

**Company Registration No. 02450499**

**Al Khaleejiah (UK) Limited**

**Report and Financial Statements**

**31 December 2010**

MONDAY



A29 \*ASM7RYUE\* 375  
31/10/2011  
COMPANIES HOUSE

---

# **Al Khaleejiah (UK) Limited**

## **Report and financial statements 2010**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>4</b>
<b>Independent auditor's report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Notes to the accounts</b>	<b>9</b>

---

---

## **Al Khaleejiah (UK) Limited**

### **Report and financial statements 2010**

#### **Officers and professional advisers**

##### **Directors**

Dr Azzam Mohammed Al Dakhil  
Bander Mohammed Assiri  
Tarik Al Gam (Resigned 1 October 2010)

##### **Secretary**

Amr Mohamed Hamza

##### **Registered Office**

Baker & McKenzie LLP  
100 New Bridge Street  
London  
EC4V 6JA

##### **Auditor**

Deloitte LLP  
Chartered Accountants  
London

---

## **Al Khaleejiah (UK) Limited**

### **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

#### **Results and dividends**

The profit before tax for the year amounted to £1,275 (2009 profit of £4,036) The directors do not recommend the payment of any dividends (2009 £nil)

#### **Principal activities and review of the business**

The principal activity of the company continues to be the provision of advertising services The directors expect the current level of activity to continue for the foreseeable future

#### **Directors and their interests**

The directors who served the company during the year, except as noted, were as follows

Dr Azzam Mohammed Al Dakhil  
Bander Mohammed Assiri  
Tarik Al Gan (Resigned 1 October 2010)

There are no directors' interests requiring disclosure under the Companies Act 2006

#### **Liquidity risk**

The company is funded mainly via intercompany loans which are in a receivable position at the year end The directors actively consider other sources of funding and assess the group's ability to remit necessary funds to ensure that the company has sufficient available funds for its operations and to meet its liabilities as they fall due

#### **Credit risk**

The company revenue is generated from its parent company so potential credit risk is monitored by management on a group wide basis

#### **Going concern**

Due to the current economic conditions, there are inherent future uncertainties that may impact the business As a result, the directors have made enquiries and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future For this reason they continue to adopt the going concern basis in preparing the financial statements

# Al Khaleejiah (UK) Limited

## Directors' report (continued)

### Auditor

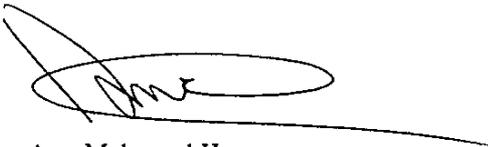
Each of the persons who is a director at the date of approval of this report confirms that

- 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 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 auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved and signed on behalf of the Board



Amr Mohamed Hamza  
Secretary

05/06/2011

---

## **Al Khaleejiah (UK) Limited**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 estimates that are reasonable and prudent, and
- 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.

---

## **Independent auditor's report to the members of Al Khaleejiah (UK) Limited**

We have audited the financial statements of Al Khaleejiah (UK) Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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).

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.

### **Respective responsibilities of directors and auditor**

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.

### **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 31 December 2010 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 the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

---

## **Independent auditor's report to the members of Al Khaleejiah (UK) Limited (continued)**

### **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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report



Robert Matthews (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

25 October 2011

## Al Khaleejiah (UK) Limited

### Profit and loss account Year ended 31 December 2010

	Notes	2010 £	2009 £
Turnover	2	14,023	44,395
Administrative expenses		<u>(12,748)</u>	<u>(40,359)</u>
<b>Profit on ordinary activities before taxation</b>	3	1,275	4,036
Tax on profit on ordinary activities	6	<u>(300)</u>	<u>(1,009)</u>
<b>Profit retained for the financial year</b>		<u>975</u>	<u>3,027</u>

All results derive from continuing activities

There are no recognised gains or losses other than the retained profit of £975 attributable to the shareholders for the year ended 31 December 2010 (2009 £3,027) and accordingly no statement of total recognised gains and losses is presented

## Al Khaleejiah (UK) Limited

### Balance sheet 31 December 2010

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	7	<u>229</u>	<u>344</u>
<b>Current assets</b>			
Debtors	8	225,594	211,527
Cash at bank and in hand		<u>11,237</u>	<u>11,982</u>
		236,831	223,509
<b>Creditors: amounts falling due within one year</b>	9	<u>(27,454)</u>	<u>(15,222)</u>
<b>Net current assets</b>		<u>209,377</u>	<u>208,287</u>
<b>Total assets less current liabilities</b>		<u>209,606</u>	<u>208,631</u>
<b>Capital and reserves</b>			
Called up share capital	10	100	100
Profit and loss account	11	<u>209,506</u>	<u>208,531</u>
<b>Shareholders' funds</b>	11	<u>209,606</u>	<u>208,631</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements of Al Khaleejiah (UK) Limited (registered number 02450499) were approved by the Board of Directors on 05/0ct/2011

Signed on behalf of the Board of Directors



Dr Azzam Mohammed Al Dakhil  
Director

# Al Khaleejiah (UK) Limited

## Notes to the accounts Year ended 31 December 2010

### 1. Accounting policies

#### Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

#### Going Concern

The financial statements have been prepared on a going concern basis as stated in the Directors' Report

#### Cash flow statement

The directors have taken advantage of the exemption in FRS 1 from including a cash flow statement in the financial statements on the grounds that the company is small

#### Fixed assets

All fixed assets are initially recorded at cost

#### Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows

Office equipment	20% per annum reducing balance
------------------	--------------------------------

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term

### 2. Turnover

Turnover comprises amounts receivable for the provision of advertising services, net of trade discounts, VAT and other sales related taxes. Costs incurred are recharged to the company's parent company after including an agreed profit element. All turnover arises from continuing activities in one geographical area

## Al Khaleejiah (UK) Limited

### Notes to the accounts Year ended 31 December 2010

#### 3. Profit on ordinary activities before taxation

This is stated after charging

	2010 £	2009 £
Fees payable to the company's auditor for the audit of the company's annual accounts	9,500	9,500
Depreciation of owned fixed assets	115	115
Operating lease rentals – equipment	-	462

#### 4. Staff costs

	2010 £	2009 £
Wages and salaries	-	24,968
Social security costs	-	662
	-	25,630

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

	2010 No.	2009 No.
Administrative staff	-	-

#### 5. Directors' emoluments

Two directors served during the current and preceding financial year and one director served for part of the current year. They received no remuneration for their services (2009 £nil)

## Al Khaleejiah (UK) Limited

### Notes to the accounts Year ended 31 December 2010

#### 6. Taxation

##### (a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2010 £	2009 £
<i>Current tax</i>		
UK corporation tax at current rates	300	1,051
Excess provision in prior years	(0)	(42)
Total current tax (note 6(b))	<u>300</u>	<u>1,009</u>

##### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is different to the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are reconciled below

	2010 £	2009 £
Profit on ordinary activities before tax	<u>1,275</u>	<u>4,036</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax of 28% (2009 28%)	357	1,130
Capital allowances in excess of depreciation	(57)	(79)
Adjustments to tax charge in respect of previous period	-	(42)
Total current tax (note 6(a))	<u>300</u>	<u>1,009</u>

As at 31 December 2010, the company has a deferred tax asset of £281 (2009 £348) relating to capital allowances in arrears of depreciation. In accordance with the company's accounting policy these amounts have not been recognised as the Directors did not consider it more likely than not that the asset would be realised.

# Al Khaleejiah (UK) Limited

## Notes to the accounts Year ended 31 December 2010

### 7. Tangible fixed assets

	Office equipment £
<b>Cost</b>	
At 1 January 2010	1,712
Additions	-
Disposals	-
	<u>1,712</u>
At 31 December 2010	<u>1,712</u>
<b>Depreciation</b>	
At 1 January 2010	1,368
Charged during the year	115
Released on disposal	-
	<u>1,483</u>
At 31 December 2010	<u>1,483</u>
<b>Net book value</b>	
At 31 December 2010	<u>229</u>
At 31 December 2009	<u>344</u>

### 8. Debtors

	2010 £	2009 £
Amounts owed by immediate parent undertaking	225,388	211,365
Other debtors	206	162
	<u>225,594</u>	<u>211,527</u>

### 9. Creditors: amounts falling due within one year

	2010 £	2009 £
Amounts due to Group undertaking	14,706	2,467
Corporation Tax	298	1,051
Accruals and deferred income	12,450	11,704
	<u>27,454</u>	<u>15,222</u>

## Al Khaleejiah (UK) Limited

### Notes to the accounts Year ended 31 December 2010

#### 10 Share capital

	2010 £	2009 £
<b>Authorised</b>		
Ordinary shares of £1 each	1,000	1,000
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	100	100

#### 11. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2010	100	208,531	208,631
Profit for the year	-	975	975
At 31 December 2010	100	209,506	209,606

#### 12. Related party transactions

The company's turnover represents amounts recharged to the company's immediate parent company, for costs incurred in the provision of advertising services, after including an agreed profit element

During the year the company recharged an aggregate of £14,023 (2009 £44,395) to its parent undertaking

The amount owed by the parent undertaking to the company at the end of the year was £225,388 (2009 £211,365)

#### 13 Ultimate parent company

The company's immediate parent undertaking is Al Khaleejiah Advertising & Public Relations Co Ltd, a company registered in Saudi Arabia. This is the smallest group in which the company's results are included. Copies of the company's financial statements are available from Kennedys, 25 Fenchurch Avenue, London EC3M 5AD.

The director considers the company's ultimate parent undertaking and controlling party to be Saudi Research and Marketing Group, which is incorporated and registered in the Kingdom of Saudi Arabia. Therefore, the parent undertaking of the largest group of companies into which the results of the company are consolidated is Saudi Research and Marketing Group. Copies of its group financial statements, which include the company, are available from PO Box 53108, Riyadh 11583, Saudi Arabia.