

169837

RICHARD ROGERS AND PARTNERS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2004

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



A02
COMPANIES HOUSE

ACJI:9B8

0685
07/10/05

RICHARD ROGERS AND PARTNERS LIMITED

DIRECTORS AND ADVISERS

Directors	Lord R G Rogers M J P Davies L Grut A Kalsi G K Stirk I Harbour A Morris R T Paul M Darbon I Birtles
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

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4
Consolidated profit and loss account	5
Statement of recognised gains and losses	6
Balance sheets	7 - 8
Consolidated cash flow statement	9
Notes to the consolidated cash flow statement	10
Notes to the financial statements	11 - 25

RICHARD ROGERS AND PARTNERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2004

The directors present their report and financial statements for the year ended 30 June 2004.

Directors

The following directors have held office since 1 July 2003:

Lord R G Rogers

M J P Davies

L Abbott

(Resigned 30 June 2005)

L Grut

A Kalsi

G K Stirk

I Harbour

A Morris

R T Paul

M Darbon

I Birtles

(Appointed 24 September 2004)

M L S Goldshmied

(Resigned 30 June 2004)

J M Young

(Resigned 30 June 2004)

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 would note that the retained consolidated profit for the year disclosed on page 5 includes £322,073 of profits relating to The Richard Rogers Architects Limited Employment Benefit Trust. This has been consolidated into the results of the year in accordance with the provisions of UITF 32. The underlying result for the group for the year was a retained profit of £29,452.

The directors do not recommend payment of an ordinary dividend.

The directors recommend payment of a preference dividend amounting to £105,444.

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 2004

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 2004	1 July 2003
Lord R G Rogers	2	1
J M Young (Resigned 30 June 2004)	-	1
M L S Goldschmied (Resigned 30 June 2004)	1	1
M J P Davies	1	1
L Abbott (Resigned 30 June 2005)	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. M L S Goldschmied and L Abbott are also due to transfer their shares to another serving director, due to their resignations as directors.

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, general charitable donations totalling £271,149 (2003 - £ 193,191) were charged to the consolidated profit and loss account. Donations in excess of £200 were payable to The Richard Rogers Charitable Settlement (Regd charity no. 283252) £90,381 (2003 - £46,366), The John Young Charitable Settlement (Regd charity no. 283254) £60,253 (2003 - £30,910), The Goldschmied Charitable Settlement (Regd charity no. 283250) £60,253 (2003 - £30,910) and Michael Davies Charitable Settlement (Regd charity no. 1000574) £60,253 (2003 - £30,910).

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 2004

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.

By order of the board

M White

Secretary

Martin White
5 October 2005

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 25 for the year ended 30 June 2004. 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 2004 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

6 October 2005

Chartered Accountants
5 Southampton Place
London
WC1A 2DA

RICHARD ROGERS AND PARTNERS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2004

		2004	2003
	Notes	£	as restated £
Turnover	3	17,307,889	16,982,050
Cost of sales		(11,028,214)	(11,615,070)
Gross profit		6,279,675	5,366,980
Administrative expenses		(5,521,318)	(4,892,195)
Operating profit	4	758,357	474,785
Other interest receivable and similar income		32,481	13,764
Interest payable and similar charges	6	(79,256)	(113,794)
Profit on ordinary activities before taxation		711,582	374,755
Tax on profit on ordinary activities	7	(254,613)	(81,960)
Profit on ordinary activities after taxation		456,969	292,795
Dividends (including those in respect of non- equity shares)	9	(105,444)	(158,739)
Retained profit for the year	18	351,525	134,056

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

RICHARD ROGERS AND PARTNERS LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004 £	2003 £
Profit for the financial year		456,969	292,795
Prior year adjustment	2	36,484	-
Total gains and losses recognised since last financial statements		<u>493,453</u>	<u>292,795</u>

RICHARD ROGERS AND PARTNERS LIMITED

BALANCE SHEETS AS AT 30 JUNE 2004

		Group 2004	2003 as restated	Company 2004	2003
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10	687,625	845,358	-	-
Investments	11	8,333	8,333	21,946	21,946
		<u>695,958</u>	<u>853,691</u>	<u>21,946</u>	<u>21,946</u>
Current assets					
Stocks	12	7,356,607	5,190,258	-	-
Deferred tax asset	13	435,575	381,800	-	-
Debtors: amounts falling due within one year	13	3,707,890	9,454,956	296,272	190,828
Debtors: amounts falling due after more than one year	13	69,550	43,879	-	-
Cash at bank and in hand		<u>2,167,659</u>	<u>534,447</u>	<u>3</u>	<u>3</u>
		13,737,281	15,605,340	296,275	190,831
Creditors: amounts falling due within one year	15	(11,395,587)	(13,772,904)	(298,213)	(192,769)
Net current assets		<u>2,341,694</u>	<u>1,832,436</u>	<u>(1,938)</u>	<u>(1,938)</u>
Total assets less current liabilities		<u>3,037,652</u>	<u>2,686,127</u>	<u>20,008</u>	<u>20,008</u>

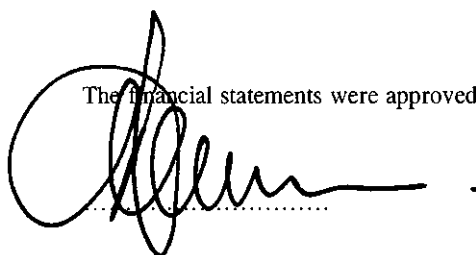
RICHARD ROGERS AND PARTNERS LIMITED

BALANCE SHEETS (CONTINUED)

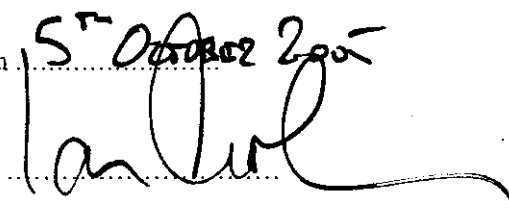
AS AT 30 JUNE 2004

		Group		Company	
		2004	2003	2004	2003
			as restated		
	Notes	£	£	£	£
Capital and reserves					
Called up share capital	17	20,008	20,008	20,008	20,008
Profit and loss account	18	3,017,644	2,666,119	-	-
	19	3,037,652	2,686,127	20,008	20,008
Equity interests		-	-	-	-
Non-equity interests		3,037,652	2,686,127	20,008	20,008
		3,037,652	2,686,127	20,008	20,008

The financial statements were approved by the board on



Director

5th October 2005


Director

RICHARD ROGERS AND PARTNERS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

	2004		2003	
	£	£	£	£
Net cash inflow from operating activities		1,858,562		529,400
Returns on investments and servicing of finance				
Interest received	32,481		13,764	
Interest paid	(77,198)		(100,114)	
Interest element of finance lease rentals	(2,058)		(13,680)	
Non equity dividends paid	-		(301,475)	
Net cash outflow for returns on investments and servicing of finance		(46,775)		(401,505)
Taxation		(170,108)		(4,162)
Capital expenditure				
Payments to acquire tangible assets	(262,891)		(479,408)	
Receipts from sales of tangible assets	-		110	
Net cash outflow for capital expenditure		(262,891)		(479,298)
Net cash inflow/(outflow) before management of liquid resources and financing		1,378,788		(355,565)
Financing				
Capital element of finance lease contracts	(15,386)		(102,280)	
Net cash outflow from financing		(15,386)		(102,280)
Increase/(decrease) in cash in the year		1,363,402		(457,845)

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

1	Reconciliation of operating profit to net cash inflow from operating activities	2004	2003
		£	£
	Operating profit	758,357	474,785
	Depreciation of tangible assets	420,579	521,200
	Loss on disposal of tangible assets	49	1,441
	Increase in stocks	(2,166,349)	(1,862,019)
	Decrease/(increase) in debtors	5,723,857	(5,263,488)
	(Decrease)/Increase in creditors within one year	(2,877,927)	6,656,536
	Net effect of foreign exchange differences	(4)	945
	Net cash inflow from operating activities	1,858,562	529,400

2	Analysis of net funds	1 July 2003	Cash flow	Other non-cash changes	30 June 2004
		£	£	£	£
	Cash at bank and in hand	534,447	1,633,212	-	2,167,659
	Bank overdrafts	(490,461)	(269,810)	-	(760,271)
		43,986	1,363,402	-	1,407,388
	Finance leases	(15,386)	15,386	-	-
	Net funds	28,600	1,378,788	-	1,407,388

3	Reconciliation of net cash flow to movement in net debt	2004	2003
		£	£
	Increase/(decrease) in cash in the year	1,363,402	(457,845)
	Cash outflow from decrease in debt	15,386	102,280
	Movement in net funds in the year	1,378,788	(355,565)
	Opening net funds	28,600	384,165
	Closing net funds	1,407,388	28,600

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

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 2004. 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.

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

1 Accounting policies

(continued)

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.

1.10 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of the standard has not required a prior period adjustment. If the new policy had been in place in the previous period no additional asset / liability would have been recognised as the conditions for recognition would not have been satisfied.

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 Prior year adjustment

In the current year, in accordance with UITF 32, the group has consolidated the balances relating to the Richard Rogers Architects Limited Employee Benefit Trust into the consolidated financial statements. In previous years, the directors were of the opinion that the EBT balances were not material in the context of the group's financial statements and therefore the balances were not consolidated. In order to ensure that the accounting treatment of the comparative balances is consistent with the current year they have been restated to include the EBT balances. This has had the effect of increasing comparative balances of cash at bank and in hand by £36,784, creditors by £300 and retained profit and loss account reserves by £36,484.

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

3 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:

	2004	2003
	£	£
Geographical segment		
United Kingdom	9,814,034	11,626,652
Europe	6,725,017	4,632,656
Rest of the World	768,838	722,742
	<u>17,307,889</u>	<u>16,982,050</u>

4 Operating profit

Operating profit is stated after charging:

	2004	2003
	£	£
Depreciation of tangible assets	420,579	521,200
(Profit)/loss on foreign currency	114,159	(119,878)
Operating lease rentals	1,207,843	992,371
Auditors' remuneration	30,000	25,000
Remuneration of auditors for non-audit work	116,871	90,029
	<u>1,889,452</u>	<u>1,428,722</u>

5 Investment income

	2004	2003
	£	£
Bank interest	<u>32,481</u>	<u>13,764</u>

6 Interest payable

	2004	2003
	£	£
On bank loans and overdrafts	1,275	5,928
Lease finance charges	2,058	13,680
On overdue tax	75,923	94,186
	<u>79,256</u>	<u>113,794</u>

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

7	Taxation	2004 £	2003 £
	Domestic current year tax		
	U.K. corporation tax	179,275	78,500
	Adjustment for prior years	122,400	-
		<u>301,675</u>	<u>78,500</u>
	Foreign corporation tax		
	Foreign corporation tax	6,713	7,960
		<u>6,713</u>	<u>7,960</u>
	Current tax charge	308,388	86,460
	Deferred tax		
	Deferred tax charge/credit current year	(53,775)	(4,500)
		<u>254,613</u>	<u>81,960</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>711,582</u>	<u>374,755</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)	<u>213,475</u>	<u>112,427</u>
	Effects of:		
	Non deductible expenses	(8,894)	7,822
	Depreciation add back	123,483	123,944
	Capital allowances	(123,865)	(123,823)
	Tax losses utilised	-	(7,884)
	Foreign tax adjustments	-	(7,960)
	Adjustments to previous periods	122,400	-
	Directors'/participants' remuneration adjustment	42,696	19,119
	Other tax adjustments	(60,907)	(37,185)
		<u>94,913</u>	<u>(25,967)</u>
	Current tax charge	308,388	86,460

In the current year, the group has recognised an additional £122,400 of prior year corporation tax arising on contributions to the Richard Rogers Architects Limited EBT, as a consequence of the Dextra case ruling. No deferred tax has been provided in respect of these amounts as the point at which those contributions will be subject to tax in the future cannot be determined with any certainty.

In the current year the balances relating to the Richard Rogers Architects Limited EBT have been consolidated into the group financial statements in accordance with the provisions of UITF 32. These do not form part of the taxable profits of the company and therefore have been adjusted as an Other tax adjustment in the reconciliation shown above.

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

8 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:

	2004	2003
	£	£
Holding company's profit for the financial year	<u>105,444</u>	<u>158,739</u>

9 Dividends

	2004	2003
	£	£
Dividends on non-equity shares:		
Preference final proposed	<u>105,444</u>	<u>158,739</u>

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

10 Tangible fixed assets Group

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost					
At 1 July 2003	260,062	862,094	1,805,393	1,938,991	4,866,540
Exchange differences	-	3	-	3	6
Additions	-	-	180,683	82,207	262,890
Disposals	-	(829,145)	-	(978)	(830,123)
At 30 June 2004	260,062	32,952	1,986,076	2,020,223	4,299,313
Depreciation					
At 1 July 2003	15,600	843,768	1,439,176	1,722,638	4,021,182
Exchange differences	-	1	-	1	2
On disposals	-	(829,145)	-	(929)	(830,074)
Charge for the year	5,200	2,758	284,859	127,761	420,578
At 30 June 2004	20,800	17,382	1,724,035	1,849,471	3,611,688
Net book value					
At 30 June 2004	239,262	15,570	262,041	170,752	687,625
At 30 June 2003	244,462	18,325	366,217	216,354	845,358

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 2004	-	-	-
At 30 June 2003	16,913	36,185	53,098
Depreciation charge for the year			
30 June 2004	16,913	36,185	53,098
30 June 2003	40,737	72,087	112,824

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

11 Fixed asset investments

Group

	Shares in subsidiary undertakings £
Cost	
At 1 July 2003 & at 30 June 2004	8,333
Net book value	
At 1 July 2003 & at 30 June 2004	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.

11 Fixed asset investments

Company

	Shares in subsidiary undertakings £
Cost	
At 1 July 2003 & at 30 June 2004	61,946
Provisions for diminution in value	
At 1 July 2003 & at 30 June 2004	40,000
Net book value	
At 30 June 2004	21,946
At 30 June 2003	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	Shares held	
		Class	%
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 2004

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. The last approved financial statements for the company were for the year ended 31 December 2002. Its capital and reserves at 31 December 2002 were £14,960, and its loss for the year then ended was £(390). The directors are of the opinion that the results for the year ended 31 December 2003 will not be materially different from those for 2002 as the company is effectively dormant throughout that year and subsequently.

12 Stocks

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Long term contract balances:				
- Net cost less foreseeable losses	7,356,607	5,190,258	-	-

13 Debtors

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Trade debtors	2,845,482	8,946,349	-	-
Amounts owed by group undertakings	10,198	7,199	296,272	190,828
Corporation tax	2,462	-	-	-
Other debtors	563,720	231,638	-	-
Prepayments and accrued income	355,578	313,649	-	-
Deferred tax asset (see note 16)	435,575	381,800	-	-
	4,213,015	9,880,635	296,272	190,828

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

	2004	2003	2004	2003
	£	£	£	£
Other debtors	69,550	43,879	-	-

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

14 Cash at bank and in hand

The consolidated group cash at bank and in hand balance disclosed on the face of the balance sheet of £2,167,659 (2003 - £534,447), includes £117,811 (2003 - £36,784) as a consequence of the consolidation of the Richard Rogers Architects Limited EBT balances into the financial statements of the group in accordance with UITF 32. This amount is not available to the group for use in its business as it is held separately to, and is not controlled by, the group.

15 Creditors : amounts falling due within one year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank loans and overdrafts	760,271	490,461	-	-
Payments received on account	2,593,777	2,895,987	-	-
Net obligations under finance lease and hire purchase contracts	-	15,386	-	-
Trade creditors	1,418,164	1,212,519	-	-
Corporation tax	376,886	236,144	-	-
Taxes and social security costs	617,028	1,055,310	-	-
Directors current accounts	105,229	542	-	-
Other creditors	2,696,528	5,589,464	-	-
Accruals and deferred income	2,529,491	2,084,322	-	-
Proposed dividend	298,213	192,769	298,213	192,769
	<u>11,395,587</u>	<u>13,772,904</u>	<u>298,213</u>	<u>192,769</u>
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	-	15,386	-	-
Finance charges and interest allocated to future accounting periods	-	-	-	-
	<u>-</u>	<u>15,386</u>	<u>-</u>	<u>-</u>

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

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

16 Provisions for liabilities and charges

Group

	Deferred taxation £
Balance at 1 July 2003	(381,800)
Profit and loss account	(53,775)
Balance at 30 June 2004	(435,575)

The deferred tax asset (included in the debtors, note 13) is made up as follows:

	Group 2004 £	Company 2004 £
Balance at 1 July 2003 & at 30 June 2004	(381,800)	-
Profit and loss account	(53,775)	-
Balance at 30 June 2004	(435,575)	-

Deferred taxation provided in the financial statements is as follows:

	Group 2004 £	2003 £	Company 2004 £	2003 £
Accelerated capital allowances	(201,500)	(204,100)	-	-
Other timing differences	(234,075)	(177,700)	-	-
	(435,575)	(381,800)	-	-

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

17 Share capital	2004	2003
	£	£
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.

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

18 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 July 2003	2,629,635
Prior year adjustment	36,484

Balance at 1 July 2003 as restated	2,666,119
Retained profit for the year	351,525

Balance at 30 June 2004	3,017,644

Company

	Profit and loss account £
Balance at 1 July 2003	-

Balance at 30 June 2004	-

The consolidated group profit and loss account includes £358,557 of retained profits as a consequence of consolidating the balances of the Richard Rogers Architects Limited EBT into the group financial statements in accordance with UITF 32. This element of the consolidated profit and loss account reserve is not a distributable reserve of the group.

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

19 Reconciliation of movements in shareholders' funds	2004	2003
Group	£	£
Profit for the financial year	456,969	292,795
Dividends	(105,444)	(158,739)
Net addition to shareholders' funds	351,525	134,056
Opening shareholders' funds	2,686,127	2,552,071
Closing shareholders' funds	3,037,652	2,686,127
	<u>2004</u>	<u>2003</u>
Company	£	£
Profit for the financial year	105,444	158,739
Dividends	(105,444)	(158,739)
Net depletion in shareholders' funds	-	-
Opening shareholders' funds	20,008	20,008
Closing shareholders' funds	20,008	20,008

20 Financial commitments

At 30 June 2004 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings
	2004
	£
Expiry date:	
Within one year	667,680

21 Directors' emoluments	2004	2003
	£	£
Emoluments for qualifying services	1,681,033	2,253,253
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	343,110	435,977

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

22 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
	2004	2003	in year
	£	£	£
L Abbott	45,579	44,241	45,579
A Morris	20,889	21,436	21,436
R Paul	1,169	2,217	2,217
L Grut	990	112	990
A Kalsi	10,404	13,641	13,641

23 Employees

Number of employees

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

	2004	2003
	Number	Number
Office and administration	51	45
Architects	90	83
Model shop	6	5
	<u>147</u>	<u>133</u>

Employment costs

	£	£
Wages and salaries	6,078,850	6,431,804
Social security costs	653,060	725,787
	<u>6,731,910</u>	<u>7,157,591</u>

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

24 Employee benefit trust

Richard Rogers Architects Limited has an EBT trust, which is a discretionary trust set up for the absolute benefit of all employees of that company. All distributions from the trust are at the absolute discretion of the trustees. The trustees are not related to the group or any of its officers or employees. Contributions to the trust are charged to the profit and loss account in the year in which they are approved by that company. During the year Richard Rogers Architects Limited made contributions of £321,315 (2003 - £Nil) of which £241,046 were outstanding at the year end (2003 - £Nil).

In accordance with UITF 32 the balances and transactions relating to the EBT are consolidated into the group's consolidated financial statements. Interest receivable of £1,058 (2003 - £Nil) and accountancy fees payable of £300 (2003 - £Nil) have been included in the profit and loss account. Bank balances of £117,811 (2003 - £36,783), creditors of £300 (2003 - £300) and retained reserves of £358,557 (2003 - £36,484) have been included in the balance sheet. The contributions receivable by the trust have been eliminated on consolidation as they relate to amounts payable by the group.

The trust is responsible for its own costs and liabilities and no indemnity has been given by the group in respect of these costs or liabilities. The trust made no contributions to beneficiaries during the year (2003 - £Nil).

25 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 (2003 - £Nil) and at the year end was owed £10,570 (2003 - £10,639). River Cads Limited charged management fees and expenses amounting to £1,909,757 (2003 - £2,794,219) and at the year end was owed £1,993,040 (2003 - £3,516,225). Thames Wharf Studios Limited charged rent and other property related charges amounting to £866,274 (2003 - £876,062) and at the year end was owed £299,603 (2003 - £133,504).

Richard Rogers GmbH, a subsidiary excluded from the consolidation, had no discloseable transactions (2003 - £Nil) and at the year end owed £10,198 (2003 - £7,200).