SHANKLAND COX

Shankland Cox Limited

Annual report

For the year ended 30 September 2021

Registered number England & Wales 02264094

Shankland Cox Limited

Contents

Shankland Cox Limited
Company information

Directors

AJ Barkwith
SA Embley (resigned 29 June 2021)
YM Fakach (resigned 10 June 2022)
P Mckeon (resigned 14 June 2021)
JNE Thompson

Registered office

10 Bonhill Street
London
EC2A 4PE

Registered number

England & Wales 02264094

Auditor

BDO LLP
Bridgewater House
Counterslip
Bristol BS1 6BX
UNITED KINGDOM

Bankers

Emirates NBD Bank
P O Box 777
Dubai
United Arab Emirates

Shankland Cox Limited
Directors' report

Principal activities
The principal activities of the Company continued to be that of professional design services specialising in architecture, landscape architecture and master planning, engineering and project management.

Business review
The results of the Company are set out in the statement of profit and loss and other comprehensive income on page 7.

After the year end Management made the decision to complete short term projects, novate remaining ongoing projects to other Group companies and not to undertake new work. Following completion of this process the Company is not expected to trade in the future. Remaining employees have either been served notice or their contracts transferred to other Group companies.

Aukett Swanke Group Plc is the ultimate controlling party and manages the Group's operations on a segmental basis. The development, performance and position of Aukett Swanke Group Plc's Middle East activities are discussed in the Group's annual report, which does not form part of this report.

In preparing this directors' report advantage has been taken of the small companies' exemption.

Discontinued operations
The Company is currently not undertaking new work and is not expected to trade in the future. The Company's activity is expected to be limited to closing out and negotiating positions on historic projects with clients.

As a result, the directors have concluded that is it not appropriate to adopt a going concern basis of preparation in these financial statements and have prepared the financial statements on a basis other than that of a going concern. Non-current assets and liabilities have been reclassified as current assets and liabilities in the Statement of Financial Position as a result of these financial statements being prepared on a basis other than going concern.

At year-end, the Company had net liabilities of approximately AED 4,607k including amounts owed to Group undertakings of AED 5,596k. The Parent entity has confirmed, through a letter of support, that it will provide the Company with the necessary financial support to enable them to settle any liabilities and costs arising while they close out historic projects with clients.

Directors
The following directors held office during the year:

AJ Barkwith
SA Embley (resigned 29 June 2021)
YM Fakach (resigned 10 June 2022)
P Mckeon (resigned 14 June 2021)
JNE Thompson

Dividends
The directors do not recommend the payment of a dividend.

Statement as to disclosure of information to auditor
The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Independent auditors
With mutual agreement with BDO LLP the audit will be put to tender and a new auditor to be appointed for the year ending 30 September 2022.

The Directors' report was approved by the Board on 28 September 2022 and signed on its behalf by:

AJ Barkwith
Director

Shankland Cox Limited
Directors' responsibilities in the preparation of financial statements

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 accounting estimates that are reasonable and prudent;

• state whether applicable UK Accounting Standards have been followed;

• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.As described in note 2.5, the financial statements have been prepared on a basis other than that of a going concern.

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.

Shankland Cox Limited
Independent auditor's report to the members of Shankland Cox Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Shankland Cox Limited ("the Company") for the year ended 30 September 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the financial statements, as applied in accordance with the provisions 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Emphasis of matter – basis of preparation

We draw attention to Note 2.5 to the financial statements which explains that the Company is not undertaking new work and does not expect to trade in future. As a result, the directors have concluded that is it not appropriate to adopt a going concern basis of preparation. Accordingly, the financial statements have been prepared on a basis other than that of going concern as described in Note 2.5. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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 Directors' report has been prepared in accordance with applicable legal requirements.

Shankland Cox Limited
Independent auditor's report to the members of Shankland Cox Limited

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors
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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

Extent to which the audit was capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

* We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006 and relevant tax compliance legislation;
* We understood how the Company are complying with those legal and regulatory frameworks by making enquiries of management, those responsible for legal and compliance procedures and through reviewing legal correspondence. We corroborated our enquiries through our review of board minutes and discussion with management;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it is considered there was a susceptibility of fraud;
- Our audit planning identified fraud risks in relation to management override. We obtained an understanding of the processes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors those processes and controls;
- With regards to the fraud risk in management override, our procedures included journal transaction testing, with a focus on large or unusual transactions based on our knowledge of the business. We also performed an assessment on the appropriateness of key judgements and estimates which are subject to management's judgement and estimation, and could be subject to potential bias; and
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Sarah Applegate
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Sarah Applegate (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Bristol, UK

Date 29 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Shankland Cox Limited
Statement of profit and loss and other comprehensive income for the year ended 30 September 2021

Discontinued operations	Note	2021 AED'000	2020 AED'000
Turnover	3	4,381	8,937
Other operating income		12	-
Administrative expenses		(6,631)	(8,865)
Operating profit / (loss)		**(2,238)**	**72**
Interest receivable		-	3
Profit / (loss) before taxation		**(2,238)**	**75**
Taxation	7	-	-
Profit / (loss) for the financial year		**(2,238)**	**75**
Other comprehensive income		-	-
Total comprehensive loss		**(2,238)**	**75**

The notes on pages 10 to 21 form part of these financial statements.

Shankland Cox Limited
Statement of financial position as at 30 September 2021
Company registration number 02264094

	Note	2021 AED'000	2020 AED'000
Fixed assets			
Tangible fixed assets	8	-	96
		-	**96**
Current assets			
Tangible fixed assets	8	53	-
Trade and other receivables	9	2,045	3,056
Contract assets	3	419	1,183
Cash at bank and in hand		277	503
		2,794	**4,742**
Current liabilities			
Trade and other payables	10	(6,381)	(5,770)
Employee benefit obligations	11	(1,020)	-
Net current liabilities		**(4,607)**	**(1,028)**
Total assets less current liabilities		**(4,607)**	**(932)**
Employee benefit obligations	11	-	(1,437)
Net liabilities		**(4,607)**	**(2,369)**
Capital and reserves			
Called up share capital	13	7,988	7,988
Profit and loss account		(12,595)	(10,357)
Equity shareholder's deficit		**(4,607)**	**(2,369)**

The financial statements on pages 7 to 21 were approved by the Board of Directors and authorised for issue on 28 Swptember 2022 and are signed on its behalf by:

T B—t—th

AJ Barkwith
Director

The notes on pages 10 to 21 form part of these financial statements.

Shankland Cox Limited
Statement of changes in equity as at 30 September 2021
Company registration number 02264094

	Called up share capital	Profit & loss account	**Equity shareholder's deficit**
	AED'000	AED'000	**AED'000**
At 30 September 2019	**7,988**	**(10,432)**	**(2,444)**
Total comprehensive loss	-	75	**75**
At 30 September 2020	**7,988**	**(10,357)**	**(2,369)**
Total comprehensive income	-	(2,238)	**(2,238)**
At 30 September 2021	**7,988**	**(12,595)**	**(4,607)**

The notes on pages 10 to 21 form part of these financial statements.

1 Authorisation of financial statements and statement of compliance with FRS101

The financial statements of Shankland Cox Limited (the "Company") for the year ended 30 September 2021 were authorised for issue by the Board of Directors on 28 September 2022 and the balance sheet was signed on the Board's behalf by A J Barkwith. Shankland Cox Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The principal accounting policies adopted by the Company are set out in note 2.

2 Accounting policies

2.1 New accounting standards, amendments and interpretations applied

For the year ended 30 September 2021, a number of new or amended standards became applicable:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Material);
- IFRS 3 Business Combinations (Amendment – Definition of Business);
- Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39 and IFRS 7); and
- Revised Conceptual Framework for Financial Reporting

The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

2.2 New accounting standards, amendments and interpretations not yet applied

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2022:

(i) Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
(ii) Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
(iii) Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
(iv) References to Conceptual Framework (Amendments to IFRS 3).

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022.However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

At present the Company has not analysed the impact of these new accounting standards and amendments.

There are no other IFRSs or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company.

2.3 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based Payment;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of Property, Plant and Equipment and Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A-38D, 40A-40D and 111 of IAS 1 Presentation of Financial Statements;

- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements, concerning the Company's objectives, policies and processes for managing capital;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures, to present remuneration of key management personnel;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;

2.4 Foreign exchange

The Company's financial statements are presented in Emirati Dirhams (AED), which is the Company's functional currency, and all values are rounded to the nearest thousand Dirhams (AED'000) unless otherwise indicated.

Transactions denominated in foreign currencies are translated into Emirati Dirhams at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into Emirati Dirhams at the rates of exchange ruling at the end of the financial period. Share capital in foreign currency has been translated into Emirati Dirhams at the exchange rates prevailing at the date of issue and not subsequently revalued. All exchange differences are dealt with in the statement of profit and loss and other comprehensive income and are included within administrative expenses.

The rate of exchange from Emirati Dirhams to Great British Pound Sterling (GBP) prevailing at the end of the financial period and during the financial period was as follows:

	2021	2020
At the end of the financial period	AED 4.94/£	AED 4.73/£
Average during the financial period	AED 5.01/£	AED 4.7/£

2.5 Going Concern

As described in the Directors report on page 2, after the year end Management made the decision to complete short term projects, novate remaining ongoing projects to other Group companies and not to undertake new work. Following completion of this process the Company is not expected to trade in the future. Remaining employees have either been served notice or their contracts transferred to other Group companies.

As a result, the directors have concluded that is it not appropriate to adopt a going concern basis of preparation in these financial statements and have prepared the financial statements on a basis other than that of a going concern. Non-current assets and liabilities have been reclassified as current assets and liabilities in the Statement of Financial Position as a result of these financial statements being prepared on a basis other than going concern.

At year-end, the Company had net liabilities of approximately AED 4,607k including amounts owed to Group undertakings of AED 5,596k. The Parent entity has confirmed, through a letter of support, that it will provide the Company with the necessary financial support to enable them to settle any liabilities and costs arising while they close out historic projects with clients.

2.6 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

<u>Accounting estimates</u>
In preparing the financial statements, the directors make estimates and assumptions concerning the future. The resulting accounting estimates, by definition, seldom equal the related actual results. 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 considered to be:

Recognition of contractual revenue
Revenue from contracts is assessed on an individual basis with revenue earned being ascertained based on the stage of completion of the contract which is estimated using a combination of the milestones in the contract and the proportion of total time expected to be required to undertake the contract which had been performed.

Estimates of the total time expected to be required to undertake the contracts are made on a regular basis and subject to management review. These estimates may differ from the actual results due to a variety of factors such as efficiency of working, accuracy of assessment of progress to date and client decision making.

The amount by which revenue exceeds progress billing is shown as contract assets in note 3.

Critical accounting judgements
Critical judgements represent key decisions made by management in the application of the Company's accounting policies. Where a significant risk of materially different outcomes exists due to management assumptions, this will represent a critical accounting judgement. Accounting judgements are continually reviewed in light of new information and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are considered to be:

Recognition of fee claim revenue
The nature of the project work undertaken by the Company means sometimes the scale and scope of a project increases after work has commenced. Subsequent changes to the scale and scope of the work may require negotiation with the clients for variations.

Advance agreement of the quantum of variation fees is not always possible, in particular when the timescale for project completion is changing or where the cost of variations cannot be determined until the work has been undertaken.

The Company has limited numbers of situations where we are entitled to a fee claim, on which estimation of the amount we would be entitled to in such a claim is considered on a case by case basis, and only recognised when it is highly probable that there will not be a subsequent reversal of the estimated revenue of a probable outcome under the requirements of IFRS 15 for variable consideration.

In the current year no material fee claim revenue has been recognised at 30 September 2021.

2.7 Significant accounting policies

Turnover
Turnover represents the value of services performed for customers under contract (excluding value added taxes). Revenue from contracts is assessed on an individual basis with revenue earned being ascertained based on the stage of completion of the contract which is estimated using each performance obligation within the contract and the proportion of total time expected to be required to undertake each performance obligation which had been or is being performed.

Step 1) Identification of the contract

Contracts with clients are mostly on a fixed basis with the consideration generally being stipulated based on a percentage of the build cost.

Contract variations are treated as variations to a specific performance obligation, with any additional fees associated with that variation, and the time and cost required to fulfil the variations, included within the overall assessment to time required to complete the overall performance obligation. This is on the basis that those variations are normally not distinct in themselves (modifications to existing elements of the obligations) and therefore are repriced as if they were part of the original contract.

Step 2) Identification of performance obligations

Whilst the nature of performance obligations may vary from project to project, they are generally split by identification of Royal Institute of British Architects ('RIBA') work stages (delivered as either an individual work stage or a group of work stages depending on the exact nature of the contract). which constitute individual and distinctive promises within the contract. These are capable of being delivered independently. Local equivalents of RIBA apply depending on the jurisdiction of the contract, and may be identified.

Step 3) Identify the consideration

Consideration is generally fixed and agreed within the contract for services between shankland cox Limited and the client, subject to modifications as noted above in step 1.

Step 4) Allocate the transaction price

The performance obligations within the contract are billed on the basis of a fee allocated to each element of the project, however turnover is allocated to the performance obligations based on the total expected time cost and contract cost expected to be required to undertake each performance obligation within the contract. This leads to recognition of turnover being reallocated between work stages where Management assess that the billing milestones associated to specific stages as stated in the contract do not fairly reflect the total time and cost required to complete those tasks.

Estimates of the total time expected to be required to undertake the contracts are made on a regular basis and subject to management review. These estimates may differ from the actual results due to a variety of factors such as efficiency of working, accuracy of assessment of progress to date and client decision making.

Step 5) Recognition of revenue

For all contracts undertaken by Management, the measurement of turnover follows an "over time" pattern.

The basis on which this is the case is that the work performed by the Company has no alternative use and the contracts contain provisions by which consideration can be recovered for part-performance of obligations in the event that a contract is terminated. The turnover recoverable in such an instance would approximate to compensating the Company for the selling price of the services rendered to date.

The amount by which revenue exceeds progress billings is classified as amounts due from customers for contract work and included in contract assets. To the extent progress billings exceed relevant revenue, the excess is classified as advances received from customers for contract work and included in contract liabilities.

Leases and asset finance arrangements
The Company has no long term leasing arrangements. All of its leasing arrangements constitute short term leases, with a period from inception through to termination of the lease of less than 12 months. As such the profit and loss impact of these leases is recorded on a straight line basis to the statement of profit and loss and other comprehensive income.

Employee benefit obligations
Costs in respect of defined contribution pension arrangements are charged to the statement of profit and loss and other comprehensive income on an accruals basis in line with the amounts payable in respect of the accounting period. The Company has no defined benefit pension arrangements.

Under UAE labour laws there is a requirement to pay termination gratuities to each employee who completes one year of service. The net charge to the income statement comprises the service cost and the interest on the liability and is presented in administrative expenses in the statement of profit and loss and other comprehensive income.

Tangible fixed assets

All tangible fixed assets are stated at historical cost of acquisition less depreciation and any impairment provisions. Historical cost of acquisition includes expenditure that is directly attributable to the acquisition of the items.

Depreciation of tangible fixed assets is calculated to write off the cost of acquisition over the expected useful economic lives using the straight line method and over the following number of years:

Plant & Machinery	-	20% on cost
Fixtures & Fittings	-	25% on cost
Motor Vehicles	-	25% on cost
Computer Equipment	-	25% on cost

Financial instruments

The company only has financial assets under IFRS 9 meeting the criteria to be held at amortised cost (i.e. being held for collection and passing the solely payments of principal and interest test). These financial assets include trade receivables, amounts owed by group undertakings, other receivables and cash at bank and in hand.

Impairment provisions against trade receivables are assessed on the basis of two stages – firstly, historical loss data (stratified by invoice age and payment data) is used to derive historically experienced loss rates and this is then applied to the year-end gross trade receivables balance to calculate an impairment provision based on this data. Secondly and as required under IFRS 9, a forward looking element of provisioning is added to the provision. Since the company trades with a diverse range of clients, establishment of a forward looking portfolio approach is not considered to be relevant and instead receivables are assessed on a case by case basis for evidence of further deterioration in credit risk and hence the requirement for additional provisions to be booked.

Similarly the company also assesses the recoverability of amounts owed by group undertakings and other receivables at the year-end for evidence of further impairment by reference to the financial position of those entities.
All of the company's financial liabilities under IFRS 9 are recognised at amortised cost, and these include trade payables, amounts owed to group undertakings, accruals and other payables.
The company has no financial liabilities which are designated at fair value through profit and loss (either mandatorily, for instance derivative financial instruments, or designated optionally) and thus all financial liabilities of the company are designated at amortised cost.

Trade payables and accruals represent obligations to pay for services and goods that have been acquired in the ordinary course of business from suppliers, classified as current liabilities as these are generally due on presentation of an invoice from those suppliers. These are recognised initially at their transaction price and subsequently accounted for at amortised cost.

Amounts due to group undertakings are payable on demand and so are classified as being due within one year and are accounted for initially at transaction price before subsequently being accounted for at amortised cost.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and laws enacted by the balance sheet date.

3 Turnover

The Company's turnover was all derived from its principal activity wholly undertaken in the Middle East.

Revenue from contracts with customers

Assets and liabilities related to contracts with customers

The Company has recognised the following assets related to contracts with customers:

	2021 AED'000	2020 AED'000
Current contract assets relating to professional services contracts	419	1,183
Total contract assets	**419**	**1,183**

Significant changes in contract asset and liabilities

Contract assets have decreased as the Company has provided less services ahead of the agreed payment schedules for contracts. The Company also recognised a loss allowance for contract assets, see note 9 for further information.

4 Operating loss

Operating loss is stated after charging:	2021 AED'000	2020 AED'000
Depreciation of tangible fixed assets	40	46
Profit on disposal of fixed assets	(10)	(9)
Operating lease rentals - land & buildings	-	-
Short term lease expense under IFRS 16 (see note 12)	217	223
Auditor's remuneration	-	-
Provision for bad and doubtful debts	357	239

The BDO LLP audit fees for the Shankland Cox Limited have been charged entirely to Aukett Swanke Group Plc. The fee that would have been charged to this Company would have been approximately AED 14,000 (2020: AED 14,000).

5 Employee information and staff costs

The average monthly number of persons (including Directors) employed by the Company during the period was:

	2021 Number	2020 Number
Professional	17	25
Administrative	6	6
Total	**23**	**31**

Aggregate remuneration for above persons:

	2021 AED'000	2020 AED'000
Wages and salaries	4,224	5,810
Employee benefit obligations	98	251
Other staff costs	168	180
Total	**4,490**	**6,241**

6 Directors' remuneration

JNE Thompson and AJ Barkwith were employed by other members of the Aukett Swanke Group during the year and no specific allocation of their remuneration has been made to this Company.

SA Embley was emplyed by the Company for 6 months of the year, for the remaining 6 months he was employed by other members of the Aukett Swanke Group and no specific allocation of his remuneration has been made to this Company during that time..

	2021 AED'000	2020 AED'000
Aggregate emoluments	1,060	830
Total	**1,060**	**830**

The highest paid Director received emoluments of AED 545,000 (2020: AED 527,625)

7 Taxation

	2021 AED'000	2020 AED'000
Current tax:		
UK corporation tax on profits of the year	-	-
Overseas tax	-	-
Total current tax	-	-
Deferred taxation:		
Origination and reversal of timing differences	-	-
Adjustments in respect of previous periods	-	-
Change in tax rate	-	-
Total deferred tax	-	-
Total taxation	-	-

The standard rate of corporation tax in the United Kingdom is 19%. The tax assessed for the year differs from the United Kingdom standard rate as reconciled below:

	2021 AED'000	2020 AED'000
Loss before taxation	(2,238)	75
Loss before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	(425)	14
Effects of:		
Depreciation in excess of capital allowances	(6)	(8)
Profit on disposal of fixed assets	(2)	(2)
Tax losses carried forward	335	(4)
Non deductible expenses	-	-
Group relief granted	98	-
Adjustment to tax charge in respect of prior year	-	-
Total taxation	-	-

Tax losses carried forward, available for use against future profits amounted to AED 17,947,000 (2020: AED 16,550,000).

No deferred tax asset has been recognised due to uncertainty regarding the timing of the utilisation of historic losses against future profits.

8 Tangible fixed assets

	Plant & machinery AED'000	Fixtures & fittings AED'000	Motor vehicles AED'000	Computer equipment AED'000	**Total AED'000**
Cost					
At 1 October 2020	79	56	109	697	**941**
Additions	-	-	-	-	**-**
Disposals	-	(5)	(55)	-	**(60)**
At 30 September 2021	**79**	**51**	**54**	**697**	**881**
Depreciation					
At 1 October 2020	79	41	109	616	**845**
Charge for the year	-	5	-	35	**40**
Disposals	-	(2)	(55)	-	**(57)**
At 30 September 2021	**79**	**44**	**54**	**651**	**828**
Net book value					
At 30 September 2021	**-**	**7**	**-**	**46**	**53**
At 30 September 2020	**-**	**15**	**-**	**81**	**96**

9 Trade and other receivables

	2021 AED'000	2020 AED'000
Trade receivables	829	1,575
Amounts due from group undertakings	534	749
Other receivables	563	562
Prepayments	119	170
Total	**2,045**	**3,056**

The amounts due from group undertakings are non interest bearing and repayable on demand.

Impairment allowances

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and project retentions, and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The loss allowance for the Company as at 30 September 2021 (excluding additional loss allowances measured on a case by case basis) was determined as follows for both trade receivables and contract assets:

30 September 2021	Current	1-30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate (%)	1%	2%	3%	7%	16%	
Gross carrying amount (AED'000)	674	186	92	0	426	1,378
Loss allowance (AED'000) through SOFP	10	4	3	0	68	85

The comparative loss allowance for the Company as at 30 September 2020 was:

30 September 2020	Current	1-30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate (%)	2%	3%	5%	9%	15%	
Gross carrying amount (AED'000)	1,951	32	478	57	442	2,960
Loss allowance (AED'000) through SOFP	47	1	25	5	67	145

The loss allowance for the Company as at 30 September 2021 was determined as follows for both trade receivables and contract assets:

	Contract assets AED'000	Trade receivables AED'000
Opening loss allowance provision as at 1 October 2020	32	113
Loss allowance provision through statement of profit and loss and other comprehensive income	(25)	(35)
Loss allowance calculated based on ECL loss matrices	7	78
Additional provisions identified on a case by case basis	195	315
Total loss allowance as at 30 September 2021 - calculated under IFRS 9	202	393

The loss allowances decreased by AED 135 to AED 78k for trade receivables and decreased by AED 25k to AED 7k for contract assets during the year to 30 September 2021.

A further allowance for impairment of trade receivables and contract assets is established on a case by case basis amounting to AED 510k at 30 September 2021 and AED 2,283k at 30 September 2020 when there are indicators suggesting that the specific debtor balance in question has experienced a significant deterioration in credit worthiness. Known significant financial difficulties of the client and lengthy delinquency in receipt of payments are considered indicators that a trade receivable may be impaired. Where a trade receivable or contract asset is considered impaired the carrying amount is reduced using an allowance and the amount of the loss is recognised in the income statement within other operating expenses.

The movement on impairment allowances for trade receivables was as follows:

	AED'000
At 01 October 2019	2,175
Loss allowance provision	(12)
Charged to the income statement based on additional case by case provisions	232
Allowance utilised	
At 30 September 2020	2,395

Loss allowance provision	(35)
Charged to the income statement based on additional case by case provisions	417
Allowance utilised	(2,384)
At 30 September 2021	393

10 Trade and other payables

	2021 AED'000	2020 AED'000
Trade payables	196	283
Amounts owed to group undertakings	5,596	4,723
Other payables	-	101
Accruals and deferred income	589	663
Total	**6,381**	**5,770**

The amounts owed to group undertakings are non interest bearing and repayable on demand.

11 Employee benefit obligations

	AED'000
At 1 October 2019	2,496
Utilised	(554)
Current service cost	251
Transferred to related parties	(756)
At 30 September 2020	**1,437**
Utilised	(515)
Current service cost	98
Transferred to related parties	-
At 30 September 2021	**1,020**

Under UAE labour laws there is a requirement to pay termination gratuities to each employee who completes one year of service. The net charge to the statement of profit and loss and other comprehensive income comprises the service cost and the interest on the liability and is presented in administrative expenses. The obligation at the year end has been measured at the reporting date using the projected unit credit method in accordance with IAS 19 and is funded from working capital.

The key actuarial assumptions used in the calculation are detailed below:

	2021	2020
Combined average length of service	5 years	5 years
Discount rate	1.74%	1.04%
Salary growth rate	2.20%	1.50%

12 Leases

The Company has no long term leasing arrangements. All of its leasing arrangements constitute short term leases, with a period from inception through to termination of the lease of less than 12 months. As such the profit and loss impact of these leases is recorded on a straight line basis to the statement of profit and loss and other comprehensive income.

The following movements in the year have occurred in respect of lease movements through the statement of profit and loss and other comprehensive income:

	2021 AED'000	2020 AED'000
Short-term lease expense	217	223

No low value leases, expenses in respect of variable lease payments, or aggregated undiscounted commitments for short term leases were incurred during the year.

13 Called up share capital

	2021 GBP'000	2020 GBP'000
Allotted, called up and fully paid		
1,384,132 (2020: 1,384,132) Ordinary shares of £1 each	1,384	1,384

Share capital has been translated into Emirati Dirhams at the historic exchange rate at the date of issue.

	2021 AED'000	2020 AED'000
Allotted, called up and fully paid		
1,384,132 (2020: 1,384,132) Ordinary shares of £1 each	7,988	7,988

The Company's issued ordinary share capital comprised a single class of ordinary share. Each share carries the right to one vote at general meetings of the Company.

14 Guarantees, contingent liabilities and other commitments

The Company has performance guarantees in issue of AED 519,030 (2020: AED 519,030). These are secured by a fixed deposit with the company's bank, which is included within other receivables.

In common with other firms providing professional services, the Company is subject to the risk of claims of professional negligence from clients. The Company maintains professional indemnity insurance in respect of these risks but is exposed to the cost of excess deductibles on any successful claims. The directors assess each claim and make accruals for excess deductibles where, on the basis of professional advice received, it is considered that a liability is probable.

15 Post Balance Sheet Event

After the year end Management made the decision to complete short term projects, novate remaining ongoing projects to other Group companies and not to undertake new work. Following completion of this process the Company will cease to trade. Remaining employees have either been served notice or had their contracts reassigned to John R Harris & Partners (Dubai) which was a 100% Group entity within the Aukett Swanke Group Plc group until it was sold in April-22. Assets and Liabilities have been recorded in these financial statements at the estimated recoverable amount as the financial statements are prepared on a basis other than going concern.

16 Related party transactions and transactions with directors

The Company also owed an amount with a fair value of AED nil (2020: AED nil) at 30 September 2021 to PR Logan. Amounts totalling AED nil (2020: AED 226,000) were paid to PR Logan during the year in relation to this balance. This amount was non interest bearing and was repayable upon collection of specific debtors. A corresponding amount was due from the parent company, Aukett Swanke Group Plc.

During the year, the company charged John R Harris & Partners amounts totalling AED 299,000 (2020: AED 656,000) for services rendered and direct cost recharges. The parties are related by virtue of common control.

During the year, the company incurred costs from John R Harris & Partners in the amount of AED 2,159,000 (2020: AED 639,000) for services rendered and direct cost recharges. The parties are related by virtue of common control.

Included within amounts due from group undertakings is a balance of AED 219,000 (2020: AED 87,000) owed by John R Harris & Partners. The parties are related by virtue of common control.

Included within Amounts owed to group undertakings is a balance of AED 985,000 (2020: AED 979,000) owed to John R Harris & Partners. The parties are related by virtue of common control.

17 Off balance sheet arrangements

The Company enters into operating lease arrangements for the hire of buildings and plant and equipment as these arrangements are a cost effective way of obtaining the short term benefits of these assets. The annual commitments under these arrangements are disclosed in note 12. There are no other material off balance sheet arrangements.

18 Ultimate parent company

The immediate and ultimate parent company and controlling party is Aukett Swanke Group Plc, which is the parent company of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of Aukett Swanke Group Plc may be obtained from the company's registered office at 10 Bonhill Street, London, EC2A 4PE or from its website at www.aukettswankeplc.com.