

Company Registration No. 02762224 (England and Wales)

Laha Limited

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

FRIDAY



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28/09/2018
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LAHA LIMITED

Number 02762224

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Registered in

England and Wales

YEAR ENDED 31 DECEMBER 2017

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LAHA LIMITED

COMPANY INFORMATION

DIRECTORS	A Al-Shaibany	Resigned 5 September 2018
	G. Simpson	
	R Evans	Appointed 5 September 2018
	R Z Jureidini	Appointed 5 September 2018

SECRETARY	R Evans
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COMPANY NUMBER	02762224
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REGISTERED OFFICE	Kensington Centre 66 Hammersmith Road London W14 8UD
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ACCOUNTANTS	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
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SOLICITORS	Linklaters One Silk Street London EC2Y 8HQ
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LAHA LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the business is to mainly provide certain UK based staff resources to the production of the magazine.

DIRECTORS

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Al-Shaibany Resigned 5 September 2018

G. Simpson

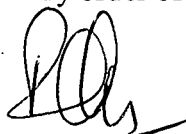
R Evans Appointed 5 September 2018

R Z Jureidini Appointed 5 September 2018

RESULTS AND DIVIDENDS

The results for the year are set out on page 2.

By order of the Board.



R EVANS
Secretary

26/09/18

LAHA LIMITED**INCOME STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 USD	2016 USD
Turnover	4	94,999	136,000
Administrative expenses		<u>(673,129)</u>	<u>(932,467)</u>
Operating loss	3	(578,130)	(796,467)
Other gains and losses	6	<u>3,371,820</u>	<u>894,049</u>
Profit before taxation		2,793,690	97,582
Taxation	7	<u>-</u>	<u>-</u>
Profit for the financial year		<u><u>2,793,690</u></u>	<u><u>97,582</u></u>

The Income Statement has been prepared on the basis that all operations are continuing operations.

LAHA LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	USD	USD
Profit for the year	2,793,690	97,582
Other comprehensive income		
Currency translation differences	(22,093)	832,857
Total comprehensive income for the year	<u>2,771,597</u>	<u>930,439</u>

LAHA LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2017**

	Notes	2017 USD	2016 USD
CURRENT ASSETS			
Debtors	8	1,961	1,843
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(567,701)	(3,327,089)
NET CURRENT LIABILITIES		(565,740)	(3,325,246)
PROVISIONS FOR LIABILITIES	11	(130,871)	(142,962)
NET LIABILITIES		<u>(696,611)</u>	<u>(3,468,208)</u>
CAPITAL AND RESERVES			
Called up share capital	12	3	3
Profit and loss reserves		<u>(696,614)</u>	<u>(3,468,211)</u>
TOTAL EQUITY		<u>(696,611)</u>	<u>(3,468,208)</u>

For the year ended 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on ... 26 Sep 2018 and are signed on its behalf by:



R Z Jureidini
Director

Company registration no. 02762224

LAHA LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital USD	Profit and loss reserves USD	Total USD
Balance at 1 January 2016:	<u>3</u>	<u>(4,398,650)</u>	<u>(4,398,647)</u>
Year ended 31 December 2016:			
Profit for the year	-	97,582	97,582
Other comprehensive income:			
Currency translation differences	-	832,857	832,857
	<u>-</u>	<u>930,439</u>	<u>930,439</u>
Total comprehensive income for the year	<u>-</u>	<u>930,439</u>	<u>930,439</u>
Balance at 31 December 2016:	3	(3,468,211)	(3,468,208)
Year ended 31 December 2017:			
Profit for the year		2,793,690	2,793,690
Other comprehensive income:			
Currency translation differences	-	(22,093)	(22,093)
	<u>-</u>	<u>2,771,597</u>	<u>2,771,597</u>
Total comprehensive income for the year	<u>-</u>	<u>2,771,597</u>	<u>2,771,597</u>
Balance at 31 December 2017:	<u>3</u>	<u>(696,614)</u>	<u>(696,611)</u>

LAHA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company Information

Laha Limited is a private company limited by shares incorporated in England and Wales. The registered office is Kensington Centre, 66 Hammersmith Road, London, W14 8UD.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and on the basis applicable to that of a going concern.

In 2010 the company changed its reporting currency from sterling to US dollars. The directors consider the US dollar to be the currency of the primary economic environment in which the company operates and generates cash flows.

Laha Limited 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 Statement of Cash flows

Compensation of key management personnel.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The company is dependent, in the absence of other funding, on the continued financial support of its ultimate parent company.

The directors have received written confirmation that financial support will continue to be made available to the company for a period of at least 18 months from the date that these financial statements were approved. On that basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that might be necessary if the ultimate parent company were not to provide further support.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (continued)

1.3 Turnover

Turnover represents the net sales revenue from advertising after commission and royalty income.

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amounts of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Financial Instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. The company has selected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

1.5 Equity Instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.7 Employee benefits

The cost of short term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.8 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (continued)

1.9 Foreign exchange

Transactions in currencies other than US dollars are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date.

Gains and losses arising on translation are included in the income statement for the period.

In accordance with the requirements of FRS 102 paragraph 30.18 the foreign exchange gains and losses arising on the transition to the presentational currency are recognised in Other Comprehensive income.

2 Critical accounting judgements and key resources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

No key judgements or assumptions have been made by the directors in the preparation of the financial statements.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

End of Service Provisions

Accruals are made for End of Service provisions for staff in a number of overseas countries. These are made at the rate of one current month of salary for every year of employment by the company.

LAHA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3	Operating profit/(loss)		
		2017	2016
		USD	USD
	Operating (loss) for the year is stated after charging/(crediting):		
	Exchange (gains)/losses	2,222	460,643
	Fees payable to the company's auditors for the audit of the company's financial statements	-	12,957
4	Turnover		
	In the opinion of the directors, disclosure of turnover by geographical market would be detrimental to the company's business.		
5	Employees		
	The average monthly number of persons (excluding directors) employed by the company during the year was:		
		2017	2016
		Number	Number
	Editorial - UK	1	1
6	Other gains and losses		
		2017	2016
		USD	USD
	Net amounts written back to financial liabilities	3,371,820	894,049
	During the year net amounts of \$3,371,820 (2016:\$894,049) were forgiven by other companies within Media Communications Group Limited.		
7	Taxation		
	The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:		
		2017	2016
		USD	USD
	Profit before taxation	2,793,690	97,582
	Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016:20.00%)	537,785	19,516
	Tax effect of income not taxable in determining taxable profit	(649,075)	(178,810)
	Movement in deferred tax not recognised	111,290	159,294
	Tax charge for the year	-	-

LAHA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

8	Debtors		
		2017	2016
	Amounts falling due within one year:	USD	USD
	Other debtors	1,961	1,615
	Prepayments and accrued income	-	228
		<u>1,961</u>	<u>1,843</u>
9	Creditors: amounts falling due within one year		
		2017	2016
		USD	USD
	Trade creditors	24,644	16,563
	Amounts due to group undertakings	534,576	3,292,315
	Other creditors	3,198	1,504
	Accruals and deferred income	5,283	16,707
		<u>567,701</u>	<u>3,327,089</u>
10	Retirement benefit schemes		
		2017	2016
		USD	USD
	Charge to profit or loss in respect of defined contribution schemes	<u>4,123</u>	<u>4,379</u>
	<p>The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.</p>		
11	Provisions for liabilities		
		2017	2016
		USD	USD
		<u>130,871</u>	<u>142,962</u>

It is company policy to recognise End of Service Indemnities for staff in a number of countries.

LAHA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2017****12 Share capital**

	2017	2016
	USD	USD
Ordinary share capital		
Authorised		
100 ordinary shares of £1 each	<u>159</u>	<u>159</u>
Issued and fully paid		
2 ordinary shares of £1 each	<u>3</u>	<u>3</u>

13 Controlling party

The immediate parent company is Media Communications Group Limited, a company incorporated in Great Britain.

The ultimate parent company is Reference Investments Inc., registered in the British Virgin Islands.

The directors consider HRH Prince Khaled Bin Sultan Bin Abdulaziz Al Saud to be the ultimate controlling party.

14 Related party transactions**Transactions with related parties**

As a wholly owned subsidiary, Laha Limited has taken advantage of the exemption under FRS 102 Section 33 "Related Party Transactions" not to disclose transactions with Media Communications Group Limited, the immediate parent company, and its wholly owned subsidiaries.

The following amounts were outstanding at the reporting end date:

	Amounts owed(to)/by related parties	
	2017	2016
	USD	USD
Media Communications Group Limited	(522,713)	(3,175,618)
Al Hayat Publishing Company Limited	(11,863)	(116,697)

No guarantees have been given or received.