

COS 1752

Registered number: 01209014

**DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.)
LIMITED**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

COMPANY INFORMATION

Directors	B Rihani F E El-Khoury P J Watson A A Loudon D J S Horner (appointed 1 September 2018)
Company secretary	Greenwoods Solicitors LLP
Registered number	01209014
Registered office	74 Wigmore Street London W1U 2SQ
Independent auditor	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 71 New Dover Road Canterbury Kent CT1 3DZ
Bankers	Arab Bank PLC 73 Brook Street London W1K 4HX

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

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DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

Results and dividends

The profit for the year amounted to £550,684 (2017 - £614,796). The directors do not recommend a final dividend (2017 - £nil).

Business review

The Company operates as a service company providing specialised professional services in connection with engineering, urban development, town and regional planning and economic studies to other Dar Group companies who serve clients in the emerging market territories of the Middle East, Africa and Asia. The future activities and workload of the company, therefore, depends entirely on work fed through the Dar Group from other group companies who market the group's services and contract directly with the client for the services provided by the company.

Turnover for the year was £12,813,787 (2017 - £11,425,344). The directors expect a similar level of activity for the forthcoming year.

Dar Al-Handasah Consultants (Shair & Partners) Holdings Limited, the ultimate parent undertaking, manages its Key Performance Indicators (KPIs) at a segment and geographical level. As a result the directors have taken the decision not to disclose KPIs in the company's financial statements as they are not necessary to understand the performance or position of the business of the company.

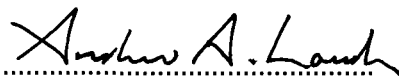
The directors are confident that the current contracted backlog and business development activities and strategies of its fellow group undertakings, operating in the emerging markets in which the Company is experienced and specialises, are sufficient to sustain the on-going operation of the Company.

Principal risks and uncertainties

The principal risks and uncertainties for the Company are its ability to attract and retain quality employees and perform work on contracts in accordance with the requirements of its clients. The company focuses strongly on retaining its employees. To ensure quality delivery of projects, the group monitors progress on a regular basis and invests in technical and personal training and development of its employees, with regular reviews of each individuals training requirements.

The Company's main financial instruments include receivables and payables from and to other group companies, other debtors, prepayments and trade payables. The Company is exposed to credit risk in relation to its debtors including from other Dar Group companies. Management monitors the intercompany balances periodically.

This report was approved by the board and signed on its behalf.



A A Loudon
Director

Date:

3/7/19

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

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 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'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 to 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.

Directors

The directors who served during the year were:

B Rihani
F E El-Khoury
P J Watson
A A Loudon
D J S Horner (appointed 1 September 2018)

Future developments

The directors do not anticipate a significant change in the business in the immediate future.

Matters covered in the Strategic Report

Certain matters required by regulation to be dealt with in the annual report have been dealt with in the Strategic Report, rather than in the Directors' Report.

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There were no post balance sheet events.

Auditor

The auditor, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



A A Loudon
Director

Date: 3/7/19

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

Opinion

We have audited the financial statements of Dar Al-Handasah Consultants (Shair & Partners) (U.K.) Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED (CONTINUED)

knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED (CONTINUED)

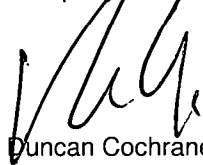
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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 Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Duncan Cochrane-Dyet FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

71 New Dover Road
Canterbury
Kent

CT1 3DZ

Date: 31 August 2019

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	12,813,787	11,425,344
Gross profit		12,813,787	11,425,344
Administrative expenses		(11,996,546)	(10,737,895)
Exceptional administrative expenses		(108,386)	-
Operating profit	5	708,855	687,449
Interest payable and expenses	9	(159)	(40)
Other finance income		-	23,000
Profit before tax		708,696	710,409
Tax on profit	11	(158,012)	(95,613)
Profit for the financial year		550,684	614,796
Other comprehensive income for the year			
Actuarial losses on defined benefit pension scheme		-	(23,000)
Other comprehensive income for the year		-	(23,000)
Total comprehensive income for the year		550,684	591,796

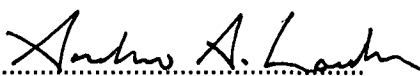
The notes on pages 10 to 26 form part of these financial statements.

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED
REGISTERED NUMBER: 01209014

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	13	305,575	511,290
		<u>305,575</u>	<u>511,290</u>
Current assets			
Debtors: amounts falling due within one year	14	13,261,051	12,509,378
Cash at bank and in hand	15	2,349,037	2,048,861
		<u>15,610,088</u>	<u>14,558,239</u>
Creditors: amounts falling due within one year	16	(7,528,906)	(7,233,456)
Net current assets		<u>8,081,182</u>	<u>7,324,783</u>
Total assets less current liabilities		<u>8,386,757</u>	<u>7,836,073</u>
Net assets		<u><u>8,386,757</u></u>	<u><u>7,836,073</u></u>
Capital and reserves			
Called up share capital	18	250,000	250,000
Profit and loss account	19	8,136,757	7,586,073
		<u>8,386,757</u>	<u>7,836,073</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


A A Loudon
 Director

Date: 3/7/19

The notes on pages 10 to 26 form part of these financial statements.

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	250,000	6,994,277	7,244,277
Comprehensive income for the year			
Profit for the year	-	614,796	614,796
Actuarial losses on pension scheme	-	(23,000)	(23,000)
Other comprehensive income for the year	-	(23,000)	(23,000)
Total comprehensive income for the year	-	591,796	591,796
At 1 January 2018	250,000	7,586,073	7,836,073
Comprehensive income for the year			
Profit for the year	-	550,684	550,684
At 31 December 2018	250,000	8,136,757	8,386,757

The notes on pages 10 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. General information

Dar Al-Handasah Consultants (Shair & Partners) (U.K.) Limited is a private company limited by shares incorporated in England and Wales within the United Kingdom. The address of the registered office is 74 Wigmore Street, London, W1U 2SQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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 the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d); and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Dar Al-Handasah Consultants Shair & Partners Holdings Limited as at 31 December 2018 and these financial statements may be obtained from 44 Esplanade, St. Helier, Jersey, JE4 9WG, Channel Islands.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is receivable from the ultimate parent undertaking and represents costs recharged to that entity at an agreed mark-up of 5%. Income from fellow subsidiary undertakings, where this is the simple recharge of expenses, is not subject to a mark-up.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation, residual value and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Depreciation is provided on the following basis:

Long-term leasehold property	-	15%
Office equipment	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administration expenses' in the Profit and Loss account.

2.5 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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 Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and Loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company has operated a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

Any asset/liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In recognising revenue from the ultimate parent undertaking on a cost-plus basis, the directors have assumed with the benefit of professional advice that the amount of the mark-up is equivalent to arms-length transactions. The company also enters into both fixed price and cost plus contracts with a small number of external customers and projects are often undertaken over a long period of time. The directors have made key assumptions regarding the stage of completion of fixed price projects at the year end, the future costs to complete, and the recoverability of balances arising on these contracts. Upon commencement of a contract, work in progress is measured as the total of time and material costs incurred to date. This basis of measurement will continue until a reliable estimate of the time to complete the contract can be made, (usually once the project is more than 50% complete), at which point the stage of completion is estimated as total costs to date as a proportion of the estimated total expected costs. Income to be recognised is then calculated as the same proportion of the fixed total price. Once a contract reaches this stage, the recoverability of a contract can then be assessed through a comparison of total expected costs to the contract value, with any losses incurred recognised immediately in the profit and loss account. Amounts receivable from customers where invoices on account to date are lower than revenue to be recognised on such contracts at the end of the reporting period has been calculated using these assumptions and recognised in debtors.

The Company relies on actuarial computations in accounting for the defined benefit pension scheme. The actuary makes various assumptions in respect of the dynamic factors affecting the scheme's liabilities as disclosed in note 21.

4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Fees receivable - domestic	72,067	144,841
Fees receivable - intercompany	12,527,720	11,032,503
Management charges receivable	214,000	248,000
	<u>12,813,787</u>	<u>11,425,344</u>

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	286,067	409,174
Rest of the world	12,527,720	11,016,170
	<u>12,813,787</u>	<u>11,425,344</u>

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Exchange differences	(11,250)	-
Other operating lease rentals	<u>930,755</u>	<u>1,002,251</u>

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	17,600	17,300
All other services	<u>22,455</u>	<u>50,474</u>

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	5,549,658	5,377,705
Social security costs	609,625	545,638
Cost of defined contribution scheme	886,836	637,192
	<u>7,046,119</u>	<u>6,560,535</u>

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

	2018 No.	2017 No.
Engineering consultants	89	86
Administration	8	8
	<u>97</u>	<u>94</u>

Key management personnel compensation

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total compensation in respect of these individuals is £531,140 (2017 - £566,171).

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	471,823	445,306
Company contributions to defined contribution pension schemes	43,065	51,476
	<u>514,888</u>	<u>496,782</u>

During the year retirement benefits were accruing to 3 directors (2017 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £309,456 (2017 - £234,264).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £909 (2017 - £13,780).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £NIL (2017 - £NIL).

The total accrued pension provision of the highest paid director at 31 December 2018 amounted to £NIL (2017 - £NIL).

9. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	159	40
	<u>159</u>	<u>40</u>

10. Other finance costs

	2018 £	2017 £
Interest income on pension scheme assets	-	23,000
	<u>-</u>	<u>23,000</u>

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	164,880	219,080
Total current tax	<u>164,880</u>	<u>219,080</u>
Deferred tax		
Origination and reversal of timing differences	(6,868)	(123,467)
Total deferred tax	<u>(6,868)</u>	<u>(123,467)</u>
Taxation on profit on ordinary activities	<u>158,012</u>	<u>95,613</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.2466%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>708,696</u>	<u>710,409</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.2466%)	134,652	136,730
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	11,164
Capital allowances for year in excess of depreciation	-	75,212
Pension contribution adjustment	-	(4,427)
Short term timing difference leading to an increase (decrease) in taxation	353	401
Other timing differences leading to an increase (decrease) in taxation	23,007	(123,467)
Total tax charge for the year	<u>158,012</u>	<u>95,613</u>

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

11. Taxation (continued)**Factors that may affect future tax charges**

The corporation tax charge for the period includes the effect of payments for group tax losses transferred from other group companies, calculated at the prevailing rate of tax.

12. Exceptional items

	2018 £	2017 £
PAYE settlement	108,386	-
	<u>108,386</u>	<u>-</u>

During the year, the company was the subject of a PAYE review from HMRC. Following the review, it was found that an additional £108,386 of PAYE and NI was payable for the period 6 April 2012 to 5 April 2018. The amount was paid to HMRC during the year and, subsequently, the enquiry was closed on 15 January 2019.

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Tangible fixed assets

	Long-term leasehold property £	Office equipment £	Total £
Cost or valuation			
At 1 January 2018	1,459,288	1,100,956	2,560,244
Additions	-	63,709	63,709
At 31 December 2018	<u>1,459,288</u>	<u>1,164,665</u>	<u>2,623,953</u>
Depreciation			
At 1 January 2018	1,255,536	793,418	2,048,954
Charge for the year on owned assets	160,533	108,891	269,424
At 31 December 2018	<u>1,416,069</u>	<u>902,309</u>	<u>2,318,378</u>
Net book value			
At 31 December 2018	<u>43,219</u>	<u>262,356</u>	<u>305,575</u>
At 31 December 2017	<u>203,752</u>	<u>307,538</u>	<u>511,290</u>

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Long leasehold	<u>43,219</u>	<u>203,752</u>
	<u>43,219</u>	<u>203,752</u>

14. Debtors

	2018 £	2017 £
Trade debtors	29,543	126,881
Amounts owed by group undertakings	12,189,851	11,620,119
Other debtors	267,180	234,548
Prepayments and accrued income	465,883	226,104
Deferred taxation	308,594	301,726
	<u>13,261,051</u>	<u>12,509,378</u>

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

15. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	2,349,037	2,048,861
	<u>2,349,037</u>	<u>2,048,861</u>

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Payments received on account	1,074,628	-
Trade creditors	194,008	83,031
Amounts owed to group undertakings	5,229,289	6,113,551
Other taxation and social security	280,542	276,343
Other creditors	491,060	529,526
Accruals and deferred income	259,379	231,005
	<u>7,528,906</u>	<u>7,233,456</u>

17. Deferred taxation

	2018 £
At beginning of year	301,726
Charged to profit or loss	6,868
At end of year	<u>308,594</u>

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	293,474	291,986
Short term timing differences	15,120	9,740
	<u>308,594</u>	<u>301,726</u>

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

18. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
250,000 (2017 - 250,000) Ordinary shares of £1.00 each	<u>250,000</u>	<u>250,000</u>

19. Reserves**Profit and loss account**

The Profit and Loss account represents cumulative profits and losses net of dividends and other adjustments.

20. Contingent liabilities

A claim against the company and a fellow subsidiary undertaking in Malaysia relating to works previously performed resulted in a judgement of damages against the company and the subsidiary undertaking on 26 April 2013. The total amount of the judgement was approximately \$10m.

As previously reported the Dar entities were successful at the Court of Appeal in Malaysia in overturning the judgement against them. The Plaintiff appealed this decision to the highest court in Malaysia, the Federal Court. The appeal hearing took place on 7 February 2017 and the Plaintiff's application was dismissed with costs awarded against it. The substantive case was due to go back to the High Court for a retrial, however, the Plaintiff could not pay the significant outstanding monies due from it and was formally wound up by the court in Malaysia.

In the circumstances, Dar made and were successful in applications to vacate the trial dates and stay the proceedings.

The plaintiff is currently appealing the Winding Up Order and has sought to reinstate the proceedings against Dar on that basis. The Judge agreed with Dar that the Plaintiff had not received leave from the Liquidator to proceed with the case, and therefore has refused to set directions for the case to continue to trial. The judge has fixed a date of 14 March 2019 for a Case management Hearing for an update on whether the Plaintiff has received leave from the Liquidator to proceed with the case.

In any event, the company has received written confirmation from its ultimate parent undertaking Dar Al-Handasah Consultants (Shair & Partners) Holdings Limited that the cost of any damages and associated legal expenses will be indemnified in full. Accordingly, no provision in respect of a potential settlement and associated legal expenses has been made in the financial statements.

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

21. Pension commitments**Defined Contribution Pension Scheme**

The Company operates a defined contributions 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 and amounted to £890,586 (2017 - £637,192). Contributions totalling £79,581 (2017 - £51,263) were payable to the fund at the balance sheet date and are included in creditors.

Defined Benefit Pension Scheme

The Company also operated a defined benefit pension scheme. Under this scheme, the group provided pension arrangements to all full-time employees of Dar Al-Handasah Consultant (Shair & Partners) (U.K.) Limited, over the age of 25 years and with more than six months' service and the related costs were assessed in accordance with the advice of professional qualified actuaries. The scheme was closed to new entrants in July 2001 and under the Projected Unit Method the current service cost was increasing as the members approached retirement.

A full actuarial valuation was carried out at 30 July 2014 by a qualified actuary, independent of the scheme's sponsoring employer. This was updated at 31 December 2017 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 102.

On the 13 May 2016, the company entered into a bulk annuity policy with Legal and General to secure all scheme members' pension benefits. Under this arrangement, Legal and General has assumed the obligations relating to members' benefits, financed by the transfer of the relevant scheme assets, and, subject to final valuation of the schemes' liabilities and any balancing receipt or payment that might then arise, the Company will bear no ongoing liability. The scheme was closed on 21 December 2018 and the company has no further liabilities arising from the scheme.

Reconciliation of present value of plan assets:

	2018 £	2017 £
Interest income	-	24,000
Interest cost	-	(1,000)
Actuarial gains/losses	-	(23,000)
At the end of the year	-	-

The amounts recognised in profit or loss are as follows:

	2018 £	2017 £
Interest income on plan assets	-	23,000
Total	-	23,000

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

21. Pension commitments (continued)

Reconciliation of fair value of plan liabilities were as follow:

	2018 £	2017 £
Expenses	-	1,000
Benefits paid	-	(1,000)
	<hr/>	<hr/>
Closing defined benefit obligation	-	-
	<hr/>	<hr/>

Reconciliation of fair value of plan assets were as follows:

	2018 £	2017 £
Interest income	-	24,000
Actuarial gains and (losses)	-	(23,000)
Benefits paid	-	(1,000)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £NIL (2017 - £23,000 loss).

Amounts for the previous two periods, when the scheme was active, are as follows:

Defined benefit pension schemes

	2015 £	2014 £
Defined benefit obligation	(12,493,000)	(12,749,000)
Scheme assets	20,858,000	19,339,000
	<hr/>	<hr/>
Surplus	8,365,000	6,590,000
	<hr/>	<hr/>
Experience adjustments on scheme liabilities	(224,000)	23,000
Experience adjustments on scheme assets	(354,000)	839,000
	<hr/>	<hr/>
	(578,000)	862,000
	<hr/>	<hr/>

DAR AL-HANDASAH CONSULTANTS (SHAIR & PARTNERS) (U.K.) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

22. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	1,170,296	1,054,481
Later than 1 year and not later than 5 years	2,019,013	572,851
	<u>3,189,309</u>	<u>1,627,332</u>

23. Related party transactions

The following transactions occurred during the year which are classified as related party transactions:

At the balance sheet date, Dar Al-Handasah Consultants (Shair and Partners) EC (Bahrain) and its subsidiaries owed Dar Al-Handasah Consultants (Shair & Partners) (U.K.) Limited £8,248,131 (2017 - £7,604,887), which is included in current assets and £17,432,659 (2017 - £5,785,913) was owed to Dar Al-Handasah Consultants (Shair and Partners) EC (Bahrain) and its' subsidiaries, included in current liabilities. Dar Al-Handasah Consultants (Shair and Partners) EC (Bahrain) and its' subsidiaries are members of a fellow group undertaking, wholly owned by Dar Al-Handasah Consultants Shair & Partners Holdings Limited.

The company has taken advantage of the exemption not to disclose transactions with other members of the intermediate group headed by Dar Al-Handasah Consultants (Shair & Partners) Holdings Limited.

24. Controlling party

The ultimate parent undertaking and controlling party is Dar Al-Handasah Consultants Shair & Partners Holdings Limited, a company registered in Dubai, whose wholly owned subsidiary Dar Al-Handasah (UK) Limited, a company registered in England and Wales, directly owns 100% of the issued share capital of the company.

Dar Al-Handasah Consultants (Shair & Partners) Holdings Limited, an intermediate holding company registered in Jersey and bearing the same name as the ultimate parent, is the parent undertaking of the smallest group of which the company is a member and for which group financial statements are drawn up. The group financial statements of this company are available to the public and may be obtained from the company's registered office which is 44 Esplanade, St. Helier, Jersey, JE4 9WG, Channel Islands.