

Company Registration No. 1698321 (England and Wales)

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007

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ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) 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 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	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA

**ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)**

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ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2007

The directors present their report and financial statements for the year ended 30 June 2007

Directors

The following directors have held office since 1 July 2006

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

On 5 March 2007 the company passed a special resolution to change its name from Richard Rogers & Partners Limited to Rogers Stirk Harbour + Partners (Holdings) Limited.

The management of the business and the execution of the group's strategy are subject to a number of risks and uncertainties, the key ones of which are considered to relate to the ongoing competition for new commissions by other national and international practices and the recruitment and subsequent retention of outstanding architects to maintain architectural output of the highest quality.

Results and dividends

The consolidated profit and loss account for the year is set out on page 6.

The directors have approved the payment of a preference dividend amounting to £516,167 (2006 - £312,912). The Directors would note that the beneficiary of the dividend is the Thames Wharf Charity, which makes charitable grants to various other charities in line with the wishes of the employees of the group.

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.

Future developments

The Directors are pleased that the group has had another extremely successful year and look forward to the future with confidence.

The external commercial environment is expected to become more competitive in 2008, as a consequence of the sub-prime lending crisis reducing the amount of loan financing available for property developments around the world and increasing the credit risk costs of such financing and the continued exchange rate uncertainty.

However the Board are of the opinion that the current level of work commissioned is sufficient to maintain current levels of performance for the foreseeable future.

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2007

Charitable donations	2007	2006
	£	£

During the year the group made the following payments

Charitable donations	1,343,154	808,380
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During the year, the group has provided for general charitable donations totalling £1,343,154 (2006 - £804,630). Donations in excess of £200 were payable to The Richard Rogers Charitable Settlement (Regd charity no 283252) £548,364 (2006 - £Nil) and Michael Davies Charitable Settlement (Regd charity no 1000574) £548,364 (2006 - £Nil). The John Young Charitable Settlement (Regd charity no 283254) £115,279 (2006 - £402,315), The Goldschmied Charitable Settlement (Regd charity no 283250) £115,279 (2006 - £402,315), NYU Medical Centre \$25,000, The Bartlett School of Architecture £2,000. The directors would note that the dividend payable which is ultimately received by the Thames Wharf Charity is in addition to the above. The total funds generated by the group and payable to charities amounted to £1,859,321 (2006 - £1,121,292).

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.

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2007

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 that 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

By order of the board



M White

Secretary

29.4.2008

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED (FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Rogers Stirk Harbour + Partners (Holdings) Limited for the year ended 30 June 2007 set out on pages 6 to 24. These financial statements have been prepared under 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 group's and the company'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.

**ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**TO THE SHAREHOLDERS OF ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS)
LIMITED**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 30 June 2007 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Lee Associates Audit Limited

Lee Associates Audit Limited

30.4.08

**Chartered Accountants
Registered Auditor**

**5 Southampton Place
London
WC1A 2DA**

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 £	2006 £
Turnover	2	29,005,190	22,996,870
Cost of sales		(19,029,031)	(14,572,349)
Gross profit		9,976,159	8,424,521
Administrative expenses		(8,401,212)	(7,124,485)
Operating profit	3	1,574,947	1,300,036
Other interest receivable and similar income		133,647	31,382
Interest payable and similar charges	5	(92,500)	(37,653)
Profit on ordinary activities before taxation		1,616,094	1,293,765
Tax on profit on ordinary activities	6	(535,445)	(449,391)
Profit on ordinary activities after taxation		1,080,649	844,374

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

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	£	£
Profit for the financial year	1,080,649	844,374
Currency translation differences on foreign currency net investments	(1,559)	(2,373)
Total recognised gains and losses relating to the year	<u>1,079,090</u>	<u>842,001</u>

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
BALANCE SHEETS
AS AT 30 JUNE 2007

	Notes	Group 2007 £	2006 £	Company 2007 £	2006 £
Fixed assets					
Tangible assets	9	747,231	523,832	-	-
Investments	10	8,333	8,333	23,185	22,488
		<u>755,564</u>	<u>532,165</u>	<u>23,185</u>	<u>22,488</u>
Current assets					
Stocks	11	6,966,484	5,993,185	-	-
Deferred tax asset	12	1,389,816	1,072,327	-	-
Debtors amounts falling due within one year	12	10,368,561	10,604,233	825,879	310,951
Cash at bank and in hand		3,640,453	1,089,627	3	3
		<u>22,365,314</u>	<u>18,759,372</u>	<u>825,882</u>	<u>310,954</u>
Creditors: amounts falling due within one year	14	<u>(19,711,703)</u>	<u>(16,445,285)</u>	<u>(829,059)</u>	<u>(313,434)</u>
Net current assets		<u>2,653,611</u>	<u>2,314,087</u>	<u>(3,177)</u>	<u>(2,480)</u>
Total assets less current liabilities		<u>3,409,175</u>	<u>2,846,252</u>	<u>20,008</u>	<u>20,008</u>

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
BALANCE SHEETS (CONTINUED)
AS AT 30 JUNE 2007

	Notes	Group 2007 £	2006 £	Company 2007 £	2006 £
Capital and reserves					
Called up share capital	17	20,008	20,008	20,008	20,008
Profit and loss account	18	3,389,167	2,826,244	-	-
	19	<u>3,409,175</u>	<u>2,846,252</u>	<u>20,008</u>	<u>20,008</u>
Equity interests		-	-	-	-
Non-equity interests		<u>3,409,175</u>	<u>2,846,252</u>	<u>20,008</u>	<u>20,008</u>
		<u>3,409,175</u>	<u>2,846,252</u>	<u>20,008</u>	<u>20,008</u>

The financial statements were approved by the board on

27-4-2008

A Morris
Director

I Birtles
Director

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	£	£
Net cash inflow from operating activities	4,566,686	250,759
Returns on investments and servicing of finance		
Interest received	133,647	31,382
Interest paid	(92,500)	(37,653)
Non equity dividends paid	-	(211,289)
Net cash inflow/(outflow) for returns on investments and servicing of finance	41,147	(217,560)
Taxation	(1,384,387)	(319,669)
Capital expenditure		
Payments to acquire tangible assets	(623,678)	(245,262)
Net cash outflow for capital expenditure	(623,678)	(245,262)
Net cash inflow/(outflow) before management of liquid resources and financing	2,599,768	(531,732)
Management of liquid resources		
Bank deposits	(1,003,389)	-
	(1,003,389)	-
Increase/(decrease) in cash in the year	1,596,379	(531,732)

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

1	Reconciliation of operating profit to net cash inflow from operating activities	2007 £	2006 £
	Operating profit	1,574,947	1,300,036
	Depreciation of tangible assets	398,932	278,653
	Increase in stocks	(973,299)	(1,670,172)
	Decrease/(increase) in debtors	236,192	(4,172,291)
	Increase in creditors within one year	3,330,126	4,516,582
	Net effect of foreign exchange differences	(212)	(2,049)
	Net cash inflow from operating activities	4,566,686	250,759

2	Analysis of net funds	1 July 2006	Cash flow	Other non-cash changes	30 June 2007
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,089,627	1,547,437	-	2,637,064
	Bank overdrafts	(48,942)	48,942	-	-
		1,040,685	1,596,379	-	2,637,064
	Liquid resources				
	Bank deposits	-	1,003,389	-	1,003,389
	Net funds	1,040,685	2,599,768	-	3,640,453

3	Reconciliation of net cash flow to movement in net debt	2007 £	2006 £
	Increase/(decrease) in cash in the year	1,596,379	(531,732)
	Cash outflow from increase in liquid resources	1,003,389	-
	Net effect of foreign exchange differences	(1,410)	(5,443)
	Movement in net funds in the year	2,599,768	(531,732)
	Opening net funds	1,040,685	1,572,417
	Closing net funds	3,640,453	1,040,685

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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 2007. 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

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.

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.

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2007

1 Accounting policies

(Continued)

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 has 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

Assets and liabilities held in the EBT are recognised in accordance with the provisions of UITF 32.

2 Turnover

Segmental analysis by geographical area

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

	2007	2006
	Sales by	Sales by
	destination	destination
	£	£
Geographical segment		
United Kingdom	18,843,236	14,563,749
Europe	4,054,053	5,138,901
North America	3,155,492	2,366,803
Rest of the World	2,952,409	927,417
	<u>29,005,190</u>	<u>22,996,870</u>

3 Operating profit

	2007	2006
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	398,932	278,653
(Profit)/loss on foreign currency	148,824	(47,317)
Operating lease rentals		
- Plant and machinery	2,927	678
- Other assets	815,445	923,276
Auditors' remuneration	34,400	45,000
Remuneration of auditors for non-audit work	141,874	93,796

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2007

4	Investment income	2007	2006
		£	£
	Bank interest	131,873	26,233
		<u> </u>	<u> </u>
5	Interest payable	2007	2006
		£	£
	On bank loans and overdrafts	2,884	5
	On overdue tax	51,184	37,648
	Other interest	38,432	-
		<u> </u>	<u> </u>
		<u>92,500</u>	<u>37,653</u>

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2007

6	Taxation	2007	2006
		£	£
	Domestic current year tax		
	U K corporation tax	622,410	699,616
	Adjustment for prior years	1,813	(745)
		<u>615,923</u>	<u>698,871</u>
	Foreign corporation tax		
	Foreign corporation tax	237,011	97,672
		<u>237,011</u>	<u>97,672</u>
	Current tax charge	852,934	796,543
	Deferred tax		
	Deferred tax charge/credit current year	(317,489)	(347,152)
		<u>535,445</u>	<u>449,391</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,616,094	1,293,765
		<u>1,616,094</u>	<u>1,293,765</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 30.00%)	484,828	388,130
		<u>484,828</u>	<u>388,130</u>
	Effects of		
	Non deductible expenses	10,592	65,491
	Depreciation add back	116,446	79,696
	Capital allowances	(111,207)	(86,153)
	Adjustments to previous periods	1,813	(745)
	Directors'/participants' remuneration adjustment	128,124	204,157
	Other tax adjustments	222,337	145,967
		<u>368,105</u>	<u>408,413</u>
	Current tax charge	852,933	796,543
		<u>852,933</u>	<u>796,543</u>

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:

	2007	2006
	£	£
Holding company's profit for the financial year	<u>516,167</u>	<u>312,912</u>

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2007

8 Dividends	2007 £	2006 £
Dividends on non-equity shares:		
Preference dividend	516,167	312,912

9 Tangible fixed assets Group	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost					
At 1 July 2006	260,062	32,439	1,005,320	1,225,527	2,523,348
Exchange differences	-	(1,071)	(1,457)	(997)	(3,525)
Additions	-	-	497,701	125,977	623,678
At 30 June 2007	260,062	31,368	1,501,564	1,350,507	3,143,501
Depreciation					
At 1 July 2006	31,200	21,376	819,000	1,127,940	1,999,516
Exchange differences	-	(514)	(867)	(797)	(2,178)
Charge for the year	5,200	1,924	306,776	85,032	398,932
At 30 June 2007	36,400	22,786	1,124,909	1,212,175	2,396,270
Net book value					
At 30 June 2007	223,662	8,582	376,655	138,332	747,231

10 Fixed asset investments Group	Shares in subsidiary undertakings £
Cost	
At 1 July 2006 & at 30 June 2007	8,333
Net book value	
At 1 July 2006 & at 30 June 2007	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

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2007

10 Fixed asset investments
Company

	Shares in subsidiary undertakings £
Cost	
At 1 July 2006	62,488
Additions	697
At 30 June 2007	63,185
Provisions for diminution in value	
At 1 July 2006 & at 30 June 2007	40,000
Net book value	
At 30 June 2007	23,185
At 30 June 2006	22,488

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			
Rogers Stirk Harbour + Partners Limited	England and Wales	Ordinary	100
KK Rogers Stirk Harbour Partners Japan	Japan	Ordinary	100
Richard Rogers GmbH	Germany	Capital stock	100
Rogers Stirk Harbour & Partners SL	Spain	Ordinary	100
Javits UK Limited	England and Wales	Ordinary	100
RRG Design Inc	USA	Capital Stock	100
WTC3 Limited	England and Wales	Ordinary	100
Rogers Design Services Inc	USA	Capital Stock	100

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

	Principal activity
Rogers Stirk Harbour + Partners Limited	Architects and design
KK Rogers Stirk Harbour Partners Japan	Architects and design
Richard Rogers GmbH	Architects and design
Rogers Stirk Harbour & Partners SL	Architects and design
Javits UK Limited	Project management services
RRG Design Inc	Project support services
WTC3 Limited	Project management services

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED
(FORMERLY RICHARD ROGERS AND PARTNERS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2007

Rogers Design Services Inc

Project support services

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, 2005 and 2006 are not materially different from those for 2002 as the company is effectively dormant throughout those years and subsequently. As a consequence of non-consolidation the debtor balance it owes to the group is disclosed in Note 12.

Javits UK Limited was incorporated in April 2006 and commenced trading in June 2006. The first financial statements to be drawn up by the company are for the period to 30 June 2007 and are included in the consolidated financial statements for that period only. The directors do not consider non-consolidation in 2006 to be material. As a consequence of non-consolidation in 2006, the amount it is owed by the group is disclosed in Note 14.

11 Stocks

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Long term contract balances				
- Net cost less foreseeable losses	6,966,484	5,993,185	-	-

12 Debtors

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Trade debtors	9,015,619	7,520,744	-	-
Amounts owed by group undertakings	-	10,199	825,879	310,951
Corporation tax	15,390	14,870	-	-
Other debtors	688,856	2,541,496	-	-
Prepayments and accrued income	648,696	516,924	-	-
Deferred tax asset (see note 15)	1,389,816	1,072,327	-	-
	<u>11,758,377</u>	<u>11,676,560</u>	<u>825,879</u>	<u>310,951</u>

The balances disclosed above for amounts owed by group undertakings relate to Richard Rogers GmbH. That subsidiary company has been excluded from the consolidation as noted in Note 10.

The balance disclosed above as Other Debtors includes £140,000 (2006 - £140,000) of debtors 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 not controlled by, the group.

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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 £3,640,453 (2006 - £1,089,627), includes £39,970 (2006 - £38,196) 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	
	2007	2006	2007	2006
	£	£	£	£
Bank loans and overdrafts	-	48,942	-	-
Payments received on account	4,875,475	4,746,772	-	-
Trade creditors	885,464	648,251	-	-
Amounts owed to group undertakings	-	4,780	-	-
Corporation tax	424,411	955,344	-	-
Taxes and social security costs	1,723,245	1,002,198	-	-
Directors current accounts	150,441	-	-	-
Other creditors	5,681,160	1,792,774	-	541
Accruals and deferred income	5,142,448	6,933,332	-	1
Proposed dividend	829,059	312,892	829,059	312,892
	<u>19,711,703</u>	<u>16,445,285</u>	<u>829,059</u>	<u>313,434</u>

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

The amounts owed to group companies noted in the comparative above relates to Javits UK Limited, a subsidiary excluded from the consolidation in that year. That company was formed in April 2006 and started trading in June 2006. It has drawn its first financial statements up to 30 June 2007. The directors were of the opinion that the trading results to 30 June 2006 of that company were not material to the consolidated financial statements for the year to 30 June 2006. The 2007 consolidated financial statements therefore incorporate the results of that company for the 14 month period ended 30 June 2007.

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15 Provisions for liabilities and charges
Group

	Deferred taxation £
Balance at 1 July 2006	(1,072,327)
Profit and loss account	(317,489)
Balance at 30 June 2007	(1,389,816)

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

	Group 2007 £	Company 2007 £
Balance at 1 July 2006	(1,072,327)	-
Profit and loss account	(317,489)	-
Balance at 30 June 2007	(1,389,816)	-

	Group 2007 £	2006 £	Company 2007 £	2006 £
Decelerated capital allowances	(218,776)	(179,700)	-	-
Other timing differences	(1,171,040)	(892,627)	-	-
	(1,389,816)	(1,072,327)	-	-

16 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. There were no contributions outstanding at the year end (2006 - £Nil).

	2007 £	2006 £
Contributions payable by the group for the year	465,000	1,240,498

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17 Share capital	2007 £	2006 £
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

	Profit and loss account £
Balance at 1 July 2006	2,826,244
Retained profit for the year	564,482
Balance at 30 June 2007	<u>3,389,167</u>

Company

	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2006	-	-
Balance at 30 June 2007	<u>-</u>	<u>-</u>

The consolidated group profit and loss account includes £179,970 (2006 - £178,197) 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.

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19	Reconciliation of movements in shareholders' funds	2007	2006
	Group	£	£
	Profit for the financial year	1,080,649	844,374
	Dividends	(516,167)	(312,912)
		564,482	531,462
	Other recognised gains and losses	(1,559)	(2,373)
	Net addition to shareholders' funds	562,923	529,089
	Opening shareholders' funds	2,846,252	2,317,163
	Closing shareholders' funds	3,409,175	2,846,252
		2007	2006
	Company	£	£
	Profit for the financial year	516,167	312,912
	Dividends	(516,167)	(312,912)
	Net depletion in shareholders' funds	-	-
	Opening shareholders' funds	20,008	20,008
	Closing shareholders' funds	20,008	20,008
20	Directors' emoluments	2007	2006
		£	£
	Emoluments for qualifying services	7,044,785	2,826,711
	Pension contributions to a money purchase scheme	495,000	1,240,498
	Sums paid to third parties	219,447	1,801,483
	Sums paid to third parties re former directors	1,209,477	748,215
		8,968,709	6,616,907

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2006- 2)

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	1,730,323	1,453,477

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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
	2006	2005	in year
	£	£	£
A Morris	9,867	38,817	38,817
R Paul	116,298	99,199	116,298
G Stirk	4,487	90	4,487
L Grut	595	626	626
M Darbon	10,659	10,242	10,659
I Birtles	532	6,622	6,622
A Kalsi	27,344	26,349	27,344

22 Employees

Number of employees

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

	2007	2006
	Number	Number
Office and administration	49	54
Architects	105	102
Model shop	6	5
Project support staff	7	-
Project management staff	1	-
	168	161

Employment costs

	2007	2006
	£	£
Wages and salaries	13,895,213	11,154,833
Social security costs	1,506,520	720,198
Other pension costs	465,000	1,240,498
	15,866,733	13,115,529

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23 Employee benefit trust

Rogers Stirk Harbour + Partners 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 £70,000 (2006 - £322,139) of which £Nil were outstanding at the year end (2006 - £Nil).

In accordance with UITF 32 the balances and transactions relating to the EBT are consolidated into the group's financial statements. Contributions receivable of £70,000 (2006 - £322,139), distributions to sub-trusts of £70,000 (2006 - £182,139), interest receivable of £1,774 (2006 - £1,805) and accountancy fees payable of £Nil (2006 - £1,200) have been included in the profit and loss account. Bank balances of £39,970 (2006 - £38,196) and retained reserves of £179,970 (2006 - £178,197) 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 (2006 - £Nil).

24 Related party transactions

Group

River Cads Limited and Thames Wharf Studios Limited are all related parties by virtue of common directorship and shareholdings of Lord Rogers. River Cads Limited charged management fees and expenses amounting to £194,396 (2006 - £1,199,690) and at the year end owed £1,882,714 (2006 - £1,882,714). Thames Wharf Studios Limited charged rent and other property related charges amounting to £537,000 (2006 - £537,000) and at the year end was owed £7,556 (2006 - £(11,636)).