Registered no: 2019473

Ramboll Middle East Limited

Annual Report
For the year ended 31 December 2018

Ramboll Middle East Limited

Annual Report for the year ended 31 December 2018

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Ramboll Middle East Limited

Directors and advisors

Directors

R Beard

Z Ahmad

Secretary

T J Cunningham

Registered Office

240 Blackfriars Road

London

SE1 8NW

Independent auditors

PricewaterhouseCoopers LLP

10 Bricket Road

St Albans

Hertfordshire

AL1 3JX

Bankers

National Bank of Abu Dhabi

PO Box No 17177, Jebel Ali Free Zone North

Dubai, United Arab Emirates

Ramboll Middle East Limited

Strategic Report for the year ended 31 December 2018

The directors present their Strategic Report on Ramboll Middle East Limited ("the Company") for the year ended 31 December 2018.

Review of Business

The Company is a wholly-owned subsidiary of Ramboll Whitbybird Holdings Limited, which itself is ultimately owned by Ramboll Gruppen A/S.

The business operates from branches in the United Arab Emirates (UAE) and Kingdom of Saudi Arabia (KSA). The UAE had experienced a slowdown in activity during the second half of 2018 with the number of new project awards declining in the Buildings sector. The market in KSA is growing with government investment in tourism and development. There were some large wins in KSA in the Buildings and Environment sector which had helped offset some of the decline in the UAE market.

The turnover of the Company increased to £21,708k in 2018 (2017: £ 18,243k) mainly as a result of new project wins in the latter part of 2017 which were carried over in the current year.

The cost of sales has increased to £17,494k in 2018 (2017: £14,661k) which is in line with the increase in revenue. Administrative expenses have also increased to £4,402k (2017: £4,114k) but has decreased as a percentage of sales to 20.3% (2017: 22.6%), this is due to rationalising the office costs in KSA and the UAE. The activities of the Company resulted in a loss for the 2018 financial year of £1,387k (2017: loss of £1,188k). The results for the year are set out in the Statement of comprehensive income on page 11.

The total shareholders' funds of the Company decreased to a total deficit of £2,215k in 2018 (2017: £715k deficit) as a result of the loss for the year. The financial position of the Company is set out in the Balance sheet on page 12.

Although the local business overall is making a loss, it holds the costs of regional management for the wider Middle East and Asia operation and also the majority of overhead costs related to the business unit. Despite this, there is a significant reduction in the Loss on ordinary activities before tax of £766k compared from last year of £1,225k as set out in the Statement of Comprehensive Income sheet on page 11.

Key Performance Indicators

The key performance indicators of the Company for the year ended 31 December 2018 are shown below.

- EBITA Margin was -3% as a result administrative expenses and management costs carried for other entities in the region. This was an improvement from the prior year margin of -5.9%.
- Billing ratio in the year was 70.4% compared to 62.2% in the prior year. Billing ratio is calculated by dividing billing hours by total available hours.
- Net working capital days is at an average of 78 days as at December 2018, compared with 66 days in the prior year. Working capital days are calculated using the working capital balance at the end of the year divided by turnover earned over the past 3 months and multiplied by 90 days.

Ramboll Middle East Limited

Strategic Report for the year ended 31 December 2018 (continued)

Disclosures of Principal Risks and Uncertainties

The Company's operations expose it to a variety of risks that include, but are not limited to, outsourcing, business continuity and reliance on key IT systems, together with risks associated with the commercial and technical delivery of projects, as well as underlying economic environment factors such as the price of oil which impacts government spending and political uncertainty in the region.

These risks are formally reviewed by the Board and appropriate processes put in place to monitor and mitigate these risks.

The Company's operations are supported by a Ramboll Gruppen A/S Enterprise Risk Management Function responsible for identifying, analysing, monitoring and controlling the risks that are perceived as critical to the business.

On behalf of the Board

Richard Beard
Director
10 SEPTEMBER 2019

Ramboll Middle East Limited

Directors' Report for the year ended 31 December 2018

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

Results and Dividends

The Company's loss for the financial year ended 31 December 2018 was £1,387k (2017: loss of £ 1,188k). No dividends were proposed by the directors during the year (2017: £ Nil).

Directors

The directors who held office during the year and up to the date of signing the financial statements are shown below:

R Beard

Z Ahmad (appointed 26 January 2018)

B R Pedersen (resigned 26 January 2018)

G B Evans (resigned 26 January 2018)

A K Pauling (resigned 26 January 2018)

J Sorensen (resigned 26 January 2018)

S H Johansen (resigned 26 January 2018)

Employees

The Company operates a policy of equal opportunity for all its employees. It gives full and fair consideration to employing disabled persons having regard to their aptitudes and abilities.

Information about the Company and the Ramboll Group, its policies and performance, is conveyed to employees by means of regular newsletters, staff briefings and the distribution of the annual report.

Branches outside UK

The business operates out of branches disclosed in the Strategic Report on page 3.

Going Concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Ramboll Gruppen A/S.

Future Developments

The business will focus on the stable markets in the UAE and growing the core business. There will also be more activity in markets where governments are investing in infrastructure and development such as KSA. Focus will continue on investing in project management and systems to improve performance and efficiency. There is a strong focus on key account management and business development will be a key driver in improving growth and profitability.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting 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 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.

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.

Disclosure of Information to Auditors

In the case of each director in office at the date the Directors' Report is approved:

- So far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

- He has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Financial Risk Management

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk.

Credit Risk

The Company's principal financial assets are bank balances and cash, trade and other debtors.

The amounts presented in the Balance sheet are net of allowances for doubtful debts. An allowance for impairment is made where there is an identified loss event which, based on previous experience is evidence of a reduction in the recoverability of the cash flows.

Ramboll Middle East Limited

Directors' Report for the year ended 31 December 2018 (continued)

For trade and other debtors, an assessment of credit quality of the customer is made where appropriate using a combination of external rating agencies, past experience and other factors. In circumstances where credit information is poor, the risk is mitigated by use of advance payments. Exposure and payment performance are monitored closely both at individual project and client level, with a series of escalating debt recovery actions where necessary.

Liquidity Risk

In order to maintain liquidity to ensure sufficient funds are available for ongoing operations, strong focus remains on cash collection. Cash flow forecasts are prepared covering periods for short to long-term to ensure that sufficient funds are available to meet commitments as they fall due.

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the Board

Richard Beard
Director
6 SEPTEMBER 2019
Company Registration Number: 2019473

Independent auditors' report to the members of Ramboll Middle East Limited

Report on the audit of the financial statements

Opinion
In our opinion, Ramboll Middle East Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance sheet as at 31 December 2018; the Statement of comprehensive income, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern
ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information
The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in

Independent auditors' report to the members of Ramboll Middle East Limited (continued)

giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Fong Johnson

Fong Johnson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
10 September 2019

Ramboll Middle East Limited

Statement of comprehensive income for the year ended 31 December 2018

	Note	Year Ended 31 December 2018 £'000	Year Ended 31 December 2017 £'000
Turnover	4	**21,708**	18,243
Cost of sales		**(17,494)**	(14,661)
Gross profit		**4,214**	3,582
Administrative expenses		**(4,402)**	(4,114)
Other operating expenses		**(465)**	(542)
Operating loss	5	**(653)**	(1,074)
Interest payable and similar charges	6	**(113)**	(151)
Loss on ordinary activities before taxation		**(766)**	(1,225)
Tax on loss on ordinary activities	9	**(621)**	37
Loss for the financial year		**(1,387)**	(1,188)
Other comprehensive income:			
Exchange adjustment on restatement of net assets of foreign operations		**(113)**	7
Other comprehensive income for the year, net of tax		**(113)**	7
Total comprehensive expense for the year		**(1,500)**	(1,181)

The above results relate to the continuing operations of the Company.

Ramboll Middle East Limited

Balance sheet as at 31 December 2018

	Note	31 December 2018 £'000	31 December 2017 £'000
Fixed assets			
Tangible assets	10	**279**	304
Current assets			
Debtors	11	**10,098**	7,793
Cash at bank and in hand		**2,982**	1,927
		13,080	9,720
Creditors: Amounts falling due within one year	12	**(15,574)**	(10,739)
Net current liabilities		**(2,494)**	(1,019)
Net liabilities		**(2,215)**	(715)
Capital and reserves			
Called up share capital	13	**22**	22
Share premium account		**21,751**	21,751
Accumulated losses		**(23,988)**	(22,488)
Total shareholders' deficit		**(2,215)**	(715)

The financial statements on pages 11 to 24 were approved by the board of directors on date 10 SEPTEMBER 2019 and were signed on its behalf by:

Richard Beard
Director
Company Registration Number: 2019473

Ramboll Middle East Limited

Statement of changes in equity for the year ended 31 December 2018

	Called up share capital	Share premium account	Accumulated losses	Total shareholders' funds/(deficit)
	£'000	£'000	£'000	£'000
Balance as at 1 January 2017	22	21,751	(21,307)	466
Loss for the year	-	-	(1,188)	(1,188)
Exchange reserve movement	-	-	7	7
Total comprehensive expense for the year	-	-	(1,181)	(1,181)
Balance as at 31 December 2017	22	21,751	(22,488)	(715)
Loss for the year	-	-	(1,387)	(1,387)
Exchange reserve movement	-	-	(113)	(113)
Total comprehensive expense for the year	-	-	(1,500)	(1,500)
Balance as at 31 December 2018	**22**	**21,751**	**(23,988)**	**(2,215)**

Ramboll Middle East Limited

Notes to the financial statements for the year ended 31 December 2018

1. General information

Ramboll Middle East Limited is a private company limited by shares and it is incorporated in the United Kingdom. The address of its registered office is 240, Blackfriars Road, London, SE1 8NW. The registration number of the Company is 2019473.

The principal activity of the Company is the provision of engineering consultancy services including structural, building services, sustainability & renewable, fire, facade, infrastructure and environmental engineering. The Company also specialises in bridge design and community engineering.

2. Statement of compliance

The individual financial statements of Ramboll Middle East Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of presentation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3(n) 'Critical accounting judgements and key sources of estimation uncertainty' of the accounting policies section.

b) Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Ramboll Gruppen A/S.

c) Exemption for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions have been complied with. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of Ramboll Gruppen A/S which are publicly available.

c) Exemption for qualifying entities under FRS 102 (continued)

As a qualifying entity, the Company has taken advantage of the following exemptions:

i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

d) Foreign currency

i) Functional and presentation currency

The Company's presentation currency is the pound sterling as the Company is incorporated in the United Kingdom and management believes that this currency is more useful to the users of the financial statements. The presentation currency is different from the currency used in the primary economic environment in which they operate, being Dubai Dirham, which is the functional currency used by the Company.

ii) Transaction 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.

The results for the year are translated at the average exchange rate during the year of 1GBP equals to 4.8828 AED (2017: 1GBP equals to 4.762 AED), while the assets and liabilities are translated at the ruling exchange rate at the balance sheet date of 1 GBP equals to 4.6602 AED (2017: 1GBP equals to 4.965 AED). The exchange differences arising on translation are reported in other comprehensive income.

e) Turnover

Turnover represents billings for professional fees and reimbursable expenses in respect of the proportion of work completed, excluding value added tax, of fee invoices raised during the year.

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract.

e) Turnover (continued)

Turnover derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Long-term contract balances included in amounts due from customers for contract work are stated at the sales price of the work performed, corresponding to direct and indirect costs incurred plus a proportionate share of the expected profit calculated on the basis of an assessment of the stage of completion. The percentage of completion is derived by dividing actual incurred cost by total estimated cost to complete. The work in progress is reduced by progress billings and provisions for any foreseeable losses.

Invoices on account beyond the stage of completion of contracts are calculated separately for each contract and recognised as deferred income under short term creditors.

f) Employee benefits

The Company provides a range of benefits to employees, including paid holiday arrangements.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

h) Tangible assets

Tangible assets are stated at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Office equipment 33% straight line

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Repairs, maintenance and minor inspection costs are expensed as incurred.

h) Tangible assets (continued)

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the statement of comprehensive income.

i) Leased assets

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

- *Operating leased asset*

Leases that do not transfer the majority of the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

- *Lease incentives*

Incentives received to enter into an operating lease are credited to the statement of comprehensive income, to reduce the lease expense, on a straight-line basis over the period of the lease.

j) Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

k) Provisions

A provision is recognised when the Company has a present, legal or constructive obligation from a previous event and it is probable that an outflow of the Company's financial resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

l) Financial instruments

The Company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method where applicable.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (iii) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Financial liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue any derivatives financial instruments.

l) Financial instruments (continued)

iii) Offsetting

Financial assets and liabilities are offset and the net amount presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

m) Related party transactions

The Company discloses transactions with related parties which are non-wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

n) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Recognition of turnover

The recognition of turnover for a project requires estimation of the percentage of completion for the project, which is calculated by dividing actual cost incurred to date by the total estimated cost of that project.

Management also estimates the expected outcome of projects and if a loss is estimated, a full provision is made for the loss in the year it is identified.

ii) Impairment of trade debtors and amounts due from customers for contract work

The Company makes an estimate of the recoverable value of trade debtors and amounts due from customers for contract work. When assessing impairment of trade debtors and amounts due from customers for contract work, the Company considers factors including the aging profile of receivables and historical experience. The Company concluded that trade debtors and amounts due from customers for contract work is not impaired.

There are no significant accounting judgements affecting the financial statements.

4. Turnover

There is only one class of business, which is engineering consultancy.

The Company's loss and turnover arises principally in the United Arab Emirates (along with Kingdom of Saudi Arabia) where most of its assets are located.

The entire turnover is derived from the rendering of construction related services.

	31 December 2018 £'000	31 December 2017 £'000
By geographic location		
Kingdom of Saudi Arabia	**3,860**	2,900
United Arab Emirates	**17,848**	15,343
	21,708	18,243

	31 December 2018 £'000	31 December 2017 £'000
Construction contract related disclosures:		
(i) the amount due from customers for contract work, as an asset	**2,340**	2,537
(ii) the amount due to customers for contract work, as a liability	**(5,713)**	(2,831)

5. Operating loss

Operating loss is stated after charging:	**31 December 2018 £'000**	31 December 2017 £'000
Wages and salaries	**13,378**	11,781
Social security costs	**517**	462
	13,895	12,243
Depreciation of tangible fixed assets		
- owned assets	**149**	111
Operating lease charges	**436**	383
Services provided by the Company auditors		
- Fees payable for the audit	**29**	45

6. Interest payable and similar charges

	31 December 2018 £'000	31 December 2017 £'000
Interest payable on other loans	**(113)**	(151)
	(113)	(151)

7. Employees

The monthly average number of employees (including directors) during the year was:

	31 December 2018 Number	31 December 2017 Number
By Activity		
Engineers	**167**	129
Administration	**29**	33
	196	162

8. Directors' remuneration

	31 December 2018 £'000	31 December 2017 £'000
Aggregate remuneration	**639**	313

The remuneration of B R Pedersen, G B Evans, J Sorensen, A Pauling and S H Johansen is paid by the parent company. Their services to this Company (until 26 January 2018 being the date of their resignation as directors) and to a number of fellow subsidiaries are of a non-executive nature and their remuneration is deemed to be wholly attributable to their services to the parent company. Accordingly, the above details include no remuneration in respect of the aforementioned directors.

The emoluments of the highest paid director included in above remuneration were £447k (2017: £313k).

9. Tax on loss on ordinary activities

a) Tax expense/(credit) included in the statement of comprehensive income

	31 December 2018 £'000	31 December 2017 £'000
Current tax:		
Overseas taxation	**621**	(37)
Total tax expense/(credit)	**621**	(37)

Notes to the financial statements for the year ended 31 December 2018

b) Reconciliation of tax expense/(credit)

The tax expense/(credit) assessed for the year is higher (2017: lower) than the standard effective tax rate of corporation tax in the UK for the year ended 31 December 2018 of 19% (2017: 19.25%). The differences are explained below:

	31 December 2018 £'000	31 December 2017 £'000
Factors affecting the tax expense/(credit) for the year		
Loss on ordinary activities before taxation	**(766)**	(1,225)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017: 19.25%)	**(146)**	(236)
Unutilised tax loss	**767**	199
Total tax expense/(credit)	**621**	(37)

Overseas taxation is charged at an effective rate of 20% in KSA and 0% in UAE. The overseas tax charge is incurred on trading profits in KSA. There is no double tax relief to be recognised during the year.

10. Tangible assets

	Office equipment £'000
Cost	
At 1 January 2018	1,262
Additions	246
Disposals	-
Exchange differences	(83)
At 31 December 2018	**1,425**
Accumulated depreciation	
At 1 January 2018	958
Charge for the year	149
Disposals	-
Exchange differences	39
At 31 December 2018	**1,146**
Net book amount	
At 31 December 2018	**279**
At 31 December 2017	304

Notes to the financial statements for the year ended 31 December 2018

11. Debtors

	31 December 2018 £'000	31 December 2017 £'000
Amounts falling due within one year:		
Trade debtors	**6,515**	4,233
Amounts owed by group undertakings	**638**	571
Amounts due from customers for contract work	**2,340**	2,537
Other debtors	**272**	148
Prepayments and accrued income	**333**	304
	10,098	7,793

Amounts owed by group undertakings are unsecured, repayable on demand and bear interest at rates up to 4.65% (year ended 31 December 2017: 4.65%)

12. Creditors: Amounts falling due within one year

	31 December 2018 £'000	31 December 2017 £'000
Trade creditors	**1,622**	679
Amounts owed to group undertakings	**3,638**	3,791
Amounts due to customers for contract work	**5,713**	2,831
Accruals and deferred income	**4,601**	3,438
	15,574	10,739

Amounts owed to group undertakings are unsecured, repayable on demand and bear no interest (year ended 31 December 2017: Nil)

13. Called up share capital

	31 December 2018 £'000	31 December 2017 £'000
Allotted, issued and fully paid		
21,774 (2016: 21,774) Ordinary Shares of £1.00 each	**22**	22
	22	22

There is a single class of ordinary shares. There are no restrictions on the distribution of capital and the repayment of capital.

14. Operating lease commitments

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

	31 December 2018 £'000	31 December 2017 £'000
Payment due		
Not later than one year	**84**	59
	84	59

Notes to the financial statements for the year ended 31 December 2018

15. Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group.

	31 December 2018	31 December 2017
	£'000	£'000
Sales to group undertakings	**694**	968
Purchases from group undertakings	**1,361**	914
Group service fee	**465**	465
Interest paid on loans from group undertakings	**(3)**	42
Trade debtor amounts due from group undertakings	**638**	571
Trade creditors amount due to group undertakings	**3,638**	3,791

16. Ultimate parent undertaking

The immediate parent undertaking is Ramboll Whitbybird Holdings Limited. The ultimate parent undertaking and controlling party is Ramboll Gruppen A/S, a company incorporated in Denmark. Ramboll Gruppen A/S is the only group of undertakings to consolidate the financial statements at 31 December 2018. The consolidated financial statements of Ramboll Gruppen A/S can be obtained from the Company Secretary, Hannemanns Allé 53, DK-2300 Copenhagen S, Denmark.