

# **Al Quds Al Arabi Publishing and Advertising (Overseas) Limited**

Registered number: 02604233

**Financial statements  
Information for filing with the registrar**

**For the year ended 30 September 2019**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	5	96,208	40,301
		<u>96,208</u>	<u>40,301</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	115,041	224,828
Cash at bank and in hand	7	9,251	3,536
		<u>124,292</u>	<u>228,364</u>
Creditors: amounts falling due within one year	8	(649,447)	(491,001)
<b>Net current liabilities</b>		<u>(525,155)</u>	<u>(262,637)</u>
<b>Total assets less current liabilities</b>		<u>(428,947)</u>	<u>(222,336)</u>
<b>Net liabilities</b>		<u>(428,947)</u>	<u>(222,336)</u>
<b>Capital and reserves</b>			
Called up share capital		1,570,109	1,570,109
Profit and loss account		(1,999,056)	(1,792,445)
		<u>(428,947)</u>	<u>(222,336)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2020.

**R Westover**  
Director

The notes on pages 2 to 8 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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**1. General information**

Al Quds Al Arabi Publishing and Advertising (Overseas) Limited is a private company limited by shares, registered in England and Wales, registered number 02604233. Its registered office is 90 Victoria Street, Bristol, BS1 6DP. The company's principal activity is the publication and distribution of a newspaper.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The presentational currency of the financial statements is sterling which is the functional currency of the company and the financial statements are rounded to the nearest £. The financial information of the current period relates to the year ended 30 September 2019 and the comparative information relates to the year ended 30 September 2018.

The following principal accounting policies have been applied:

**2.2 Going concern**

The financial statements have been prepared on a going concern basis. The company has incurred losses before discretionary subsidy funding in the current and prior years and is dependent upon its ultimate parent for funding. The company will remain dependent upon this funding until such a time as it has generated enough cash through profitable trading to enable it to meet its liabilities as they fall due. Whilst the full long-term impact of the COVID-19 pandemic is yet to become clear, any adverse impact on the company's trading results will not alter the company's dependence on continued support of the ultimate parent and, therefore, is not deemed to impact the basis of the going concern assessment. The ultimate parent company has confirmed to the Director their intention to continue to provide this subsidy funding to enable the company to meet its liabilities as they fall due for the foreseeable future, and the Director has therefore prepared the financial statements on a going concern basis.

**2.3 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions 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.

**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**2.3 Foreign currency translation (continued)**

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 except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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**2. Accounting policies (continued)**

**2.6 Borrowing costs**

All borrowing costs are recognised in the Statement of Comprehensive Income using the effective interest method.

**2.7 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.8 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis.

Depreciation is provided on the following basis:

Leasehold improvements	-
	over the term of the lease (5 years)
Fixtures & fittings	-
	25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.9 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.10 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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**2. Accounting policies (continued)**

**2.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.12 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

There are no judgments made or key sources of estimation uncertainty when preparing these financial statements.

**4. Employees**

The average monthly number of employees, including directors, during the year was 22 (2018 - 22).

**5. Tangible fixed assets**

	<b>Leasehold Improvements</b>	<b>Fixtures &amp; fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>			
At 1 October 2018	-	193,626	193,626
Additions	86,154	14,139	100,293
Disposals	-	(75,230)	(75,230)
At 30 September 2019	86,154	132,535	218,689
<b>Depreciation</b>			
At 1 October 2018	-	153,325	153,325
Charge for the year on owned assets	12,924	13,610	26,534
Disposals	-	(57,378)	(57,378)
At 30 September 2019	12,924	109,557	122,481
<b>Net book value</b>			
At 30 September 2019	73,230	22,978	96,208
<b>At 30 September 2018</b>	-	40,301	40,301

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**6. Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	18,247	24,193
Amounts owed by related undertaking	2,742	82,134
Other debtors	39,230	42,446
Prepayments and accrued income	54,822	76,055
	<u>115,041</u>	<u>224,828</u>

**7. Cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	9,251	3,536
	<u>9,251</u>	<u>3,536</u>

**8. Creditors: Amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	86,896	85,054
Other taxation and social security	34,528	32,304
Other creditors	38,309	18,000
Accruals and deferred income	489,714	355,643
	<u>649,447</u>	<u>491,001</u>

**9. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £14,877 (2018 - £9,136). Contributions totaling £3,473 (2018 - £2,230) were payable to the fund at the balance sheet date and are included within creditors.



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FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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**10. Commitments under operating leases**

At 30 September 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Within 1 year	98,825	41,031
1-2 years	164,708	-
2-5 years	428,242	-
	<u>691,775</u>	<u>41,031</u>

**11. Related party transactions**

Included in other operating income is £3,600,000 (2018 - £3,600,000) of income received from the ultimate parent undertaking.

During the year, the Company entered into transactions with ENSL Ltd, a company with a common Director. These transactions were for treasury services rendered, to the amount of £53,620 (2018: £16,017), and are included within administration expenditure. At the year-end, no balance was due to ENSL Ltd (2018: £16,017 within accruals) in respect of these transactions. At the year-end ENSL Ltd held a cash balance on behalf of the company, repayable on demand, to the amount of £2,742 (2018: £82,134), included within debtors.

**12. Post balance sheet events**

The COVID-19 pandemic and associated economic downturn has caused widespread challenges to many businesses. The pandemic was declared in March 2020 and for the purposes of these financial statements is considered to be a non-adjusting post balance sheet event. The nature of the company's operations and flexibility of the workforce has meant that operations have not been significantly impacted. It is difficult to assess the potential impact of an extended period of economic uncertainty or downturn, however this has been duly considered by the Director when preparing the going concern assessment, as discussed further in Note 2.2.

**13. Controlling party**

The ultimate controlling party and immediate parent company is Sweetrain Limited, a company incorporated in the British Virgin Islands.

**14. Auditor's information**

The auditor's report on the financial statements for the year ended 30 September 2019 was unqualified.

The audit report was signed on 30 September 2020 by Jonathan Marchant (Senior Statutory Auditor) on behalf of Mazars LLP.



This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.