

2604233

AL QUDS AL-ARABI PUBLISHING AND ADVERTISING (OVERSEAS) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1996



**AL QUDS AL-ARABI PUBLISHING AND ADVERTISING (OVERSEAS) LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1996**

**DIRECTOR:** A B Atwan

**SECRETARY:** P Sundram

**REGISTERED OFFICE:** Clifton Down House  
Beaufort Buildings  
Clifton Down  
Clifton  
Bristol BS8 4AN

**REGISTERED NUMBER:** 2604233

**AUDITORS:** Neville Russell

AL QUDS AL-ARABI PUBLISHING AND ADVERTISING (OVERSEAS) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1996

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# **AL QUDS AL-ARABI PUBLISHING AND ADVERTISING (OVERSEAS) LIMITED**

## **DIRECTOR'S REPORT**

The director presents his report and the financial statements for the year ended 30 September 1996.

## **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

Company law requires the director to prepare financial statements for each financial year which 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 those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **REVIEW OF THE BUSINESS**

The principal activity of the company continued to be the publishing and distribution of a daily newspaper.

The director considers that both the level of business and the year end financial position were satisfactory, and the director expects that the present level of activity and support will be sustained for the foreseeable future.

## **RESULTS**

The loss for the year after taxation was £68,653.

The director does not recommend the payment of any dividend.

The loss for the year has been added to the accumulated losses on profit and loss account at the beginning of the year.

## **FIXED ASSETS**

Details of changes in fixed assets are given in notes 9 and 10 to the financial statements.

# AL QUDS AL-ARABI PUBLISHING AND ADVERTISING (OVERSEAS) LIMITED

## DIRECTOR'S REPORT

### DIRECTOR

The director, whose name appears in the table below, held office during the whole of the period from 1 October 1995 to the date of this report.

The interests in the shares of the company, according to the register of directors' interests, were as shown below:

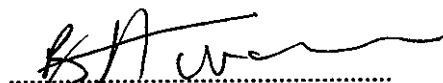
Ordinary shares of £1 each

Director's name	30 September 1996 Beneficial interests	1 October 1995 Beneficial interests
A B Atwan	-	-

### AUDITORS

Neville Russell have signified their willingness to continue in office and a resolution proposing their re-appointment will be put to the forthcoming annual general meeting.

Approved by the board on *17 January 1997*  
and signed on its behalf by

  
.....  
Mr A B Atwan

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
AL QUDS AL-ARABI PUBLISHING AND ADVERTISING (OVERSEAS) LIMITED**

We have audited the financial statements on pages 5 to 13 which have been prepared following the accounting policies set out on pages 7 and 8.

**Respective responsibilities of director and auditors**

As described on page 1 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Fundamental uncertainty**

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the basis of preparation. The financial statements have been prepared on a going concern basis and the validity of this depends on the supporters giving their support by providing adequate loan facilities and making donations. The financial statements do not include any adjustments that would result from a failure to obtain such support. Details of the circumstances relating to this fundamental uncertainty are described in Note 1. Our opinion is not qualified in this respect.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1996 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Neville Russell*

Neville Russell  
Chartered Accountants  
and Registered Auditors  
Clifton Down House

*17 Jan., 1997*

# AL QUDS AL-ARABI PUBLISHING AND ADVERTISING (OVERSEAS) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1996

	Notes	1996 £	1995 £
<b>TURNOVER</b>		312,330	207,292
Cost of sales		<u>(1,306,938)</u>	<u>(940,772)</u>
<b>GROSS LOSS</b>		(994,608)	(733,480)
Administration expenses		(214,033)	(187,254)
Other operating income	3	<u>1,143,525</u>	<u>841,833</u>
<b>OPERATING LOSS</b>		(65,116)	(78,901)
Interest receivable and similar income		<u>13</u>	<u>2,626</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		(65,103)	(76,275)
Interest payable and similar charges	5	<u>(3,550)</u>	<u>(4,070)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION</b>	4,14	<u><u>(68,653)</u></u>	<u><u>(80,345)</u></u>

The company's turnover and expenses all relate to continuing operations.

The company has no recognised gains or losses other than the loss for the year.

There is no material difference between the results as reported above and their historical cost equivalents.

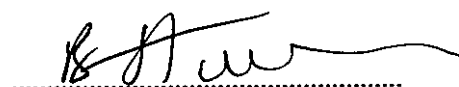


# AL QUDS AL-ARABI PUBLISHING AND ADVERTISING (OVERSEAS) LIMITED

## BALANCE SHEET AT 30 SEPTEMBER 1996

	Notes	1996 £	1995 £
<b>FIXED ASSETS</b>			
Intangible assets	9	162,965	195,557
Tangible assets	10	51,624	37,244
		<u>214,589</u>	<u>232,801</u>
<b>CURRENT ASSETS</b>			
Debtors	11	111,724	85,877
Cash at bank and in hand		45,199	83,886
		<u>156,923</u>	<u>169,763</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	12	<u>(612,944)</u>	<u>(575,343)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(456,021)</u>	<u>(405,580)</u>
		<u>(241,432)</u>	<u>(172,779)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	100	100
Profit and loss account	14	(241,532)	(172,879)
<b>SHAREHOLDERS' FUNDS</b>	14	<u>(241,432)</u>	<u>(172,779)</u>

Approved by the board on 17 January 1997  
and signed on its behalf by



Mr A B Atwan, Director

# AL QUDS AL-ARABI PUBLISHING AND ADVERTISING (OVERSEAS) LIMITED

## Notes to the Financial Statements for the Year Ended 30 September 1996

### 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

#### (a) Accounting convention

During the year the company incurred a loss of £68,653 and at the balance sheet date its current liabilities exceeded its current assets by £456,021. In addition to its sales and advertising revenue, the company relies on its supporters for financial support. The director has received written assurances that funding will be available for next year at levels at least similar to that received in the year to 30 September 1996.

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the supporters giving their support by providing adequate loan facilities and making donations as outlined above.

If the company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts, to provide for future liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Whilst the directors are presently uncertain as to the outcome of the matters mentioned above, they believe that it is appropriate for the financial statements to be prepared on a going concern basis.

#### (b) Turnover

Turnover represents the amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers.

#### (c) Depreciation

Depreciation is calculated to write off the cost or revalued amount less estimated residual value of fixed assets on a reducing balance basis over their estimated useful lives.

#### (d) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

#### (e) Goodwill

Goodwill represents the excess of cost of acquisition over the fair value of separable net assets acquired. Goodwill is amortised through the profit and loss account in equal instalments over its estimated useful life.

# AL QUDS AL-ARABI PUBLISHING AND ADVERTISING (OVERSEAS) LIMITED

## Notes to the Financial Statements for the Year Ended 30 September 1996

### (f) Foreign currencies

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur, except for:

- (i) monetary assets and liabilities, which are translated at the rate ruling at the balance sheet date (other than those in (ii) below); and
- (ii) transactions to be settled at a contracted rate and trading transactions covered by a related or matching forward contract, which are translated at those contracted rates.

Differences arising on the translation of such items are dealt with in the profit and loss account.

### (g) Leases

#### Operating leases

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

## 2. SEGMENTAL INFORMATION

The turnover, loss before taxation and net liabilities are attributable to the principal activity, the publishing and distribution of a daily newspaper. The company operates in the U.K. and abroad.

## 3. OTHER OPERATING INCOME

	1996 £	1995 £
Exchange gains	284	-
Subsidy received	1,143,241	841,833
	<u>1,143,525</u>	<u>841,833</u>

# AL QUDS AL-ARABI PUBLISHING AND ADVERTISING (OVERSEAS) LIMITED

Notes to the Financial Statements for the Year Ended 30 September 1996

## 4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities before taxation is stated after charging:

	1996 £	1995 £
Staff costs (note 6)	517,872	412,152
Exchange losses	-	1,101
Depreciation of owned tangible fixed assets	17,209	12,414
Amortisation of goodwill	32,592	32,592
Hire of assets - operating leases	4,592	4,069
Auditors' remuneration - audit fee	4,500	5,000
	<u>517,872</u>	<u>412,152</u>

## 5. INTEREST PAYABLE AND SIMILAR CHARGES

	1996 £	1995 £
Bank loans and overdrafts and other loans wholly repayable within 5 years	8	6
Bank charges	3,396	1,868
Other interest	146	2,196
	<u>3,550</u>	<u>4,070</u>

## 6. STAFF COSTS

	1996 £	1995 £
Wages and salaries	470,125	376,845
Social security costs	47,747	35,307
	<u>517,872</u>	<u>412,152</u>

Average number of persons, including executive directors, employed by the company during the year:

	1996 Number	1995 Number
Management	2	2
Production	18	17
	<u>20</u>	<u>19</u>

# AL QUDS AL-ARABI PUBLISHING AND ADVERTISING (OVERSEAS) LIMITED

## Notes to the Financial Statements for the Year Ended 30 September 1996

### 7. DIRECTOR

Management services	90,000	77,400
Benefits in kind	8,563	-
	<u>98,563</u>	<u>77,400</u>

### 8. TAXATION

At 30 September 1996 the company had approximately £46,000 of tax losses available to set against future trading profits. Therefore no tax is due.

### 9. INTANGIBLE FIXED ASSETS

	£
COST	
At 11 October 1995 and At 30 September 1996	<u>325,928</u>
AMORTISATION	
At 1 October 1994	130,371
Charge for the year	<u>32,592</u>
At 30 September 1996	<u>162,963</u>
NET BOOK VALUE	
At 30 September 1996	<u>162,965</u>
At 30 September 1995	<u>195,557</u>

Goodwill arose on the purchase of a business in 1991 and is being amortised over 10 years. In the opinion of the directors this represents a prudent estimate of the period over which the company will derive direct economic benefit from the business.

# AL QUDS AL-ARABI PUBLISHING AND ADVERTISING (OVERSEAS) LIMITED

Notes to the Financial Statements for the Year Ended 30 September 1996

## 10. TANGIBLE FIXED ASSETS

	Furniture and Equipment £
COST	
At 1 October 1995	57,171
Additions	31,589
	<hr/>
At 30 September 1996	88,760
	<hr/>
ACCUMULATED DEPRECIATION	
At 1 October 1995	19,927
Charge for the year	17,209
	<hr/>
At 30 September 1996	37,136
	<hr/>
NET BOOK VALUES	
At 30 September 1996	51,624
	<hr/>
At 30 September 1995	37,244
	<hr/>
Depreciation rate	25%

## 11. DEBTORS

	1996 £	1995 £
DUE WITHIN ONE YEAR		
Trade debtors	80,640	63,442
Other debtors	12,260	5,011
Prepayments and accrued income	18,824	17,424
	<hr/>	<hr/>
	111,724	85,877
	<hr/>	<hr/>

# AL QUDS AL-ARABI PUBLISHING AND ADVERTISING (OVERSEAS) LIMITED

Notes to the Financial Statements for the Year Ended 30 September 1996

## 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996 £	1995 £
Bank loans and overdrafts	-	529
Other loans	400,000	400,000
Other taxation	29,419	-
Directors' loan accounts	69,193	69,193
Accruals and deferred income	114,332	105,621
	<u>612,944</u>	<u>575,343</u>

The other loans are unsecured and bear no interest charge.

## 13. SHARE CAPITAL

	Authorised		Allotted, Issued and Fully Paid	
	1996 £	1995 £	1996 £	1995 £
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>100</u>	<u>100</u>

## 14. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	Share Capital £	Profit and Loss Account £	Total Shareholders' Funds £
Balance at 1 October 1994	100	(92,534)	(92,434)
Loss for the financial year	-	(80,345)	(80,345)
Balance at 30 September 1995	<u>100</u>	<u>(172,879)</u>	<u>(172,779)</u>
Loss for the financial year	-	(68,653)	(68,653)
Balance at 30 September 1996	<u>100</u>	<u>(241,532)</u>	<u>(241,432)</u>

# AL QUDS AL-ARABI PUBLISHING AND ADVERTISING (OVERSEAS) LIMITED

## Notes to the Financial Statements for the Year Ended 30 September 1996

### 15. OTHER FINANCIAL COMMITMENTS

At 30 September 1996 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 1997:

	1996 £	1995 £
Operating leases which expire:		
Within 2 to 5 years	3,528	3,528
	<u>3,528</u>	<u>3,528</u>

The company is in the process of negotiating a new lease on its premises but at the date of this report this was as yet unsigned. The commitment is expected to be £51,876 per annum.