Company Registration No. 1698321 (England and Wales)

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2008

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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 C 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

CONTENTS

	Page
Directors' report	1 - 4
Independent auditors' report	5 - 6
Consolidated profit and loss account	7
Statement of recognised gains and losses	8
Balance sheets	9 - 10
Consolidated cash flow statement	11
Notes to the consolidated cash flow statement	12
Notes to the financial statements	13 - 28

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2008

The directors present their report and financial statements for the year ended 30 June 2008.

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 subsidiary Rogers Stirk Harbour + Partners Limited opened a branch office in South Korea during the year.

The results of the group for the year ended 30 June 2008 are the most successful in the group's history. Turnover increased by 31% from £29.00m to £38.09m. Turnover from projects being delivered in the UK increased by 12% to £19.22m with turnover from non-UK projects increasing from £11.87m to £18.87m This increased turnover was generated by a higher number of staff, however turnover per architect also increased in the year by 4% from £276,200 to £286,400

As at the date of approval the practice is working on or exploring potential work in 19 countries worldwide. As in previous years, the work undertaken by the practice covers the full range of architecture from masterplanning, residential schemes, commercial office developments, museums to transportation infrastructure.

We continue to be evermore global in outlook although cautiously avoiding over trading in unfamiliar markets. The group now operates out of six offices worldwide. This global outlook is also reflected in the makeup of the staff who are drawn from 20 countries as the practice seeks out the best young talent in the world.

The practice's designs continue to receive wide-ranging recognition with 12 key awards won during the year to 30 June 2008 and a further 18 to May 2009. These include Royal Institute of British Architects (RIBA) awards for Terminal 5, Heathrow, the Oxley Woods housing scheme in Milton Keynes, the London Maggie's Cancer Care Centre and the Bodegas Protos winery in northern Spain. In total the practice has now received around 150 awards from around the world.

Lord Rogers, the chairman of the practice was named a Member of the Order of the Companions of Honour (CH) in the 2008 birthday honours list, having been named laureate of the Pritzker Prize in 2007.

The practice was also very proud to launch a retrospective of its work, 'Richard Rogers + Architects', at the Pompidou Centre in Paris in November 2007 to coincide with the 30th anniversary of the opening of the building. The exhibition attracted 150,000 visitors during the three months it was there. The exhibition subsequently moved to The Design Museum in London in early 2008 where it attracted a further 50,000 visitors. It is currently at the CaixaForum in Barcelona where 100,000 are anticipated before it closes in June 2009 and transfers to the CaixaForum in Madrid. It is hoped that the exhibition will then travel on to further key venues in Asia, North America and Europe during the next 3-4 years.

We continue to operate under a group constitution which defines the basis on which the group conducts business. It directs that the majority of profits generated by the practice be distributed as profit shares to staff in recognition of the outstanding efforts made in the year and as charitable donations, providing that sufficient working capital is retained for the coming year. Therefore, as in previous years, we retain only those profits necessary to maintain such working capital, a decision that is taken by the directors anticipating the financial risks predicted for the year ahead. If the directors consider that the distribution of the profit share to staff and the charity payments would leave the practice with insufficient working capital then they would be directed by the constitution to either defer the payments or to cancel them entirely. In this respect the cost of the profit share and the charitable donations is variable and does not represent an ongoing commitment unless the group is sufficiently profitable to support them.

The management of the business and the execution of the group's strategy are subject to a number of risks, the key ones of which are considered to be

- ongoing competition for new commissions by other national and international practices

- the reduced global market for construction projects

- financial risks

- the generation of adequate liquidity.

The group finds itself in a much changed economic climate since the beginning of 2009. The global construction industry has suffered a dramatic contraction as a consequence of the 'credit crunch'. This has manifested itself in the reduced level of competitions and commissions available around the world and has also led to some projects in progress being reduced in scale, being placed on hold or terminated.

The directors regret that, despite the success achieved in the year to 30 June 2008, that subsequently the group has been forced to reduce the staff headcount by redundancies to ensure that it matches its resourcing capacity to the projected future workload and anticipated cashflow.

Results and dividends

The consolidated profit and loss account for the year is set out on page 7.

The directors have approved the payment of a preference dividend amounting to £1,451,488 (2007 - £516,167). More detail regarding the dividend is shown in Charitable Donations below.

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 believe that the group will maintain profitability in the short term but that the long term outlook is uncertain in light of current economic conditions. They however remain optimistic that the quality and creativeness of the group's output will continue to attract clients globally and that the work generated will see the group through the current economic downturn.

Directors

The following directors have held office since 1 July 2007:

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

	2008	2007
	£	£
During the year the group made the following payments:		
Charitable donations	975,788	1,343,154

During the year, the group has provided for general charitable donations totalling £974,278 (2007 - £1,334,154). Donations in excess of £200 were payable to, The Richard Rogers Charitable Settlement (Regd charity no. 283252) £579,689 (2007 - £548,364), Michael Davies Charitable Settlement (Regd charity no. 1000574) £386,459 (2007 - £548,364) and The Bartlett School of Architecture £5,000 (2007 - £2,000).

The directors would also like to draw attention to the preference dividend payable, which is ultimately received by The Thames Wharf Charity, and is in addition to the above. Total funds generated by the group and payable to charities amounted to £2,425,766 (2007 - £1,846,871).

Financial instruments

Treasury operations and financial instruments

The group operates a centralised treasury function which is responsible for managing the liquidity, credit and foreign currency risks associated with the group's activities.

The group's principal financial instruments include derivative financial instruments, the purpose of which is to manage currency risks and interest rate risks arising from the group's activities, and bank overdrafts, loans and corporate bonds, the main purpose of which is to raise finance for the group's operations. In addition, the group has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations. Derivative transactions which the group enters into principally comprise forward exchange contracts. In accordance with the group's treasury policy, derivative instruments are not entered into for speculative purposes.

Liquidity risk

The group manages its cash and borrowing requirements centrally in order to maximise interest income and minimise interest expense, whilst ensuring that the group has sufficient liquid resources to meet the operating needs of its businesses.

Foreign currency risk

The group's principal foreign currency exposures arise from trading with overseas companies. Group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary. Contracts where applicable are drafted with terms which generate fee income in advance of work performed and contain clauses allowing for compensation in the event of a project termination or placement on hold.

Auditors

In accordance with the company's articles, a resolution proposing that Lee Associates Audit Limited be reappointed as auditors of the company will be put at a General Meeting.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2008

Statement of 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

9.6.08

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) 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 2008 set out on pages 7 to 28. 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.

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 2008 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 10.6.09

Chartered Accountants
Registered Auditor

5 Southampton Place
London
WC1A 2DA

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 £	2007 £
Turnover	2	38,094,870	29,005,190
Cost of sales		(24,333,919)	(19,029,031)
Gross profit		13,760,951	9,976,159
Administrative expenses		(10,220,859)	(8,401,212)
Operating profit	3	3,540,092	1,574,947
Other interest receivable and similar income		310,817	133,647
Amounts written off investments	5	(8,333)	-
Interest payable and similar charges	6	(5,128)	(92,500)
Profit on ordinary activities before taxation		3,837,448	1,616,094
Tax on profit on ordinary activities	7	(1,544,657)	(535,445)
Profit on ordinary activities after taxation		2,292,791	1,080,649

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

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 JUNE 2008

	2008 £	2007 £
Profit for the financial year	2,292,791	1,080,649
Currency translation differences on foreign currency net investments	76,373	(1,559)
Total recognised gains and losses relating to the year	2,369,164	1,079,090

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED

BALANCE SHEETS
AS AT 30 JUNE 2008

	Notes	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Fixed assets					
Tangible assets	10	714,204	747,231	-	-
Investments	11	-	8,333	23,185	23,185
		714,204	755,564	23,185	23,185
Current assets					
Stocks	12	4,923,387	6,966,484	-	-
Deferred tax asset	13	433,595	1,389,816	-	-
Debtors: amounts falling due within one year	13	11,798,701	10,368,561	1,447,754	825,879
Cash at bank and in hand		9,271,547	3,640,453	3	3
		26,427,230	22,365,314	1,447,757	825,882
Creditors: amounts falling due within one year	15	(22,814,583)	(19,711,703)	(1,450,934)	(829,059)
Net current assets		3,612,647	2,653,611	(3,177)	(3,177)
Total assets less current liabilities		4,326,851	3,409,175	20,008	20,008

BALANCE SHEETS (CONTINUED)
AS AT 30 JUNE 2008

	Notes	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Capital and reserves					
Called up share capital	18	20,008	20,008	20,008	20,008
Profit and loss account	19	4,306,843	3,389,167	-	-
	20	4,326,851	3,409,175	20,008	20,008
Equity interests		-	-	-	-
Non-equity interests		4,326,851	3,409,175	20,008	20,008
		4,326,851	3,409,175	20,008	20,008

The financial statements were approved by the board on 9.6.09.

A Morris
Director

I Birtles
Director

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	£	2008 £	£	2007 £
Net cash inflow from operating activities		7,310,537		4,566,686
Returns on investments and servicing of finance				
Interest received	310,817		133,647	
Interest paid	(5,128)		(92,500)	
Non equity dividends paid	(829,613)		-	
Net cash (outflow)/inflow for returns on investments and servicing of finance		(523,924)		41,147
Taxation		(778,986)		(1,384,387)
Capital expenditure				
Payments to acquire tangible assets	(376,537)		(623,678)	
Net cash outflow for capital expenditure		(376,537)		(623,678)
Net cash inflow before management of liquid resources and financing		5,631,090		2,599,768
Bank deposits	1,003,389		(1,003,389)	
Increase in cash in the year		6,634,479		1,596,379

ROGERS STIRK HARBOUR + PARTNERS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

1	**Reconciliation of operating profit to net cash inflow from operating activities**	**2008**	**2007**
		£	**£**
	Operating profit	3,540,092	1,574,947
	Depreciation of tangible assets	412,187	398,932
	Loss on disposal of tangible assets	30	-
	Decrease/(increase) in stocks	2,043,097	(973,299)
	(Increase)/decrease in debtors	(1,422,915)	236,192
	Increase in creditors within one year	2,664,326	3,330,126
	Net effect of foreign exchange differences	73,720	(212)
	Net cash inflow from operating activities	7,310,537	4,566,686

2	**Analysis of net funds**	**1 July 2007**	**Cash flow**	**Other non-cash changes**	**30 June 2008**
		£	**£**	**£**	**£**
	Net cash:				
	Cash at bank and in hand	2,637,064	6,634,483	-	9,271,547
	Bank overdrafts	-	(4)	-	(4)
		2,637,064	6,634,479	-	9,271,543
	Liquid resources:				
	Bank deposits	1,003,389	(1,003,389)	-	-
	Net funds	3,640,453	5,631,090	-	9,271,543

3	**Reconciliation of net cash flow to movement in net debt**	**2008**	**2007**
		£	**£**
	Increase in cash in the year	6,634,479	1,596,379
	Cash inflow/(outflow) from decrease/(increase) in liquid resources	(1,003,389)	1,003,389
	Net effect of foreign exchange differences	(1,410)	(5,443)
	Movement in net funds in the year	5,631,090	2,599,768
	Opening net funds	3,640,453	1,040,685
	Closing net funds	9,271,543	3,640,453

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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 2008. 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 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.

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 Trust

Assets and liabilities held in the EBT are recognised in accordance with the provisions of UITF32 - 'Employee Benefit Trusts'.

2 Turnover

Segmental analysis by geographical area

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

	2008 Sales by destination	2007 Sales by destination
	£	£
Geographical segment		
United Kingdom	19,222,233	17,138,236
Europe	5,555,362	4,054,053
North America	5,827,242	3,194,492
Rest of the World	7,490,033	4,618,409
	38,094,870	29,005,190

3	**Operating profit**	**2008**	**2007**
		£	£
	Operating profit is stated after charging :		
	Depreciation of tangible assets	412,187	398,932
	Loss on disposal of tangible assets	30	-
	Loss on foreign exchange transactions	33,769	161,499
	Operating lease rentals		
	- Plant and machinery	-	2,927
	- Other assets	1,085,784	815,445
	and after crediting:		
	Profit on foreign exchange transactions	(367,584)	(12,675)

Auditors' remuneration

Fees payable to the group's auditor for the audit of the group's annual accounts (company £-; 2007: £-)	44,650	34,400
Provision of taxation and related consultancy services by parallel practice.	143,904	67,238
	188,554	101,638

4	**Investment income**	**2008**	**2007**
		£	£
	Bank interest	291,021	131,873
	Other interest	19,796	1,774
		310,817	133,647

5	**Amounts written off investments**	**2008**	**2007**
		£	£
	Amounts written off fixed asset investments:		
	- permanent diminution in value	8,333	-

6	**Interest payable**	**2008**	**2007**
		£	£
	On bank loans and overdrafts	-	2,884
	On overdue tax	5,128	51,184
	Other interest	-	38,432
		5,128	92,500

7	**Taxation**	**2008**	**2007**
		£	£
	Domestic current year tax		
	U.K. corporation tax	487,270	622,410
	Adjustment for prior years	(86)	1,813
	Foreign tax credit	(55,986)	(8,300)
		431,198	615,923
	Foreign corporation tax		
	Foreign corporation tax	157,238	237,011
	Current tax charge	588,436	852,934
	Deferred tax		
	Deferred tax charge/credit current year	956,221	(317,489)
		1,544,657	535,445
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	3,837,448	1,616,094
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2007 - 30.00%)	1,151,234	484,828
	Effects of:		
	Non deductible expenses	307,534	10,592
	Depreciation add back	119,315	116,446
	Capital allowances	(104,813)	(111,207)
	Foreign tax adjustments	(55,986)	(8,300)
	Adjustments to previous periods	(86)	1,813
	Directors'/participators' remuneration adjustment	(470,783)	128,124
	Other tax adjustments	(357,979)	230,638
		(562,798)	368,106
	Current tax charge	588,436	(852,934)

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:

	2008	2007
	£	£
Holding company's profit for the financial year	1,451,488	516,167

9 Dividends

	2008	2007
	£	£
Dividends on non-equity shares:		
Preference dividend	1,451,488	516,167

The allocation of the profits of the company and the group are governed by a group constitution. This stipulates that a percentage of the global post tax profits are paid over to The Thames Wharf Charity. This payment is made by means of a dividend on the preference shares. The directors consider that since the payment is a contractual liability of the company and the group, known and quantifiable as at the balance sheet date, that is should be provided for in the financial statements. They do not consider this disclosure to be a departure from UK Generally Accepted Accounting Practice.

10 Tangible fixed assets

Group

	Land and buildings Freehold	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 July 2007	260,062	31,368	1,501,565	1,350,507	3,143,502
Exchange differences	-	1,084	7,686	2,332	11,102
Additions	-	-	299,586	76,949	376,535
Disposals	-	-	(164,619)	(595)	(165,214)
At 30 June 2008	260,062	32,452	1,644,218	1,429,193	3,365,925
Depreciation					
At 1 July 2007	36,400	22,786	1,124,909	1,212,173	2,396,268
Exchange differences	-	585	5,968	1,896	8,449
On disposals	-	-	(164,619)	(565)	(165,184)
Charge for the year	5,200	1,989	325,610	79,389	412,188
At 30 June 2008	41,600	25,360	1,291,868	1,292,893	2,651,721
Net book value					
At 30 June 2008	218,462	7,092	352,350	136,300	714,204
At 30 June 2007	223,662	8,582	376,655	138,332	747,231

11 **Fixed asset investments**

Group

	Shares in group undertakings £
Cost	
At 1 July 2007 & at 30 June 2008	8,333
Provisions for diminution in value	
At 1 July 2007	-
Charge for the year	8,333
At 30 June 2008	8,333
Net book value	
At 30 June 2008	-
At 30 June 2007	8,333

In the opinion of the directors, the aggregate value of the group's investments in subsidiary undertakings not included in the consolidation is now £Nil.

11 **Fixed asset investments**

Company

	Shares in subsidiary undertakings £
Cost	
At 1 July 2007 & at 30 June 2008	63,185
Provisions for diminution in value	
At 1 July 2007 & at 30 June 2008	40,000
Net book value	
At 30 June 2008	23,185
At 30 June 2007	23,185

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:—

11 Fixed asset investments **(Continued)**

Company	Country of registration or incorporation	Shares held	
		Class	%
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 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 company has been dormant since that date.

12 Stocks

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Long term contract balances:				
- Net cost less foreseeable losses	4,923,387	6,966,484	-	-

13 Debtors

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Trade debtors	7,449,135	9,015,619	-	-
Amounts owed by group undertakings	-	133,720	1,447,754	825,879
Corporation tax	22,615	15,390	-	-
Other debtors	3,743,206	555,136	-	-
Prepayments and accrued income	583,745	648,696	-	-
	11,798,701	10,368,561	1,447,754	825,879
Debtor : Amounts falling due after one year				
Deferred tax asset (see note 16)	433,595	1,389,816	-	-
	12,232,296	11,758,377	1,447,754	825,879

The balance disclosed above as Other Debtors includes £681,750 (2007 - £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 UITF32 -'Employee Benefit Trusts'. This amount is not available to the group for use in its general business (See Note 24).

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 includes £41,152 (2007 - £39,970) as a consequence of the consolidation of the Richard Rogers Architects Limited EBT balances into the financial statements of the group in accordance with UITF32 - 'Employee Benefit Trusts'. This amount is not available to the group for use in its general business (See Note 24).

15 Creditors : amounts falling due within one year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank loans and overdrafts	4	-	-	-
Payments received on account	3,444,785	4,875,475	-	-
Trade creditors	783,556	885,464	-	-
Corporation tax	241,086	424,411	-	-
Taxes and social security costs	3,636,032	1,723,245	-	-
Directors current accounts	1,077,840	150,441	-	-
Other creditors	4,442,560	5,681,160	-	-
Accruals and deferred income	7,737,786	5,142,448	-	-
Proposed dividend	1,450,934	829,059	1,450,934	829,059
	22,814,583	19,711,703	1,450,934	829,059

The main bank overdraft facilities of the group (unused) are secured by unlimited debentures over the assets of the group.

16 Provisions for liabilities

Other timing differences primarily relate to the charity and profit share payments not paid by 30 June 2008 and not qualifying for deduction against the profits assessable for corporation tax in the year. These balances qualify for deduction once paid. The directors anticipate payment will be made in the year ended 30 June 2009 and that there will be sufficient profits for the deferred tax asset to be relieved in full.

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

	Group	Company
	2008	2008
	£	£
Balance at 1 July 2007	(1,389,816)	-
Profit and loss account	956,221	-
Balance at 30 June 2008	(433,595)	-

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Decelerated capital allowances	(182,300)	(218,776)	-	-
Other timing differences	(251,295)	(1,171,040)	-	-
	(433,595)	(1,389,816)	-	-

17 Pension and other post-retirement benefit commitments

Defined contribution

The group operates money purchase pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund. There were contributions outstanding at the year end amounting to £335,000 (2007 - £Nil).

	2008	2007
	£	£
Contributions payable by the group for the year	436,250	465,000

18 Share capital

	2008	2007
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
20,000 Preference shares of £1 each	20,000	20,000
	20,100	20,100
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
	20,008	20,008

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.

19 Statement of movements on profit and loss account

Group

	Profit and loss account £
Balance at 1 July 2007	3,389,167
Retained profit for the year	841,303
Balance at 30 June 2008	4,306,843

Company

	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2007	-	-
Balance at 30 June 2008	-	-

The consolidated group profit and loss account includes £722,902 (2007 - £179,970) 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 UITF32 - 'Employee Benefit Trusts'. This element of the consolidated profit and loss account reserve is not a distributable reserve of the group.

20	**Reconciliation of movements in shareholders' funds**	**2008**	**2007**
	Group	**£**	**£**
	Profit for the financial year	2,292,791	1,080,649
	Dividends	(1,451,488)	(516,167)
		841,303	564,482
	Other recognised gains and losses	76,373	(1,559)
	Net addition to shareholders' funds	917,676	562,923
	Opening shareholders' funds	3,409,175	2,846,252
	Closing shareholders' funds	4,326,851	3,409,175

		2008	**2007**
	Company	**£**	**£**
	Profit for the financial year	1,451,488	516,167
	Dividends	(1,451,488)	(516,167)
	Net depletion in shareholders' funds	-	-
	Opening shareholders' funds	20,008	20,008
	Closing shareholders' funds	20,008	20,008

21 Directors' emoluments

	2008	2007
	£	£
Emoluments for qualifying services	9,688,349	7,044,785
Pension contributions to a money purchase scheme	436,250	465,000
Sums paid to third parties	-	219,447
Sums paid to third parties re former directors	1,477,210	1,209,477
	11,601,809	8,938,709

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2007- 2).

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

Emoluments for qualifying services	2,477,994	1,730,323

Amounts paid to third parties re former directors relate to payments determined by the group constitution. This allocates a proportion of the profits for the year to the former directors despite their departure from the group. The amounts disclosed represent the last such payments that the group is obliged to make in accordance with the constitution.

22 Transactions with directors

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

	Amount outstanding		Maximum
	2008	2007	in year
	£	£	£
A Morris	50,133	9,867	50,133
R T Paul	419,212	116,358	419,212
G C Stirk	1,458	4,487	4,487
L Grut	595	626	626
M Darbon	11,067	10,660	11,067
I Birtles	4,583	532	4,583
A Kalsi	4,991	27,344	27,344

23 Employees

Number of employees

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

	2008 Number	2007 Number
Office and administration	55	49
Architects	133	105
Model shop	5	6
Project support staff	6	7
Project management staff	-	1
	199	168

Employment costs	2008 £	2007 £
Wages and salaries	18,034,367	16,537,062
Social security costs	2,113,254	1,333,932
Other pension costs	436,250	465,000
	20,583,871	18,335,994

24 Employee benefit trust

The group has an Employee Benefit Trust (EBT) which is a discretionary trust set up for the absolute benefit of all employees of the Rogers Stirk Harbour + Partners (Holdings) Limited group. All distributions are at the absolute discretion of the trustees. The trustees are not related to the group or any of its officers or employees.

The trustees of the EBT take note of, but do not necessarily act in accordance with, the wishes expressed by the group. As the trustees do take note of the wishes of the group, the balances and transactions of the EBT have been consolidated into the financial statements of the group in accordance with the provisions of UITF32 - 'Employee Benefit Trusts'.

During the year the group made contributions of £1,184,950 (2007 - £70,000) of which £541,750 (2007 - £Nil) were outstanding at the year end.

The trust made sub-trust contributions of £643,200 (2007 - £70,000), received bank interest of £2,482 (2007 - £1,774) and paid professional fees of £1,300 (2007 - £Nil).

The assets and liabilities consolidated are detailed in the relevant notes to the accounts. (See Notes 13, 14 and 19).

The trust is responsible for its own costs and no indemnity has been given by the group in respect of these costs or liabilities.

25 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 £86,467 (2007 - £194,396) and at the year end owed £54,633 (2007 - £80,301). Thames Wharf Studios Limited charged rent and other property related charges amounting to £83,348 (2007 - £537,000) and at the year end was owed £Nil (2007 - £7,556). It ceased being a related party in December 2007 when Lord Rogers ceased his involvement in that company.