

1698771

RICHARD ROGERS AND PARTNERS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2005



*Lee Associates Audit Limited
5 Southampton Place
London
WC1A 2DA*

RICHARD ROGERS AND PARTNERS LIMITED

DIRECTORS AND ADVISERS

Directors	Lord R G Rogers M J P Davies L Grut G K Stirk I Harbour R T Paul A Morris I Birtles (Appointed 24 September 2004) A Kalsi M Darbon
Secretary	M White
Company number	1698321
Registered office	Thames Wharf Studios Rainville Road London W6 9HA
Registered auditors	Lee Associates Audit 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 - 23

RICHARD ROGERS AND PARTNERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2005

The directors present their report and financial statements for the year ended 30 June 2005.

Directors

The following directors have held office since 1 July 2004:

Lord R G Rogers

M J P Davies

L Grut

L Abbott

(Resigned 30 June 2005)

G K Stirk

I Harbour

R T Paul

A Morris

I Birtles

(Appointed 24 September 2004)

A Kalsi

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.

Results and dividends

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

The loss disclosed there was caused by anticipated non-recurring items of expenditure. The underlying profitability of the group remained good, and excluding this non-recurring expenditure, the performance of the group was in line with forecasts. The current year's results will see the group return to profitability and with the forecast income looking very positive, the directors recommended, and the members approved, the payment of a dividend to the preference shareholder of £121,846.

The payment of the dividend and the unusual expenditure incurred during the year have not impacted on the group's trade, and the financial status of the group remains secure.

The directors would note that the retained consolidated loss for the year disclosed on page 5 includes balances 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.

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 2005

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 2005	1 July 2004
Lord R G Rogers	2	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.

As a consequence of their resignations as directors, J M Young and L Abbott transferred their shares to Lord R G Rogers on 14 July 2004 and 16 October 2005 respectively. M L S Goldschmied having also resigned as a director transferred his share to G C Stirk on 5 June 2006.

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 £491,891 (2004 - £271,149) were charged to the consolidated profit and loss account. Donations in excess of £200 were payable to The John Young Charitable Settlement (Regd charity no. 283254) £220,945 (2004 - £60,253), The Goldschmied Charitable Settlement (Regd charity no. 283250) £220,945 (2004 - £60,253), The Maggie Keswick Jencks Cancer Caring Trust (Regd. Charity no. SC024414) £50,000 (2004 - £Nil), The Richard Rogers Charitable Settlement (Regd charity no. 283252) £Nil (2004 - £90,381), and Michael Davies Charitable Settlement (Regd charity no. 1000574) £Nil (2004 - £60,253).

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 Lee Associates Audit 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 2005

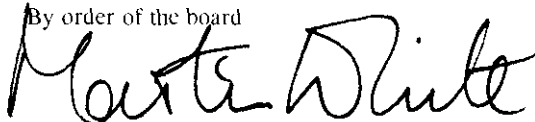
Directors' responsibilities

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 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

13/7/06

Date

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 23 for the year ended 30 June 2005. 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 or 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 2005 and of the group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Lee Associates Audit Limited

Lee Associates Audit Limited

Chartered Accountants
Registered Auditor

nt/da

5 Southampton Place
London
WC1A 2DA

RICHARD ROGERS AND PARTNERS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2005

	Notes	2005 £	2004 £
Turnover	3	16,006,045	17,307,889
Cost of sales		(10,642,153)	(11,028,214)
Gross profit		5,363,892	6,279,675
Administrative expenses		(5,996,545)	(5,521,318)
Operating (loss)/profit		(632,653)	758,357
Other interest receivable and similar income		23,050	32,481
Interest payable and similar charges	5	(99,356)	(79,256)
(Loss)/profit on ordinary activities before taxation		(708,959)	711,582
Tax on (loss)/profit on ordinary activities	6	110,976	(254,613)
(Loss)/profit on ordinary activities after taxation		(597,983)	456,969
Dividends (including those in respect of non-equity shares)	8	(121,846)	(105,444)
Retained (loss)/profit for the year	18	(719,829)	351,525

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 2005

	Notes	2005 £	2004 £
(Loss)/profit for the financial year		(597,983)	456,969
Currency translation differences on foreign currency net investments		660	-
Total recognised gains and losses relating to the year		598,643	456,969
Prior year adjustment	2	-	36,484
Total gains and losses recognised since last financial statements		598,643	493,453

RICHARD ROGERS AND PARTNERS LIMITED

BALANCE SHEETS AS AT 30 JUNE 2005

	Notes	Group 2005 £	2004 £	Company 2005 £	2004 £
Fixed assets					
Tangible assets	9	557,547	687,625	-	-
Investments	10	8,333	8,333	21,946	21,946
		<u>565,880</u>	<u>695,958</u>	<u>21,946</u>	<u>21,946</u>
Current assets					
Stocks	11	4,323,013	7,356,607	-	-
Deferred tax asset	12	725,175	435,575	-	-
Debtors: amounts falling due within one year	12	6,426,290	3,707,890	209,328	296,272
Debtors: amounts falling due after more than one year	12	-	69,550	-	-
Cash at bank and in hand		1,572,417	2,167,659	3	3
		<u>13,046,895</u>	<u>13,737,281</u>	<u>209,331</u>	<u>296,275</u>
Creditors: amounts falling due within one year	14	(11,295,612)	(11,395,587)	(211,269)	(298,213)
Net current assets		<u>1,751,283</u>	<u>2,341,694</u>	<u>(1,938)</u>	<u>(1,938)</u>
Total assets less current liabilities		<u>2,317,163</u>	<u>3,037,652</u>	<u>20,008</u>	<u>20,008</u>

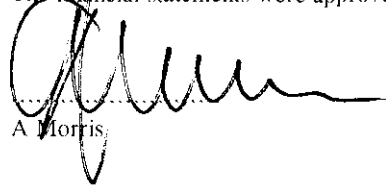
RICHARD ROGERS AND PARTNERS LIMITED

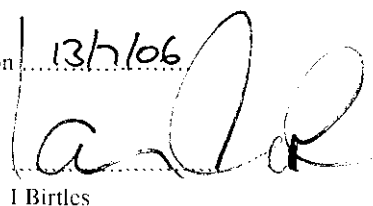
BALANCE SHEETS (CONTINUED) AS AT 30 JUNE 2005

		Group		Company	
	Notes	2005	2004	2005	2004
		£	£	£	£
Capital and reserves					
Called up share capital	17	20,008	20,008	20,008	20,008
Profit and loss account	18	2,297,155	3,017,644	-	-
	19	2,317,163	3,037,652	20,008	20,008
Equity interests		-	-	-	-
Non-equity interests		2,317,163	3,037,652	20,008	20,008
		2,317,163	3,037,652	20,008	20,008

The financial statements were approved by the board on

13/7/06


A Morris


I Birtles

Director

Director

RICHARD ROGERS AND PARTNERS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

	2005		2004	
	£	£	£	£
Net cash inflow from operating activities		728,271		1,858,562
Returns on investments and servicing of finance				
Interest received	23,050		32,481	
Interest paid	(99,356)		(77,198)	
Interest element of finance lease rentals	-		(2,058)	
Non equity dividends paid	(208,790)		-	
Net cash outflow for returns on investments and servicing of finance		(285,096)		(46,775)
Taxation		(89,448)		(170,108)
Capital expenditure				
Payments to acquire tangible assets	(188,698)		(262,891)	
Net cash outflow for capital expenditure		(188,698)		(262,891)
Net cash inflow before management of liquid resources and financing		165,029		1,378,788
Financing				
Capital element of finance lease contracts	-		(15,386)	
Net cash outflow from financing		-		(15,386)
Increase in cash in the year		165,029		1,363,402

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

1	Reconciliation of operating (loss)/profit to net cash inflow from operating activities				2005	2004
					£	£
	Operating (loss)/profit				(632,653)	758,357
	Depreciation of tangible assets				318,240	420,579
	Loss on disposal of tangible assets				-	49
	Decrease/(increase) in stocks				3,033,594	(2,166,349)
	(Increase)/decrease in debtors				(2,642,094)	5,723,857
	Increase/(decrease) in creditors within one year				651,308	(2,877,927)
	Net effect of foreign exchange differences				(124)	(4)
	Net cash inflow from operating activities				728,271	1,858,562

2	Analysis of net funds	1 July 2004	Cash flow	Other non-cash changes	30 June 2005
		£	£	£	£
	Cash at bank and in hand	2,167,659	(595,242)	-	1,572,417
	Bank overdrafts	(760,271)	760,271	-	-
		1,407,388	165,029	-	1,572,417
	Net funds	1,407,388	165,029	-	1,572,417

3	Reconciliation of net cash flow to movement in net debt			2005	2004
				£	£
	Increase in cash in the year			165,029	1,363,402
	Cash (inflow)/outflow from (increase)/decrease in debt			-	15,386
	Movement in net funds in the year			165,029	1,378,788
	Opening net funds			1,407,388	28,600
	Closing net funds			1,572,417	1,407,388

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

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 2005. 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 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 2005

1 Accounting policies

(continued)

1.10 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.11 Deferred taxation

Deferred taxation 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 had not been discounted.

1.12 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.

1.13 Employee Benefit Trusts

The accounts are prepared in accordance with the provisions of UITF 32. Assets and liabilities held in the EBT are recognised to the extent that the company retains de facto control.

2 Prior year adjustment

In the prior year, in accordance with UITF 32, the group had consolidated the balances relating to the Richard Rogers Architects Limited Employee Benefit Trust into the consolidated financial statements. In the years ended 30 June 2003 and prior, 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 2003 balances was consistent with those of the year ended 30 June 2004 they were restated to include the EBT balances. This had the effect of increasing the 2003 retained profit and loss account reserves by £36,484.

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:

	2005	2004
	£	£
Geographical segment		
United Kingdom	8,658,283	9,814,034
Europe	5,395,203	6,725,017
Rest of the World	1,952,559	768,838
	<u>16,006,045</u>	<u>17,307,889</u>

RICHARD ROGERS AND PARTNERS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005**

4	Investment income	2005	2004
		£	£
	Bank interest	22,564	32,481
		<u>22,564</u>	<u>32,481</u>
5	Interest payable	2005	2004
		£	£
	On bank loans and overdrafts	-	1,275
	Lease finance charges	-	2,058
	On overdue tax	99,356	75,923
		<u>99,356</u>	<u>79,256</u>

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

6	Taxation	2005 £	2004 £
	Domestic current year tax		
	U.K. corporation tax	172,034	179,275
	Adjustment for prior years	-	122,400
		<u>172,034</u>	<u>301,675</u>
	Foreign corporation tax		
	Foreign corporation tax	6,590	6,713
		<u>6,590</u>	<u>6,713</u>
	Current tax charge	<u>178,624</u>	<u>308,388</u>
	Deferred tax		
	Deferred tax charge/credit current year	(289,600)	(53,775)
		<u>(289,600)</u>	<u>(53,775)</u>
		<u>(110,976)</u>	<u>254,613</u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(708,959)	711,582
		<u>(708,959)</u>	<u>711,582</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	<u>(212,688)</u>	<u>213,475</u>
	Effects of:		
	Non deductible expenses	1,889	(8,894)
	Depreciation add back	92,267	123,483
	Capital allowances	(102,665)	(123,865)
	Adjustments to previous periods	-	122,400
	Directors'/participators' remuneration adjustment	266,736	42,696
	Other tax adjustments	133,085	(60,907)
		<u>391,312</u>	<u>94,913</u>
	Current tax charge	<u>178,624</u>	<u>308,388</u>

In the prior year, the group 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 both the current and prior 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 2005

7 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:

	2005 £	2004 £
Holding company's profit for the financial year	121,846	105,444

8 Dividends

	2005 £	2004 £
Dividends on non-equity shares:		
Preference final proposed	121,846	105,444

9 Tangible fixed assets Group

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost					
At 1 July 2004	260,062	32,952	1,986,076	2,020,223	4,299,313
Exchange differences	-	(30)	(371)	(121)	(522)
Additions	-	-	170,091	18,608	188,699
At 30 June 2005	260,062	32,922	2,155,796	2,038,710	4,487,490
Depreciation					
At 1 July 2004	20,800	17,382	1,724,035	1,849,472	3,611,689
Exchange differences	-	(10)	28	(4)	14
Charge for the year	5,200	2,017	235,059	75,964	318,240
At 30 June 2005	26,000	19,389	1,959,122	1,925,432	3,929,943
Net book value					
At 30 June 2005	234,062	13,533	196,674	113,278	557,547
At 30 June 2004	239,262	15,570	262,041	170,752	687,625

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

10 Fixed asset investments Group

	Shares in subsidiary undertakings £
Cost	
At 1 July 2004 & at 30 June 2005	8,333
Net book value	
At 1 July 2004 & at 30 June 2005	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.

10 Fixed asset investments Company

	Shares in subsidiary undertakings £
Cost	
At 1 July 2004 & at 30 June 2005	61,946
Provisions for diminution in value	
At 1 July 2004 & at 30 June 2005	40,000
Net book value	
At 30 June 2005	21,946
At 30 June 2004	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 2005

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 years ended 31 December 2003, 2004 and 2005 are not materially different from those for 2002 as the company is effectively dormant throughout those years and subsequently.

11 Stocks

	Group 2005 £	2004 £	Company 2005 £	2004 £
Long term contract balances:				
- Net cost less foreseeable losses	4,323,013	7,356,607	-	-

12 Debtors

	Group 2005 £	2004 £	Company 2005 £	2004 £
Trade debtors	5,821,596	2,845,482	-	-
Amounts owed by group undertakings	10,198	10,198	209,328	296,272
Corporation tax	9,218	2,462	-	-
Other debtors	252,920	563,720	-	-
Prepayments and accrued income	332,358	355,578	-	-
Deferred tax asset (see note 15)	725,175	435,575	-	-
	7,151,465	4,213,015	209,328	296,272

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

	2005 £	2004 £	2005 £	2004 £
Other debtors	-	69,550	-	-

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

13 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 £1,572,417 (2004 - £2,167,659), includes £38,916 (2004 - £117,811) 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.

14 Creditors : amounts falling due within one year

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bank loans and overdrafts	-	760,271	-	-
Payments received on account	3,186,780	2,593,777	-	-
Trade creditors	1,018,361	1,418,164	-	-
Corporation tax	472,818	376,886	-	-
Taxes and social security costs	986,474	617,028	-	-
Directors current accounts	-	105,229	-	-
Other creditors	1,716,933	2,696,528	-	-
Accruals and deferred income	3,702,977	2,529,491	-	-
Proposed dividend	211,269	298,213	211,269	298,213
	<u>11,295,612</u>	<u>11,395,587</u>	<u>211,269</u>	<u>298,213</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 2005

15 Provisions for liabilities and charges **Group**

	Deferred taxation £
Balance at 1 July 2004	(435,575)
Profit and loss account	(289,600)
Balance at 30 June 2005	(725,175)

The deferred tax asset (included in the debtors, note 12) is made up as follows:

	Group 2005 £	Company 2005 £
Balance at 1 July 2004 & at 30 June 2005	(435,575)	-
Profit and loss account	(289,600)	-
Balance at 30 June 2005	(725,175)	-

Deferred taxation provided in the financial statements is as follows:

	Group 2005 £	2004 £	Company 2005 £	2004 £
Accelerated capital allowances	(189,000)	(201,500)	-	-
Other timing differences	(536,175)	(234,075)	-	-
	(725,175)	(435,575)	-	-

16 Pension costs

Defined contribution

	2005 £	2004 £
Contributions payable by the company for the year	459,655	-

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

17 Share capital	2005 £	2004 £
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.

18 Statement of movements on profit and loss account Group

	Other reserves £	Profit and loss account £
Balance at 1 July 2004	-	3,017,644
Retained loss for the year	-	(719,829)
Foreign currency translation differences	(660)	-
Balance at 30 June 2005	<u>-</u>	<u>2,297,155</u>

Company

	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2004	-	-
Balance at 30 June 2005	<u>-</u>	<u>-</u>

The consolidated group profit and loss account includes £38,917 (2004 - £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 2005

19	Reconciliation of movements in shareholders' funds	2005	2004
	Group	£	£
	(Loss)/Profit for the financial year	(597,983)	456,969
	Dividends	(121,846)	(105,444)
		(719,829)	351,525
	Other recognised gains and losses	(660)	-
	Net (depletion in)/addition to shareholders' funds	(720,489)	351,525
	Opening shareholders' funds	3,037,652	2,686,127
	Closing shareholders' funds	2,317,163	3,037,652
		2005	2004
	Company	£	£
	Profit for the financial year	121,846	105,444
	Dividends	(121,846)	(105,444)
	Net depletion in shareholders' funds	-	-
	Opening shareholders' funds	20,008	20,008
	Closing shareholders' funds	20,008	20,008
20	Directors' emoluments	2005	2004
		£	£
	Emoluments for qualifying services	1,514,445	1,681,033
	Emoluments disclosed above include the following amounts paid to the highest paid director:		
	Emoluments for qualifying services	199,812	343,110
	Company pension contributions to money purchase schemes	230,026	-

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

21 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
	2005	2004	in year
	£	£	£
L Abbott	6,834	45,579	45,579
A Morris	31,562	20,889	31,562
R Paul	420	1,169	1,169
I Harbour	1,578	-	1,578
G Stirk	2,676	-	2,676
L Grut	779	990	990
M Darbon	3,138	-	3,138
I Birtles	341	-	341
A Kalsi	7,183	10,404	10,404

22 Employees

Number of employees

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

	2005	2004
	Number	Number
Office and administration	46	51
Architects	93	90
Model shop	6	6
	145	147

Employment costs

	£	£
Wages and salaries	6,165,314	6,078,850
Social security costs	628,177	653,060
Other pension costs	459,655	-
	7,253,146	6,731,910

RICHARD ROGERS AND PARTNERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

23 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 the group. 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 the group. During the year the group made contributions of £36,664 (2004 - £321,315) of which £Nil were outstanding at the year end (2004 - £241,046).

In accordance with UITF 32 the balances and transactions relating to the EBT are consolidated into the group's financial statements. Contributions receivable of £36,664 (2004 - £321,315), distributions to sub-trusts of £357,979 (2004 - £Nil), interest receivable of £1,675 (2004 - £1,058) and accountancy fees payable of £Nil (2004 - £300) have been included in the profit and loss account. Bank balances of £38,917 (2004 - £117,811), creditors of £Nil (2004 - £300) and retained reserves of £38,917 (2004 - £358,557) 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 (2004 - £Nil).

24 Related party transactions

Group

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. River Cads Limited charged management fees and expenses amounting to £1,581,744 (2004 - £1,909,757) and at the year end was owed £1,043,875 (2004 - £1,993,040). Thames Wharf Studios Limited charged rent and other property related charges amounting to £543,654 (2004 - £866,274) and at the year end owed £1,973 (2004 - £(299,603)).

Richard Rogers GmbH, a subsidiary excluded from the consolidation, had no discloseable transactions (2004 - £Nil) and at the year end owed £10,198 (2004 - £10,198).