

**ZAHA HADID LIMITED**  
**Strategic Report, Directors' Report and**  
**Audited Financial Statements**  
**for the Year Ended 30 April 2017**



**ZAHA HADID LIMITED**

**Contents of the Financial Statements  
for the year ended 30 April 2017**

---

	<b>Page</b>
<b>Company Information</b>	1
<b>Strategic Report</b>	2
<b>Directors' Report</b>	8
<b>Independent Auditors' Report</b>	10
<b>Statement of Comprehensive Income</b>	12
<b>Balance Sheet</b>	13
<b>Statement of Changes in Equity</b>	14
<b>Notes to the Financial Statements</b>	15
<b>Trading and Profit and Loss Account</b>	24

**ZAHA HADID LIMITED**

**Company Information  
for the year ended 30 April 2017**

---

**Directors:** Mr P Schumacher  
Mr J K Heverin  
Mr G Racana  
Mr C Walker  
Mr M Majidi

**Secretary:** Mr K W Yao

**Registered office:** Studio 9  
10 Bowling Green Lane  
London  
EC1R 0BQ

**Registered number:** 03749443 (England and Wales)

**Auditors:** Haines Watts  
Chartered Accountants & Statutory Auditor  
New Derwent House  
69-73 Theobalds Road  
London  
WC1X 8TA

**Bankers:** National Westminster Bank plc  
34 Sloane Square  
London  
SW1W 8AZ

## ZAHA HADID LIMITED

### Strategic Report for the year ended 30 April 2017

---

The directors present their strategic report for the year ended 30 April 2017.

With 59 projects in 27 countries under construction or in design development, more than at any time in the firm's history, ZHL continues as one of the most innovative and successful architectural practices worldwide.

ZHL announced a dozen important new commissions throughout the period, while ZHL's on-going projects reached significant milestones.

Chinese president Xi Jinping visited the construction site of the new Beijing international airport to celebrate the completion of its steel structure. The 313,000m<sup>2</sup> building will be the world's largest passenger terminal. Beginning operations in early 2019 for 72 million passengers per year, the airport has been designed for further expansion to accommodate 100 million passengers and 4 million tonnes of cargo annually.

The Guangzhou Infinitus Plaza also broke ground in November. The new headquarters of Infinitus China, a member of the Lee Kum Kee Group, this US\$659million project is a campus of integrated buildings that combine intelligent technologies and environmental sustainability.

Mandarin Oriental Hotel Group announced their new Melbourne hotel and residences in a mixed-use 54 storey tower 600 Collins Street by ZHL. James Riley, Group Chief Executive of Mandarin Oriental said, "We are delighted with this opportunity to open our first hotel in Australia. This new development will be a welcome addition to the brand's growing global portfolio."

The shell & core of the Morpheus Hotel in Macau recently completed, with the hotel's opening scheduled for spring 2018. Developed by Melco Entertainment, one of the largest owners and developers of gaming and entertainment resorts in Asia, the 40-storey, 150,000m<sup>2</sup> tower includes 780 guest rooms, suites and sky villas as well as restaurants, spas and pools.

Lawrence Ho, Chairman and CEO of Melco explained: "We have always been in the forefront of innovation and are delighted to be introducing the world-class architecture brand, Zaha Hadid Architects, into Macau to showcase their creative work."

Construction of Leeza Soho in Beijing reached its full 207m height in the summer, with the tower's completion planned for late 2018. The 172,800m<sup>2</sup> Leeza Soho design includes the world's tallest atrium. As the tower rises, the diagonal axis through the site (defined by a subway tunnel for Beijing's metro) is re-aligned by 'twisting' the atrium through 45 degrees to orientate the higher floors with the historic north-south / east-west axes on which the city was founded.

Leeza Soho is ZHL's fourth collaboration with Soho China, totalling 15 million square feet (1.4 million m<sup>2</sup>) of award-winning office and retail space. Zhang Xin, Soho China's CEO, explained, "China attracts the best talent from around the world. It's important to work with architects who understand what the next generation requires; connecting communities and traditions with innovative new technologies to embrace the future."

With 30 years' experience in the Middle East and North Africa, ZHL is collaborating with clients throughout the region on 16 transformational projects. Opened in November, ZHL's Dubai office was established in response to the solid growth in demand from new and existing clients across the region.

Fostering the creativity and innovation that will build UAE's future, ZHL hosted the ruler of Dubai, HH Sheikh Mohammed bin Rashid Al Maktoum, at their new Dubai Design District office.

The shell and core of the Opus in Dubai also completed in the summer. When complete in 2018, the Opus will house the first 'ME by Meliá' hotel in the Middle East. Gabriel Escarrer, CEO of Meliá Hotels International explained that ZHL's design "goes beyond what we could ever have anticipated. There's no doubt that ME Dubai will raise the bar for Dubai's hotel supply. We are proud to have this amazing project in our portfolio."

The Bee'ah Headquarters in Sharjah broke ground in October. Working towards cleaner air & water, renewable energy and zero waste to landfill, Bee'ah is the Middle East's largest provider of environmental solutions. The new headquarters embodies these principles and has been designed in response to its natural environment to provide comfort for employees alongside ultra-low carbon and minimal water consumption in operation and minimised material consumption in construction.

## ZAHA HADID LIMITED

### Strategic Report for the year ended 30 April 2017

The final phase of the King Abdullah Petroleum Studies and Research Centre (KAPSARC) in Riyadh also completed this year. China's president Xi joined HH King Salman of Saudi Arabia to inaugurate the centre. A non-profit institution, KAPSARC brings together people from around the world to research and tackle energy challenges for the benefit of society and the environment. Designed to minimize energy and resource consumption, the KAPSARC building was recently awarded LEED Platinum certification from the United States Green Building Council.

UEM Sunrise, one of South East Asia's most successful developers, announced their collaboration with ZHL in Melbourne. Located on St Kilda Road, the Mayfair tower houses 138 residences. Responding to the irregular site and wide variety of unit layouts, the fluid forms of its façade demonstrate ZHA's expertise in delivering high-quality complex architectural geometries.

ZHL is developing some of the most anticipated new residential buildings in the Americas.

520 West 28th Street in New York City completed in October and voted 'Building of the Year' in the public poll to select the city's best new architecture. Continuing the rich tradition within New York's historic architecture of enhancing the public realm with its crafted steel façade, the Society of American Registered Architects' New York Council awarded the building 'Project of the Year.'

Construction of the 1000 Museum residential tower in Miami is approaching its maximum height. The tower's design introduces a fluidity that is both architectural and structural, bringing a continuity between its engineering and architecture. Its seamless 66-storey external structure creates generous living areas within the tower that are uninterrupted by internal columns.

In Latin America, new projects in Mexico were joined by the L'Avenue Libertador residential tower in Buenos Aires for Grupo Portland, one of the region's largest developers. ZHL's first project in Argentina, this 33-storey signature design with sculpted balconies and bespoke interiors designed by ZHL has proved extremely popular with the city's residential buyers.

ZHL has achieved significant growth in Europe. New commissions in Germany, Estonia and the UK demonstrate ZHL's outstanding track record for creating some of the world's most popular public spaces and join the practice's growing list of important civic, residential and corporate projects across the continent.

The shell and core of the Generali Tower in Milan completed in the spring. Built for the world's third largest insurance company, a new public plaza with shops and restaurants forms the base of the 170m tower, with the floors above accommodating more than 3,000 staff to meet Generali's continued expansion.

The quality and popularity of ZHL's recently completed projects have been recognized by civic, professional and academic institutions around the world.

The Salerno Maritime Terminal received the 'Excellence in Design' Commendation from the AIA UK and was awarded by the World Architecture Community. The terminal was also named 'Jury Winner' of the Architizer A+ Awards in New York and nominated as 'Building of the Year' at the World Architecture Festival.

The new terminal enables the port of Salerno to increase arrivals by 500,000 additional ferry and cruise ship passengers each year, creating up to 2,000 new jobs in the city. At its opening, the Italian prime minister described the terminal as a masterpiece, explaining: "This extraordinary work adds to everything Salerno is doing to transform itself and I think it is marvellous."

In January, Wangjing Soho in Beijing received the Zhan Tianyou Award for engineering. Named after the father of China's railways, the award is China's highest honour for civil and structural engineering and recognises the most successful applications of innovative new technologies in architecture. The Zhan Tianyou Award follows Wangjing Soho winning the Emporis Skyscraper Award, the world's foremost prize for high-rise architecture, and the Excellence Award from the Chicago-based Council on Tall Buildings and Urban Habitat (CTBUH).

The new Port House in Antwerp opened in September and has been nominated by London's Design Museum as the 'Design of the Year'. Its design repurposes, renovates and extends a derelict fire station into a new headquarters for Europe's second busiest shipping port. With constant references to the Scheldt River, the city of Antwerp and the dynamics of its port, married with the successful renovation and integration of the old fire station, the new headquarters will serve the port well through its planned expansion to meet the continent's growth and development over the next century.

## ZAHA HADID LIMITED

### Strategic Report for the year ended 30 April 2017

---

The first phase of Napoli Afragola Station was inaugurated by the Italian prime minister. Designed as southern Italy's key interchange station, when all phases are complete in 2022 Napoli Afragola will serve four high speed inter-city lines, three inter-regional lines and a local commuter line; connecting the 15 million residents of southern Italy with the national and European rail networks to the north.

"Any great country needs great projects that are a leap forward," said Prime Minister Paolo Gentiloni. "The new station at Afragola is the foundation of the infrastructure programme that promotes economic development in the south. With this inauguration, we send a message that Italy is moving, the country is growing... here is a wonderful combination of artistic and engineering expertise."

ZHL's cultural projects inspire all visitors with an architecture that engages the senses and captures the eye; creating unrivalled spatial experiences that are clearly organized and intuitive to navigate.

Opened in December, over a million visitors explored Mathematics: The Winton Gallery at London's Science Museum in its first eight months of opening. The gallery brings together remarkable stories and historical artefacts, highlighting the central role of mathematical practice in all our lives.

Following awards from RIBA London and the World Architecture Community, the gallery was nominated by the New London Awards as the city's best new civic project and named a finalist of the Architects' Journal Architecture Awards that recognize the very best built projects in the UK.

The RIBA jury explained, "This pioneering project has vastly increased visitor numbers to the Mathematics Gallery and is an exemplar project in how architecture can be central to successful curatorial development. The client should be commended for engaging Zaha Hadid Architects as its designers. The project is finished to an exacting standard."

Describing the gallery as "an environment that fills you with wonder," the Sunday Times continued, "I found myself uplifted by something pure, floaty and mysterious: the beauty of maths."

In October, Pope Francis addressed local residents and multi-faith religious leaders in the Heydar Aliyev Centre, Baku. Built on the site of a Soviet tank factory, the centre breaks from the rigid, often monumental Soviet architecture that is so prevalent in Baku; its open forms promise to open and engage Azeri culture with an act of attraction rather than imposition.

New cultural centres under-construction in China and Morocco combine ZHL's unwavering optimism for the future with concepts of connectivity and integration. Offering generous public spaces inside and out, these designs invite exploration so that space becomes personal, owned by all visitors as they interact with each other and the surrounding architecture.

With a longstanding commitment to design innovation, material research and production craftsmanship, ZHL's recent product designs and fashion collaborations have also captured the public's imagination. New collections for renowned global brands such Bulgari, Alessi, Perrin Paris, Boffi, Lasvit, Porcelanosa, Georg Jensen and the Zaha Hadid label have been very well received.

In April, ZHL also collaborated with Samsung to launch their new Galaxy S8 handsets at Salone del Mobile in Milan. 'Unconfined', ZHL's interactive installation developed with Samsung, explored the infinite possibilities created when design and technology are seamlessly unified.

## ZAHA HADID LIMITED

### Strategic Report for the year ended 30 April 2017

---

#### **Future developments**

Despite the continued uncertain and difficult global economic situation, the directors are pleased with the company's progress on existing projects and its continuing ability to win new contracts. They expect that this success will be maintained for the foreseeable future.

ZHL's on-going commitment to the well-being of everyone in our community has contributed to vital programs such as the NSPCC, UNICEF, the John Soane Museum, KIDS, Cancer Research UK and Innocence in Danger. Honorary lectures by ZHG's principal have also assisted with the essential fundraising activities of key cultural and educational institutions worldwide.

ZHG's research and collaborations with leading institutions and corporations have aided the development of new design and construction methods and materials that offer significant advancements in ecological performance and quality. ZHG is well placed to implement these innovations for our clients.

Popular exhibitions of ZHL's work in London, Rome, Hong Kong, Taiwan, Kuala Lumpur, Singapore, Melbourne, Venice and Prague showcased their detailed research, inventiveness and collaborative approach. ZHL is one of the most innovative architectural practices in the world - and has been for 40 years; continuing to deliver a repertoire of projects that become more refined spatially and formally, more efficient structurally, more polished materially, more advanced technologically-and generally more resolved-with each new design.

ZHL strongly believes in a collective, multidisciplinary approach to architecture. New digital design tools, robotics, 3D printing, artificial intelligence, virtual reality and big data are changing how we design and construct, enabling ZHL to develop practical solutions to complex issues. Computational design optimisation and digital fabrication are providing ZHL's clients with significant construction efficiencies and bespoke customization at the equivalent cost of standard production.

The management of resources in line with clients' requirements and the on-going assessment of skills have placed ZHL in a very competitive position. Investment and implementation in IT and infrastructure towards seamless workflow and increased efficiencies has ensured the practice benefits from its experience in established and developing markets, with anticipated further growth as new clients realise the full potential of ZHL's advanced multidisciplinary capabilities

#### **Principal risks and uncertainties**

The company and its management are faced with the following principal risks and uncertainties:

Recruiting and retaining staff of the appropriate experience and calibre- we provide our team the opportunity to work on very innovative and significant projects worldwide, we provide training and development for all staff and we constantly review/appraise their development and skills. We create an environment which is collaborative and inclusive at all levels attracting the highest calibre creative staff.

The global market for construction projects- we constantly evaluate our pipeline of new projects to create a diverse portfolio of projects with wide geographical spread in order to reduce the risk of dependencies on limited market.

Competition within the sector both in the UK and internationally- we strive to achieve the highest possible standards in everything we do.

## ZAHA HADID LIMITED

### Strategic Report for the year ended 30 April 2017

---

#### **Financial risks**

The company's operations expose it to a variety of financial risks that include funding risk, liquidity risk, foreign currency risk and credit risk.

#### Funding risk

Treasury policies are designed to manage the main financial risks faced by the company in relation to funding and investment. These policies ensure that any borrowings and investment are with high quality counterparties; are limited to specific instruments; the exposure to any one counterparty or type of instrument is controlled; and the company's exposure to exchange rate movements is monitored. No transactions of a purely speculative nature are undertaken. The directors monitor the company's financing through regular review of trading performance and authorise all significant transactions.

#### Liquidity risk

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

#### Foreign currency risk

The company operates internationally and therefore has a number of contracts denominated in non-sterling currencies. The company manages its exposure to foreign exchange movements by converting significant foreign currency cash balances into sterling as soon as practicable. The company does not hold any financial instruments designed to manage fluctuations in foreign exchange rates.

#### 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.



**ZAHA HADID LIMITED**

**Strategic Report  
for the year ended 30 April 2017**

---

**Key performance indicators**

The directors note that it is impractical to quantify the creative design produced by the group in terms of key performance indicators, other than those given earlier.

Turnover of £44.1m is broadly in line with last year (£44.6m) despite a fall in headcount of 8% to 348 from 379 reflecting the ebb and flow of the group's workflow.

**Dividends**

During the year the company paid an interim dividend of £nil (2016: £nil). The directors do not propose the payment of a final dividend.

**Employee involvement**

The company's policy is to consult and discuss with employees matters likely to affect employees' interests using appropriate content and methods of communication.

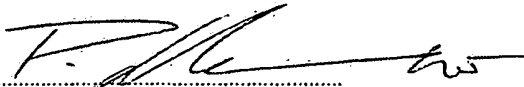
**Disabled persons**

The company has an equal opportunities policy to ensure that it recruits and retains the best applicants. Once employed, a career plan is developed so as to ensure suitable opportunities for all employees including those with a disability. Arrangements are made, wherever possible, to make reasonable adjustments as appropriate for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

**Taxation status**

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

**On behalf of the board:**



.....  
Mr P Schumacher - Director

Date: 15 March 2018  
.....

ZAHA HADID LIMITED

Directors' Report  
for the year ended 30 April 2017

The directors present their report with the financial statements of the company for the year ended 30 April 2017.

**Principal activity**

The principal activity of the company in the year under review was that of architects and designers.

**Dividends**

No dividends will be distributed for the year ended 30 April 2017.

**Events since the end of the year**

Information relating to events since the end of the year is given in the notes to the financial statements.

**Directors**

The directors shown below have held office during the whole of the period from 1 May 2016 to the date of this report.

Mr P Schumacher  
Mr J K Heverin  
Mr G Racana  
Mr C Walker  
Mr M Majidi

Other changes in directors holding office are as follows:

Mr N P D Calvert ceased to be a director after 30 April 2017 but prior to the date of this report.

**Charitable donations**

	2017	2016
	£	£
Charitable Donations	21,822	7,762

The donations of £18,621 were made to Royal Parks Foundation. £3,201 donations were made to various small charities.

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Directors' Report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ZAHA HADID LIMITED**

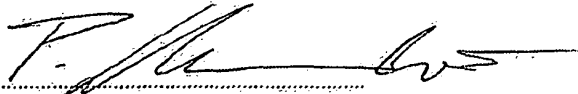
**Directors' Report  
for the year ended 30 April 2017**

---

**Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**On behalf of the board:**



Mr P Schumacher - Director

Date: 15 March 2018

**Independent Auditors' Report to the Members of  
Zaha Hadid Limited**

---

We have audited the financial statements of Zaha Hadid Limited for the year ended 30 April 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

**Independent Auditors' Report to the Members of  
Zaha Hadid Limited**

---

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Jonathan Moughton*

Jonathan Moughton (Senior Statutory Auditor)  
for and on behalf of Haines Watts  
Chartered Accountants & Statutory Auditor  
New Derwent House  
69-73 Theobalds Road  
London  
WC1X 8TA

Date: *16 March 2018*

ZAHA HADID LIMITED

Statement of Comprehensive Income  
for the year ended 30 April 2017

	Notes	2017 £	2016 £
<b>Turnover</b>	3	44,069,381	44,633,878
Cost of sales		(30,407,786)	(29,293,493)
<b>Gross profit</b>		13,661,595	15,340,385
Administrative expenses		(9,987,558)	(11,539,723)
<b>Operating profit</b>		3,674,037	3,800,662
Interest receivable and similar income		34,052	28,112
		3,708,089	3,828,774
Interest payable and similar expenses	5	-	(14,285)
<b>Profit before taxation</b>	6	3,708,089	3,814,489
Tax on profit	8	758,193	(768,876)
<b>Profit for the financial year</b>		4,466,282	3,045,613
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		4,466,282	3,045,613

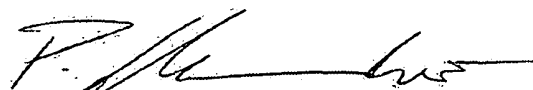
The notes form part of these financial statements

ZAHA HADID LIMITED (REGISTERED NUMBER: 03749443)

Balance Sheet  
30 April 2017

	Notes	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Tangible assets	9		211,175		290,015
Investments	10		110,060		110,060
			<u>321,235</u>		<u>400,075</u>
<b>Current assets</b>					
Debtors	11	22,535,579		19,981,596	
Cash at bank and in hand		13,014,681		7,013,668	
		<u>35,550,260</u>		<u>26,995,264</u>	
<b>Creditors</b>					
Amounts falling due within one year	12	22,916,545		18,906,671	
			<u>12,633,715</u>		<u>8,088,593</u>
<b>Net current assets</b>					
			<u>12,954,950</u>		<u>8,488,668</u>
<b>Total assets less current liabilities</b>					
			<u>12,954,950</u>		<u>8,488,668</u>
<b>Capital and reserves</b>					
Called up share capital	14		2		2
Retained earnings	15		12,954,948		8,488,666
			<u>12,954,950</u>		<u>8,488,668</u>
<b>Shareholders' funds</b>					
			<u>12,954,950</u>		<u>8,488,668</u>

The financial statements were approved by the Board of Directors on 15 March 2018 and were signed on its behalf by:

  
 .....  
 Mr P Schumacher - Director

ZAHA HADID LIMITED

Statement of Changes in Equity  
for the year ended 30 April 2017

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 May 2015</b>	2	5,443,053	5,443,055
<b>Changes in equity</b>			
Total comprehensive income	-	3,045,613	3,045,613
<b>Balance at 30 April 2016</b>	<u>2</u>	<u>8,488,666</u>	<u>8,488,668</u>
<b>Changes in equity</b>			
Total comprehensive income	-	4,466,282	4,466,282
<b>Balance at 30 April 2017</b>	<u>2</u>	<u>12,954,948</u>	<u>12,954,950</u>

The notes form part of these financial statements



## ZAHA HADID LIMITED

### Notes to the Financial Statements for the year ended 30 April 2017

---

#### 1. Statutory information

Zaha Hadid Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

#### 2. Accounting policies

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis.

##### **Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

##### **Turnover**

Turnover represents amounts receivable for architectural and design services net of VAT.

Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not billed to clients is included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors.

Fee income that is contingent on events outside the control of the firm is recognised when the contingent event occurs.

##### **Tangible fixed assets**

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:

Fixtures, fittings & equipment	25% straight line
Motor vehicles	25% straight line

##### **Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

##### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## ZAHA HADID LIMITED

### Notes to the Financial Statements - continued for the year ended 30 April 2017

---

#### 2. Accounting policies - continued

##### Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

##### Foreign currencies

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

##### Leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. At the balance sheet date all leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

##### Employee benefits

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to profit or loss as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the balance sheet.

##### Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the company's cash management.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

**ZAHA HADID LIMITED**

**Notes to the Financial Statements - continued  
for the year ended 30 April 2017**

**2. Accounting policies - continued**

**Key sources of estimation uncertainty and judgements**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgement that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

The company engages in projects which can take many years to complete. The directors therefore must make estimations in terms of the level of revenue to recognise within each set of annual financial statements. Such estimations are by their nature judgemental but are backed by reviews of correspondence and resourcing forecasts performed post year end.

There is estimation uncertainty in calculating bad debt provisions. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provision do not match the level of debts which ultimately prove to be uncollectable.

**3. Turnover**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2017	2016
	£	£
United Kingdom	1,400,546	836,646
Europe	14,014,071	6,312,885
United States of America	1,855,909	2,933,332
South America	379,409	133,578
Asia	6,869,006	10,469,018
Africa	1,636,043	3,281,478
Central America	1,628,134	1,845,688
Middle East	12,580,067	16,817,171
Australia	3,706,196	2,004,082
	<u>44,069,381</u>	<u>44,633,878</u>

**4. Employees and directors**

	2017	2016
	£	£
Wages and salaries	18,680,218	16,605,590
Social security costs	2,255,470	2,065,653
Other pension costs	161,500	173,845
	<u>21,097,188</u>	<u>18,845,088</u>

The average monthly number of employees during the year was as follows:

	2017	2016
Directors	6	6
Production	305	333
Administration	37	40
	<u>348</u>	<u>379</u>

ZAHA HADID LIMITED

Notes to the Financial Statements - continued  
for the year ended 30 April 2017

4. **Employees and directors - continued**

	2017	2016
	£	£
Directors' Remuneration		
Directors' remuneration for qualifying services	1,397,087	1,133,754
Pension	1,955	1,955
	<u>1,399,042</u>	<u>1,135,709</u>

The emoluments for the highest paid director in 2017 were £331,116 (2016: £299,790).

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £161,500 (2016: 173,845).

5. **Interest payable and similar expenses**

	2017	2016
	£	£
Interest on overdue tax	-	14,285
	<u>-</u>	<u>14,285</u>

6. **Profit before taxation**

The profit is stated after charging/(crediting):

	2017	2016
	£	£
Other operating leases	1,831,624	1,762,351
Depreciation - owned assets	167,902	144,891
Profit on disposal of fixed assets	(12,917)	-
(Profit)/loss on foreign exchange transactions	(1,869,498)	(745,169)
	<u>(1,869,498)</u>	<u>(745,169)</u>

7. **Auditors' remuneration**

	2017	2016
	£	£
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	45,000	45,000
Total audit fees	<u>45,000</u>	<u>45,000</u>
Accountancy services	5,388	5,540
Taxation advisory services	169,610	9,658
Payroll services	1,700	1,774
Consultancy services	32,038	32,599
Total non-audit fees	<u>208,736</u>	<u>49,571</u>
Total fees payable	<u>253,736</u>	<u>94,571</u>

ZAHA HADID LIMITED

Notes to the Financial Statements - continued  
for the year ended 30 April 2017

8. Taxation

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit for the year was as follows:

	2017 £	2016 £
Current tax:		
UK corporation tax	853,640	918,000
Corporation tax prior year	(1,601,933)	50,276
Total current tax	<u>(748,293)</u>	968,276
Deferred tax	<u>(9,900)</u>	(199,400)
Tax on profit	<u><u>(758,193)</u></u>	<u><u>768,876</u></u>

UK corporation tax has been charged at 20% (2016 - 20%).

**Reconciliation of total tax (credit)/charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £	2016 £
Profit before tax	<u>3,708,089</u>	<u>3,814,489</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	741,618	762,898
Effects of:		
Expenses not deductible for tax purposes	40,277	39,016
Capital allowances in excess of depreciation	(3,243)	(35,453)
Adjustments to tax charge in respect of previous periods	(1,601,933)	50,276
Other tax adjustments	19,788	(83,461)
Other timing differences	170,000	235,000
Deferred tax	<u>(124,700)</u>	(199,400)
Total tax (credit)/charge	<u><u>(758,193)</u></u>	<u><u>768,876</u></u>

The adjustment to corporation tax prior year relates to a successful R&D tax credit claim made during the year and subsequently received. The company will continue to make these claims in future years.

ZAHA HADID LIMITED

Notes to the Financial Statements - continued  
for the year ended 30 April 2017

9. Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Totals £
<b>Cost</b>			
At 1 May 2016	1,436,565	85,594	1,522,159
Additions	89,062	-	89,062
Disposals	-	(64,700)	(64,700)
At 30 April 2017	<u>1,525,627</u>	<u>20,894</u>	<u>1,546,521</u>
<b>Depreciation</b>			
At 1 May 2016	1,146,550	85,594	1,232,144
Charge for year	167,902	-	167,902
Eliminated on disposal	-	(64,700)	(64,700)
At 30 April 2017	<u>1,314,452</u>	<u>20,894</u>	<u>1,335,346</u>
<b>Net book value</b>			
At 30 April 2017	<u>211,175</u>	<u>-</u>	<u>211,175</u>
At 30 April 2016	<u>290,015</u>	<u>-</u>	<u>290,015</u>

10. Fixed asset investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 May 2016 and 30 April 2017	<u>110,060</u>
<b>Net book value</b>	
At 30 April 2017	<u>110,060</u>
At 30 April 2016	<u>110,060</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Zaha Hadid Architectural Design Consulting Limited**

Registered office: China

Nature of business: Design

Class of shares:	% holding	
	2017	2016
Ordinary	100.00	100.00
Aggregate capital and reserves	£ 157,671	£ 158,929
Loss for the year	<u>(12,078)</u>	<u>(6,684)</u>

**ZAHA HADID LIMITED**

**Notes to the Financial Statements - continued  
for the year ended 30 April 2017**

**10. Fixed asset investments - continued**

**Zaha Hadid (Hong Kong) Limited**

Registered office: Hong Kong

Nature of business: Architects

Class of shares:

Ordinary

%  
holding  
100.00

	2017	2016
	£	£
Aggregate capital and reserves	59,163	65,090
Loss for the year	<u>(12,503)</u>	<u>(5,002)</u>

**Zaha Hadid Architectural Design Consulting (Beijing) Ltd**

Registered office: China

Nature of business: Design

Class of shares:

Ordinary

%  
holding  
100.00

	2017	2016
	£	£
Aggregate capital and reserves	1,212,369	301,211
Profit for the year	<u>895,064</u>	<u>263,431</u>

**Zaha Hadid (Project Management) Limited**

Registered office: England

Nature of business: Design

Class of shares:

Ordinary

%  
holding  
100.00

	2017	2016
	£	£
Aggregate capital and reserves	384,564	396,783
(Loss)/profit for the year	<u>(12,219)</u>	<u>99,600</u>

**11. Debtors: amounts falling due within one year**

	2017	2016
	£	£
Trade debtors	8,072,403	10,159,780
Amounts owed by group undertakings	6,024,612	5,813,206
Amounts recoverable on contract	2,643,299	1,750,195
Other debtors	2,354,403	279,323
Tax	1,583,583	-
VAT	145,267	324,633
Deferred tax asset	649,800	639,900
Prepayments and accrued income	1,062,212	1,014,559
	<u>22,535,579</u>	<u>19,981,596</u>

Deferred tax asset

	2017	2016
	£	£
Accelerated capital allowances	47,300	54,900
Other timing differences	602,500	585,000
	<u>649,800</u>	<u>639,900</u>

**ZAHA HADID LIMITED**

**Notes to the Financial Statements - continued  
for the year ended 30 April 2017**

**12. Creditors: amounts falling due within one year**

	2017	2016
	£	£
Payments on account	10,225,757	11,572,911
Trade creditors	2,438,954	2,675,671
Tax	-	101,678
Social security and other taxes	532,710	534,313
Other creditors	8,899	2,070,426
Accruals and deferred income	9,710,225	1,951,672
	22,916,545	18,906,671

**13. Leasing agreements**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	-	60,174
Between one and five years	4,070,684	4,195,430
In more than five years	3,865,566	4,411,293
	7,936,250	8,666,897

**14. Called up share capital**

**Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	2017	2016
			£	£
2	Ordinary	£1	2	2

**15. Reserves**

	Retained earnings £
At 1 May 2016	8,488,666
Profit for the year	4,466,282
At 30 April 2017	12,954,948

**16. Related party disclosures**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year, the company paid direct costs of £2,018,177 (2016: £1,871,932); a fee for the use of the trademark of £2,264,130 (2016: £2,113,161) and £480,000 (2016: £480,000) for exhibition and marketing activities to companies under common control by The Estate of Dame Zaha Hadid. At the year end, the company owed £757,190 (2016: £279,323) to such companies and was owed £2,527,927 (2016: £2,039,145).

During the year the company paid £370,984 (2016 - £1,579,091) of expenditure and £nil (2016: £1,462,936) of tax liabilities on behalf of The Estate of Dame Zaha Hadid.



**ZAHA HADID LIMITED**

**Notes to the Financial Statements - continued  
for the year ended 30 April 2017**

---

**16. Related party disclosures - continued**

Key management personnel includes all Directors across the company who together have authority for planning, directing and controlling the activities of the company.

Total remuneration payable in respect of the year for their services is £1,955,255 (2016 - £1,707,882), this includes £556,213 (2016 - 572,173) of accrued remuneration.

Following the year end accrued remuneration has been paid to Patrik Schumacher, a director of Zaha Hadid Limited. This represents unpaid remuneration since 2006 which has not previously been drawn.

**17. Post balance sheet events**

Since the year end some £9M has been paid in respect of dividends and accrued remuneration. The directors are confident that these payments will not have a detrimental impact on the working capital requirements of the company.

**18. Ultimate controlling party**

The ultimate parent company is Zaha Hadid Holdings Limited, a company registered in England and Wales.

Zaha Hadid Holdings Limited prepares group financial statements and copies can be obtained from Companies House.

The ultimate controlling party is The Estate of Dame Zaha Hadid.