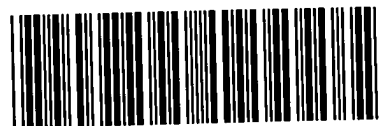


Company Registration No. 1355149 (England and Wales)

**Asharq Al-Awsat Limited**

**Annual report and financial statements  
for the year ended 31 December 2017**

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**Asharq Al-Awsat Limited**  
**Company information**

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<b>Director</b>	Saleh Aldowais
<b>Company number</b>	1355149
<b>Company Secretary</b>	Adel Ellithy
<b>Registered office</b>	10th Floor, Building 7 Chiswick Park 566 Chiswick High Road London W4 5YG
<b>Auditors</b>	MHA MacIntyre Hudson New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ
<b>Bankers</b>	Barclays Bank 1 Churchill Place London E14 5HP

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**Asharq Al-Awsat Limited**  
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The director presents the strategic report for the year ended 31 December 2017.

### **Introduction**

Asharq Al-Awsat Limited is a subsidiary of Saudi Research and Publishing Company LLC. The primary activity of the UK subsidiary is as the parent of the UK group of companies which activities include publishing newspapers, magazines, and the provision of information services as well as the distribution of its publications throughout Europe.

The ultimate parent Saudi Research and Marketing Group (SRMG) is the largest integrated publishing business in the Middle East. The group is vertically integrated over publishing, advertising, printing & distribution, specialized publishing and multimedia businesses enabling it to capture the synergies down the value chain. The group mainly operates in the Middle East, Europe and North Africa.

### **Principal risks and uncertainties**

The Company is dependent upon continued financial support from its immediate parent company, Saudi Research and Publishing Company LLC. From an operational perspective, the Company is dependent on the publishing of newspapers in the countries where the Group has operations.

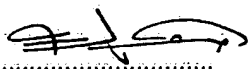
### **Review of the business**

The Company does not have any trading activities.

### **Key performance indicators**

As the company does not trade the director does not consider there to be any key performance indicators.

On behalf of the board



Saleh Aldowais  
**Director**

Date: 27/09/2018

The director presents the annual report and financial statements for the year ended 31 December 2017.

**Director**

The director who held office during the year and up to the date of signing of the financial statements is as disclosed in the company information page to the accounts.

**Results and dividends**

There was no trading activity during the year.

**Financial risk management**

The director has considered and reviewed the financial risk management objectives and policies of the Company. The Company is a dormant intermediary parent and subject to the same financial risks of its subsidiaries. As part of the review, the director considered the exposure of the company's subsidiaries to liquidity risk in order that an overall assessment can be made of the company's assets. The Company's subsidiaries do not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied. Overall financial risk management is carried out by Saudi Research and Marketing Group (SRMG), the ultimate parent undertaking and controlling party.

**Liquidity risk**

The Company's subsidiaries are funded mainly via intercompany balances which are in a receivable position at the year end. The director actively considers other sources of funding and assesses the group's ability to remit necessary funds to ensure that the subsidiaries have sufficient available funds for its operations and to meet its liabilities as they fall due.

**Credit risk**

The Company's subsidiaries revenues are generated from the parent company so potential credit risk is monitored by management on a group wide basis.

**Foreign exchange risk**

Foreign currency transaction risk is managed at a group level.

**Going Concern**

The Company has positive shareholder funds. The director having made sufficient enquiries, is satisfied that the company is a going concern.

**Statement of director's responsibilities**

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standard and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its members in writing about the use of disclosure exemptions of FRS102 used in the preparation of the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. The director is 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. 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.

**Statement of disclosure to auditors**

The sole director at the date of approval of this report confirms

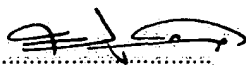
- so far as the director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the company's auditors are unaware;
- the director has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of any relevant audit information to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

**Auditors**

MHA MacIntyre Hudson were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

On behalf of the board on 27/09/2018.



Saleh Aldowais  
**Director**

**Independent auditors' report**  
**To the members of Asharq Al-Awsat Limited**

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**Opinion**

We have audited the financial statements of Asharq Al-Awsat Limited (the 'company') for the year ended 31 December 2017 which comprise statement of total comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, 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 2017;
- 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 UK, including the FRC'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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is responsible for the other information. The other information comprises the information included in the director's 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 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.

**Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and director's report have been prepared in accordance with applicable legal requirements.

## **Independent auditors' report (Continued)**

### **To the members of Asharq Al-Awsat Limited**

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 the director**

As explained more fully in the director's responsibilities statement set out on page 3, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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.

*MHA MacIntyre Hudson*

**Rajeev Shaunak FCA**  
**Senior Statutory Auditor**  
For and on behalf of:  
**MHA MacIntyre Hudson**  
New Bridge Street House  
30-34 New Bridge Street  
London  
EC4V 6BJ

*28/09/18*



**Asharq Al-Awsat Limited**  
**Statement of total comprehensive income**  
**For the year ended 31 December 2017**

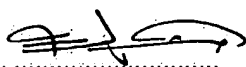
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The company has not traded during the year or the preceding financial year. During these periods, the company received no income and incurred no expenditure and therefore did not make a profit or loss.

**Asharq Al-Awsat Limited**  
**Balance sheet**  
**For the year ended 31 December 2017**

	Notes	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Investments	5		500,000		500,000
<b>Current assets</b>					
Debtors	6	101		101	
Net current assets			101		101
<b>Total net assets</b>			<u>500,101</u>		<u>500,101</u>
<b>Capital and reserves</b>					
Called up share capital	7		900,101		900,101
Profit and loss reserves			(400,000)		(400,000)
<b>Total equity</b>			<u>500,101</u>		<u>500,101</u>

The financial statements were approved by the board of directors and authorised for issue on 27/09/2018 and are signed on its behalf by:



Saleh Aldowais  
**Director**

**Company Registration No. 1355149**

**Asharq Al-Awsat Limited**  
**Statement of changes in equity**  
**As at 31 December 2017**

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	<b>Share capital</b>	<b>Profit and loss reserves</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 January 2016</b>	900,101	(400,000)	500,101
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Year ended 31 December 2016:</b>			
Profit and total comprehensive income for the year	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Balance at 31 December 2016</b>	900,101	(400,000)	500,101
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Year ended 31 December 2017:</b>			
Profit and total comprehensive income for the year	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Balance at 31 December 2017</b>	900,101	(400,000)	500,101
	<u>          </u>	<u>          </u>	<u>          </u>

## **1 Accounting policies**

### **Company information**

Asharq Al-Awsat Limited ("the Company") is a limited company incorporated in England and Wales. The registered office is 10th Floor, Building 7 Chiswick Park, 566 Chiswick High Road, London, W4 5YG.

### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in pound Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest '£'.

The financial statements have been prepared on a going concern basis under the historical cost convention.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in accordance with paragraph 1.12 of FRS 102. Exemptions have been taken in relation to:

- Financial instruments
- Presentation of a cash flow statement
- Compensation of key management personnel

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Asharq Al-Awsat Limited is a wholly owned subsidiary of the Saudi Research and Marketing Group and the results of the company are included in the consolidated financial statements of Saudi Research and Marketing Group. Saudi Research and Marketing Group is incorporated and registered in the Kingdom of Saudi Arabia. The registered office is PO Box 53108, Riyadh 11583, Saudi Arabia.

The principal accounting policies adopted are set out below.

## **1 Accounting policies (continued)**

### **1.3 Going concern**

The Company has not traded during the period has positive net current assets and shareholder's funds. The director has at the time of approving the financial statements, a reasonable expectation that the company to continue in operational existence for the foreseeable future. Thus the Director has continued to adopt the going concern basis of accounting in preparing the financial statements.

### **1.2 Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the profit or loss.

## **2 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

Management apply judgement in evaluating investments for overstatement. The judgement is based on the projected net present value of future cash flows. At each balance sheet date, investments are assessed for impairment and written down where appropriate.

## **3 Employees**

There were no employees in the Company during the year.

## **4 Director's emoluments & Compensation of key management personnel**

Director's emoluments paid during the year totalled £Nil (2016: £NIL).

The Director remuneration for the current year is paid by the ultimate Parent Company Saudi Research and Marketing Group.

**5 Fixed asset investments**

<b>Company</b>	<b>Total £</b>
<b>Cost</b>	
At 1 January 2017 & 31 December 2017	900,000
<b>Provisions</b>	
At 1 January 2017 & 31 December 2017	<u>(400,000)</u>
At 31 December 2016 & 31 December 2017	<u>500,000</u>

Details of the company's subsidiaries at 31 December 2017 are as follows:

<b>Name of undertaking and country of incorporation or residency</b>	<b>Nature of business</b>	<b>Class of shareholding</b>	<b>% Held</b>
H.H. Saudi Research & Marketing Limited	Publishing and selling newspaper	Ordinary	100
Euromena Research Center Limited	Printing of newspaper and magazines	Ordinary	100
Sayidaty Limited	Dormant	Ordinary*	100
Al-Majalla Magazine Limited	Dormant	Ordinary*	100

\*Indirectly held subsidiary undertakings

**6 Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	101	101
	<u>101</u>	<u>101</u>

**7 Share capital**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
Ordinary shares of £1 each (Class "A")	900,100	900,100
Ordinary shares of £1 each (Class "B")	1	1
	<u>900,101</u>	<u>900,101</u>

There is one Class "B" share, held by a subsidiary company.

**8 Related party transactions**

The Company has not entered into any related party transactions during the year.

**9 Controlling party**

The Company's immediate parent undertaking is Saudi Research and Publishing Company LLC., a company registered in the Kingdom of Saudi Arabia and the principal place of business is PO Box 4556, Medinah Road, Jeddah 21412, Saudi Arabia. This is the smallest group of which it is a member for which group financial statements are drawn up.

In the director's opinion the company's ultimate parent undertaking and controlling party is Saudi Research and Marketing Group, which is incorporated and registered in the Kingdom of Saudi Arabia. The largest group of which is a member for which group financial statements are drawn up, Copies of its group financial statements, which include the company, are available from PO Box 53108, Riyadh 11583, Saudi Arabia.