	-
Investments	9	8,333	8,333	21,946	21,946
		<u>853,691</u>	<u>897,979</u>	<u>21,946</u>	<u>21,946</u>
Current assets					
Stocks	10	5,190,258	3,328,239	-	-
Deferred tax asset	11	381,800	377,300	-	-
Debtors: amounts falling due within one year	11	9,454,956	4,218,211	190,828	333,564
Debtors: amounts falling due after more than one year	11	43,879	17,136	-	-
Cash at bank and in hand		497,663	465,047	3	3
		<u>15,568,556</u>	<u>8,405,933</u>	<u>190,831</u>	<u>333,567</u>
Creditors: amounts falling due within one year	12	(13,772,604)	(6,772,939)	(192,769)	(335,505)
Net current assets		<u>1,795,952</u>	<u>1,632,994</u>	<u>(1,938)</u>	<u>(1,938)</u>
Total assets less current liabilities		<u>2,649,643</u>	<u>2,530,973</u>	<u>20,008</u>	<u>20,008</u>
Creditors: amounts falling due after more than one year	13	-	(15,386)	-	-
		<u>2,649,643</u>	<u>2,515,587</u>	<u>20,008</u>	<u>20,008</u>

RICHARD ROGERS AND PARTNERS LIMITED

BALANCE SHEETS (CONTINUED) AS AT 30 JUNE 2003

		Group		Company	
	Notes	2003	2002	2003	2002
		£	£	£	£
Capital and reserves					
Called up share capital	15	20,008	20,008	20,008	20,008
Profit and loss account	16	2,629,635	2,495,579	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	17	2,649,643	2,515,587	20,008	20,008
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Equity interests		-	-	-	-
Non-equity interests		2,649,643	2,515,587	20,008	20,008
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		2,649,643	2,515,587	20,008	20,008
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

The financial statements were approved by the board on11/10/04.....



Director

RICHARD ROGERS AND PARTNERS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2003

	2003		2002	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		529,400		(294,962)
Returns on investments and servicing of finance				
Interest received	13,764		45,357	
Interest paid	(100,114)		(84,216)	
Interest element of finance lease rentals	(13,680)		(13,680)	
Non equity dividends paid	(301,475)		(216,975)	
Net cash outflow for returns on investments and servicing of finance		(401,505)		(269,514)
Taxation		(4,162)		(300,400)
Capital expenditure				
Payments to acquire tangible assets	(479,408)		(531,676)	
Receipts from sales of tangible assets	110		182	
Net cash outflow for capital expenditure		(479,298)		(531,494)
Net cash outflow before management of liquid resources and financing		(355,565)		(1,396,370)
Financing				
Capital element of finance lease contracts	(102,280)		(102,280)	
Net cash outflow from financing		(102,280)		(102,280)
Decrease in cash in the year		(457,845)		(1,498,650)

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2003

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities		2003	2002	
			£	£	
	Operating profit		474,785	378,488	
	Depreciation of tangible assets		521,200	457,445	
	Loss on disposal of tangible assets		1,441	646	
	Increase in stocks		(1,862,019)	(273,123)	
	(Increase)/decrease in debtors		(5,263,488)	305,635	
	Increase/(decrease) in creditors within one year		6,656,536	(1,164,262)	
	Net effect of foreign exchange differences		945	209	
	Net cash inflow/(outflow) from operating activities		529,400	(294,962)	
2	Analysis of net (debt)/funds	1 July 2002	Cash flow	Other non-cash changes	30 June 2003
		£	£	£	£
	Cash at bank and in hand	465,047	32,616	-	497,663
	Bank overdrafts	-	(490,461)	-	(490,461)
		465,047	(457,845)	-	7,202
	Finance leases	(117,666)	102,280	-	(15,386)
	Net funds/(debt)	347,381	(355,565)	-	(8,184)
3	Reconciliation of net cash flow to movement in net debt		2003	2002	
			£	£	
	Decrease in cash in the year		(457,845)	(1,498,650)	
	Cash outflow from decrease in debt		102,280	102,280	
	Movement in net (debt)/funds in the year		(355,565)	(1,396,370)	
	Opening net funds		347,381	1,743,751	
	Closing net (debt)/funds		(8,184)	347,381	

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 June 2003. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover and profits

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

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

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land 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:

Land and buildings Freehold	Over 50 years using straight line method
Land and buildings Leasehold	Over the life of the lease
Plant and machinery	Over 4 years by the sum of digits method
Fixtures, fittings & equipment	Over 6 years by the sum of digits method

1.6 Leasing

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.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Stock

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

1.9 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.

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2003

1 Accounting policies

(continued)

1.10 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method. Deferred tax is not provided on revaluations which are not expected to crystallise.

1.11 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

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

Segmental analysis by geographical area

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

	2003	2002
	£	£
Geographical segment		
United Kingdom	11,626,652	10,296,387
Europe	4,632,656	4,335,430
Rest of the World	722,742	438,988
	<u>16,982,050</u>	<u>15,070,805</u>

3 Operating profit

2003	2002
£	£

Operating profit is stated after charging:

Depreciation of tangible assets	521,200	457,445
(Profit)/loss on foreign currency	(119,878)	(219,350)
Operating lease rentals	992,371	882,611
Auditors' remuneration	25,000	25,000
Remuneration of auditors for non-audit work	90,029	86,384
	<u>1,408,622</u>	<u>1,232,090</u>

4 Interest payable

2003	2002
£	£

On bank loans and overdrafts	5,928	1,918
Lease finance charges	13,680	13,680
On overdue tax	94,186	82,298
	<u>113,794</u>	<u>97,896</u>

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2003

5	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	78,500	500
	Adjustment for prior years	-	151,418
		<u>78,500</u>	<u>151,918</u>
	Foreign corporation tax		
	Foreign corporation tax	7,960	2,853
		<u>7,960</u>	<u>2,853</u>
	Current tax charge	<u>86,460</u>	<u>154,771</u>
	Deferred tax		
	Deferred tax charge/credit current year	(4,500)	(213,300)
	Deferred tax adjust re previous year	-	(164,000)
		<u>81,960</u>	<u>(222,529)</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>374,755</u>	<u>325,949</u>
	 Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2002: 8.00%)	 <u>112,427</u>	 <u>26,076</u>
	Effects of:		
	Non deductible expenses	7,822	4,418
	Depreciation add back	123,944	36,463
	Capital allowances	(123,823)	-
	Tax losses utilised	(7,884)	-
	Foreign tax adjustments	(7,960)	(2,853)
	Adjustments to previous periods	-	151,418
	Directors'/participants' remuneration adjustment	19,119	-
	Other tax adjustments	(37,185)	(60,751)
		<u>(25,967)</u>	<u>128,695</u>
	Current tax charge	<u>86,460</u>	<u>154,771</u>
6	Profit for the financial year		
	As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:		
		2003 £	2002 £
	Holding company's profit for the financial year	<u>158,739</u>	<u>164,961</u>

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2003

7	Dividends	2003	2002
		£	£
	Dividends on non-equity shares:		
	Preference final proposed	158,739	164,961

8 Tangible fixed assets Group

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost					
At 1 July 2002	260,062	862,763	1,421,580	1,851,769	4,396,174
Exchange differences	-	(669)	(109)	(917)	(1,695)
Additions	-	-	385,224	94,184	479,408
Disposals	-	-	(1,302)	(6,044)	(7,346)
At 30 June 2003	260,062	862,094	1,805,393	1,938,992	4,866,541
Depreciation					
At 1 July 2002	10,400	840,848	1,089,769	1,565,511	3,506,528
Exchange differences	-	(162)	(8)	(580)	(750)
On disposals	-	-	(586)	(5,209)	(5,795)
Charge for the year	5,200	3,083	350,001	162,916	521,200
At 30 June 2003	15,600	843,769	1,439,176	1,722,638	4,021,183
Net book value					
At 30 June 2003	244,462	18,325	366,217	216,354	845,358
At 30 June 2002	249,662	21,915	331,811	286,258	889,646

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

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Net book values			
At 30 June 2003	16,913	36,185	53,098
At 30 June 2002	57,710	108,272	165,982
Depreciation charge for the year			
30 June 2003	40,737	72,087	112,824
30 June 2002	40,737	61,543	102,280

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2003

9 Fixed asset investments

Group

	Shares in subsidiary undertakings £
Cost	
At 1 July 2002 & at 30 June 2003	8,333
At 30 June 2002	8,333

In the opinion of the directors, the aggregate value of the group's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

9 Fixed asset investments

Company

	Shares in subsidiary undertakings £
Cost	
At 1 July 2002 & at 30 June 2003	61,946
Provisions for diminution in value	
At 1 July 2002 & at 30 June 2003	40,000
Net book value	
At 30 June 2003	21,946
At 30 June 2002	21,946

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Richard Rogers Architects Limited	England and Wales	Ordinary	100
Richard Rogers Partnership Japan Limited	Japan	Ordinary	100
Richard Rogers GmbH	Germany	Capital stock	100
Richard Rogers SL	Spain	Ordinary	100

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2003

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Richard Rogers Architects Limited	Architects and design
Richard Rogers Partnership Japan Limited	Architects and design
Richard Rogers GmbH	Architects and design
Richard Rogers SL	Architects and design

Richard Rogers GmbH has been excluded from the consolidation on the basis that its results are not material to the presentation of a true and fair view. The company also does not have a coterminous year end. Its capital and reserves at 31 December 2002 were £14,960, and its loss for the year then ended was £(390).

10 Stocks

	Group 2003 £	2002 £	Company 2003 £	2002 £
Long term contract balances:				
- Net cost less foreseeable losses	5,190,258	3,328,239	-	-

11 Debtors

	Group 2003 £	2002 £	Company 2003 £	2002 £
Trade debtors	8,946,349	3,803,252	-	-
Amounts owed by group undertakings	7,199	5,236	190,828	333,564
Other debtors	231,638	214,161	-	-
Prepayments and accrued income	313,649	212,698	-	-
Deferred tax asset (see note 14)	381,800	377,300	-	-
	9,880,635	4,612,647	190,828	333,564

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

	2003 £	2002 £	2003 £	2002 £
Other debtors	43,879	17,136	-	-

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2003

12 Creditors : amounts falling due within one year

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Bank loans and overdrafts	490,461	-	-	-
Payments received on account	2,895,987	822,769	-	-
Net obligations under finance lease and hire purchase contracts	15,386	102,280	-	-
Trade creditors	1,212,519	604,785	-	-
Corporation tax	236,144	153,846	-	-
Taxes and social security costs	1,055,310	682,283	-	-
Directors current accounts	542	-	-	-
Other creditors	5,589,164	3,042,092	-	-
Accruals and deferred income	2,084,322	1,029,379	-	-
Proposed dividend	192,769	335,505	192,769	335,505
	<u>13,772,604</u>	<u>6,772,939</u>	<u>192,769</u>	<u>335,505</u>

The bank overdraft facilities are secured by unlimited debentures over the assets of the group.

13 Creditors : amounts falling due after more than one year

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Net obligations under finance leases and hire purchase agreements	-	15,386	-	-
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	15,386	115,960	-	-
Repayable between one and five years	-	17,444	-	-
	<u>15,386</u>	<u>133,404</u>	<u>-</u>	<u>-</u>
Finance charges and interest allocated to future accounting periods	-	(15,738)	-	-
	<u>15,386</u>	<u>117,666</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	(15,386)	(102,280)	-	-
	<u>-</u>	<u>15,386</u>	<u>-</u>	<u>-</u>

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2003

14 Provisions for liabilities and charges

Group

	Deferred taxation £
Balance at 1 July 2002	(377,300)
Profit and loss account	(4,500)
Balance at 30 June 2003	(381,800)

The deferred tax asset (included in the debtors, note 11) is made up as follows:

	Group 2003 £	Company 2003 £
Balance at 1 July 2002 & at 30 June 2003	(377,300)	-
Profit and loss account	(4,500)	-
Balance at 30 June 2003	(381,800)	-

Deferred taxation provided in the financial statements is as follows:

	Group 2003 £	2002 £	Company 2003 £	2002 £
Accelerated capital allowances	(204,100)	(175,600)	-	-
Other timing differences	(177,700)	(201,700)	-	-
	(381,800)	(377,300)	-	-

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2003

15 Share capital	2003 £	2002 £
Authorised		
100 Ordinary shares of £1 each	100	100
20,000 Preference shares of £1 each	20,000	20,000
	<u>20,100</u>	<u>20,100</u>
 Allotted, called up and fully paid		
8 Ordinary shares of £1 each	8	8
20,000 Preference shares of £1 each	20,000	20,000
	<u>20,008</u>	<u>20,008</u>

The ordinary shares carry voting rights, but no entitlement to dividends. The preference shares carry entitlement to dividends, but no voting rights. In accordance with the provisions of FRS4, all shares therefore rank as non equity interests.

Where one shareholder owns two or more ordinary shares only one of those shares carries voting rights, any additional shares held become non-voting.

16 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 July 2002	2,495,579
Retained profit for the year	134,056
Balance at 30 June 2003	<u>2,629,635</u>

Company

	Profit and loss account £
Balance at 1 July 2002	-
Balance at 30 June 2003	<u>-</u>

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2003

17 Reconciliation of movements in shareholders' funds	2003	2002
Group	£	£
Profit for the financial year	292,795	548,478
Dividends	(158,739)	(164,961)
Net addition to shareholders' funds	134,056	383,517
Opening shareholders' funds	2,515,587	2,132,070
Closing shareholders' funds	2,649,643	2,515,587
	2003	2002
Company	£	£
Profit for the financial year	158,739	164,961
Dividends	(158,739)	(164,961)
Net depletion in shareholders' funds	-	-
Opening shareholders' funds	20,008	20,008
Closing shareholders' funds	20,008	20,008

18 Financial commitments

At 30 June 2003 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2003	2002
	£	£
Expiry date:		
Between two and five years	667,680	667,680
19 Directors' emoluments	2003	2002
	£	£
Emoluments for qualifying services	2,253,253	1,111,287
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	435,977	189,581

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2003

20 Transactions with directors

The following directors had loans during the year, on which interest has been charged. The movement on these loans are as follows:

	Amount outstanding		Maximum
	2003	2002	in year
	£	£	£
L Abbott	5,507	6,420	6,420
A Morris	27,568	30,419	30,419
R Paul	6,981	8,681	8,681
A Kalsi	12,512	-	18,750

21 Employees

Number of employees

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

	2003	2002
	Number	Number
Office and administration	45	43
Architects	83	82
Model shop	5	6
	<u>133</u>	<u>131</u>

Employment costs

	£	£
Wages and salaries	6,431,804	4,558,927
Social security costs	725,787	465,816
	<u>7,157,591</u>	<u>5,024,743</u>

22 Employee benefit trust

The group contributes to an Employee Benefit Trust, a discretionary trust set up for the absolute benefit of employees of Richard Rogers Architects Limited. All distributions from the trust are at the absolute discretion of the trustees, who are not related to the group, nor any of its officers or employees. Contributions of £Nil were charged during the year (2002 - £770,736). Distributions of £Nil were made during the year (2002 - £1,682,918). The Employee Benefit Trust has not been included in the consolidated balance sheets as at the balance sheet date it held assets of £34,524 not already vested in identified beneficiaries. The directors do not consider this departure from UITF 322 to be material.

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2003

23 Related party transactions

Group

Richard Rogers Partnership Limited, River Cads Limited and Thames Wharf Studios Limited are all related parties by virtue of common control by one or more of the company's directors acting either individually or in concert. Richard Rogers Partnership Limited charged management fees amounting to £Nil (2002 - £36) and at the year end was owed £10,639 (2002 - £10,655). River Cads Limited charged management fees amounting to £2,578,970 (2002 - £2,616,139) and expenses amounting to £Nil (2001 - £44,286) and at the year end was owed £3,516,225 (2002 - £2,160,768). Thames Wharf Studios Limited charged rent and other property related charges amounting to £876,062 (2002 - £860,659) and at the year end was owed £133,504 (2002 - £2,165).

Richard Rogers GmbH, a subsidiary excluded from the consolidation, had no discloseable transactions (2001 - £Nil) and at the year end owed £7,200 (2002 - £5,237).