

Liberty Publishing & Media Limited

LIBERTY PUBLISHING & MEDIA LIMITED

Registered Number: 3137730

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013**



Liberty Publishing & Media Limited

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Liberty Publishing & Media Limited

Directors, Officers and Registered Office

Directors

R J Fallowfield

J Byrne

Secretary

R J Fallowfield

Auditors

Baker Tilly UK Audit LLP

25 Farringdon Street

London

EC4A 4AB

Bankers

Allied Irish Bank

10 Berkeley Square

Mayfair

London

EC2R 8PA

Registered Office

55 Park Lane

London

W1K 1NA

Liberty Publishing & Media Limited

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the Company for the year ended 31 August 2013, which show the state of the Company's affairs.

Principal Activity

The Company's principal activity is to provide management and book-keeping services to other companies which are too small to justify the employment of dedicated accounting staff

Review of Business

During the year the Company continued to provide an accounting and book-keeping service for a number of other small businesses associated with M Al Fayed and his family. The only active trading subsidiary, Punch Limited was sold on 2nd December 2013

Post Balance Sheet

The only active trading subsidiary, Punch Limited was sold on 2nd December 2013, for a consideration of £1 plus the repayment of £265,000 of loans

Results and Dividends

The loss after taxation for the year ended 31 August 2013 amounted to £22,337 (2012 Profit of £48,252)

The Directors are unable to recommend the payment of a dividend and an amount of £22,337 (2012 Profit of £48,252) has been transferred from reserves

Directors in the year

R J Fallowfield
J Byrne

Policy on payment of creditors

It is the Company's policy to agree payment terms as part of any formal contract with a supplier and to make every endeavour to abide by the agreed terms. Where a purchase is not covered by a formal contract, and no agreement is reached in advance of raising an order, the policy is that any valid invoice will be paid in full

The Company takes on average 55 days to pay its creditors (2012 45 days)

Liberty Publishing & Media Limited

DIRECTORS' REPORT (Continued)

Statement of disclosure to the auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Statement of Directors' Responsibilities

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 estimates that are reasonable and prudent,
- 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 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.

Auditors

Baker Tilly Audit Limited (formerly RSM Tenon Audit Limited) ceased trading on 31st March 2014. The directors, having been notified of the cessation of trade of Baker Tilly Audit Limited, appointed Baker Tilly UK Audit LLP as Auditor on 1 April 2014 to fill the casual vacancy. Baker Tilly UK Audit LLP has expressed its willingness to continue in office.

Going concern

The directors' assessment of going concern is set out in the accounting policies to the financial statements.

Liberty Publishing & Media Limited

DIRECTORS' REPORT (Continued)

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and has been approved by the board of directors on 24th June 2014 and signed on behalf of the board by



R J Fallowfield
Secretary

Registered Office
Suite 5
55 Park Lane
London
W1K 1NA

Liberty Publishing & Media Limited

Independent Auditors Report to the members of Liberty Publishing & Media Limited

We have audited the financial statements on pages 9 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 August 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Liberty Publishing & Media Limited

Independent Auditors Report to the members of Liberty Publishing & Media Limited (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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 exemption in preparing the directors' report

Baker Tilly UK Audit LLP

Tony Castagnetti (Senior Statutory Auditor)

For and on behalf of

BAKER TILLY UK AUDIT LLP,

Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

25th June 2014

Liberty Publishing & Media Limited

**PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 2013**

Note	Year to 31/08/13 £'000	Year to 31/08/12 £'000
2 TURNOVER	244	265
External charges	(120)	(93)
3 Staff costs	(106)	(91)
6 Depreciation	(4)	(3)
Provision for diminution in value of investments	(36)	(29)
5 OPERATING PROFIT / (LOSS)	<u>(22)</u>	<u>49</u>
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	(22)	49
4 Tax on loss on ordinary activities	-	
13 PROFIT / (LOSS) FOR THE FINANCIAL YEAR	<u><u>(22)</u></u>	<u><u>49</u></u>

Liberty Publishing & Media Limited

BALANCE SHEET AS AT 31 AUGUST 2013

Note		As at 31/08/13 £'000	As at 31/08/12 £'000
	FIXED ASSETS		
6	Tangible assets	7	6
7	Investments	-	-
		<u>7</u>	<u>6</u>
	CURRENT ASSETS		
8	Debtors (Amounts falling due within one year)	76	183
	Cash at bank and in hand	33	4
		<u>109</u>	<u>187</u>
9	CREDITORS (Amounts falling due within one Year)	(151)	(206)
		<u>(151)</u>	<u>(206)</u>
	NET CURRENT (LIABILITIES)/ ASSETS	<u>(42)</u>	<u>(19)</u>
	TOTAL ASSETS LESS CURRENT LIABILITIES	(35)	(13)
10	CREDITORS (Amounts falling due after more than one year)	(9,422)	(9,422)
		<u>(9,457)</u>	<u>(9,435)</u>
	CAPITAL AND RESERVES		
11	Called up share capital	19,250	19,250
12	Profit and loss reserves	(28,707)	(28,685)
13	EQUITY SHAREHOLDERS' FUNDS	<u>(9,457)</u>	<u>(9,435)</u>

These financial statements have been prepared in accordance with the special provision of part 15 of the companies act 2006 relating to small companies

The financial statements were approved and authorised for issue by the board of directors and were signed on its behalf on 24th June 2014

R. Fallowfield

R.J Fallowfield
Director

Company Registration Number 3137730

The notes on pages 12 to 20 form an integral part of these accounts

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and comply with the disclosure requirements of the Companies Act 2006 and applicable accounting standards

b) Going Concern

The Company has a deficit of shareholders' funds at 31 August 2013 and since that date has continued to make losses. The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. In concluding that it is appropriate to adopt the going concern basis in preparing these financial statements the Directors have had regard to the written indications received from the ultimate parent company, Liberty Enterprise Holdings Limited, and the verbal indications received from the ultimate controlling party, Mr M Al Fayed, that continued funding will be made available to finance the Company's working capital requirements for the foreseeable future. Although there is no legal obligation for either Liberty Holdings Limited or Mr Al Fayed to provide this continued support, the Directors are confident that such funding will be forthcoming. These accounts do not include any adjustments to the carrying value and classification of assets and liabilities which might be necessary should the Company not continue as a going concern.

c) Group Accounts

The financial statements present information about the Company as an individual undertaking and not about its group. The Company and its subsidiary undertakings represent a small group, thus under the Companies Act 2006 the Company is not required to prepare group accounts.

d) Turnover

Turnover represents the invoiced value of sales completed by delivery in the year, excluding VAT.

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS...contd

1. ACCOUNTING POLICIES ...contd

e) Depreciation

Depreciation is provided in order to write down to estimated residual value, if any, the cost of tangible fixed assets over their estimated useful lives by equal annual instalments, on the following basis.

Short leasehold improvements	10%
Machinery, fixtures and equipment	20% and 33%

f) Deferred Taxation

Deferred taxation is provided on material timing differences between the incidence of income and expenditure for taxation and accounts purposes using a full provision basis in accordance with the provisions set out in Financial Reporting Standard No 19 "Deferred Tax". Deferred tax assets are only recognised when they arise from timing differences where their recoverability in the short-term is regarded as more likely than not. Deferred tax balances are not discounted.

g) Leasing

Assets acquired under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The interest element of the rental obligations is charged to profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

h) Pension Costs

The cost of defined contribution pensions represents the contributions payable by the Company during the year.

i) Foreign Currency

Transactions denominated in foreign currency are translated at exchange rates ruling at the transaction date. Realised gains and losses are dealt with in the profit and loss account.

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS...contd

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced for services provided and goods sold. Overseas turnover amounted to 31.79% of turnover.

	Year to 31/08/13 £'000	Year to 31/08/12 £'000
Management and Accounting Services	244	265
	<u>244</u>	<u>265</u>

3. STAFF COSTS

	Year to 31/08/13 £'000	Year to 31/08/12 £'000
Wages and salaries	93	78
Social Security costs	11	9
Other pension costs	2	4
	<u>106</u>	<u>91</u>

Average number employed by the Company during the year

	Year to 31/08/13 Number	Year to 31/08/12 Number
Finance and Administration	2	2
	<u>2</u>	<u>2</u>

There were no director's emoluments during the year (2012: nil).

There are no directors (2012: nil) to whom retirement benefits are accrued.

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS...contd

4. TAXATION

No taxation charge has been provided in the accounts based on the results of the year (2012 nil) as a result of utilisation of available tax losses

The Company has tax losses carried forward of approximately £137,577 (2012 £151,746) available for offset against future taxable profits of the same trade. This represents a potential deferred tax asset of £31,643 (2012 £36,419) using a corporation tax rate of 23% (2012 24%). This asset has not been recognised in the financial statements because, in the opinion of the directors, there is insufficient evidence of future taxable profits arising against which to utilise these losses.

5. OPERATING PROFIT	Year to 31/08/13 £'000	Year to 31/08/12 £'000
Operating Loss (Prior Year Profit) is stated after charging		
Staff Costs	106	91
Depreciation of tangible fixed assets owned assets	4	3
Auditors' remuneration		
Audit services - Current year	7	2
Audit services - Prior year	1	-
Non audit services	5	1
Operating lease rentals		
Land and buildings	34	30
Other	3	2

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS...contd

6. FIXED ASSETS	Short leasehold improvements	Machinery, fixtures and equipment	Total
	£	£	£
Cost			
At 01 09 12	3	13	16
Additions	4	1	5
At 31 08 13	7	14	21
Depreciation			
At 01 09 12	0	10	10
Provision for year	1	3	4
At 31 08 13	1	13	14
Net Book amount			
At 31 08 13	6	1	7
At 31 08 12	2	4	6

7. INVESTMENTS

Cost	£'000
At 01 09 12	11,270
At 31 08 13	11,270
Provision at 1 09 12	11,270
Provision at 31 08 13	11,270
Net book amount	
At 31 08 13	-
At 31 08 12	-

The Company's subsidiary undertakings at 31 August 2013, which are all 100% owned, are as follows

	Activity
Punch Limited	Publishing
Brompton Press Limited	Publishing

On 2nd December 2013, the entire share capital of Punch Ltd was sold to a third party for £1

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS...contd

8. DEBTORS (Amounts falling due within one year)

	31/08/13	31/08/12
	£'000	£'000
Trade debtors	43	121
Other debtors	12	1
Prepayments and accrued income	21	61
	<u>76</u>	<u>183</u>

On 2nd December 2013, the Company was owed £7,202,171 by its wholly-owned subsidiary, Punch Ltd, of which £7,162,154 had previously been fully provided for as irrecoverable. On that date the Company forgave £6,937,171 of that debt and the balance of £265,000 was repaid by Punch Ltd in cash.

9. CREDITORS (Amounts falling due within one year)

	31/08/13	31/08/12
	£'000	£'000
Trade creditors	85	139
Other creditors	50	50
Accruals and deferred income	16	17
	<u>151</u>	<u>206</u>

10. CREDITORS (Amounts falling due after more than one year)

	31/08/13	31/08/12
	£'000	£'000
Amounts owed to parent undertaking	<u>9,422</u>	<u>9,422</u>

11. SHARE CAPITAL

	31/08/13	31/08/12
	£	£
Allotted and fully paid:		
19,250,100 ordinary shares of £1 each	<u>19,250,100</u>	<u>19,250,100</u>

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS...contd

12. PROFIT AND LOSS RESERVES

	31/08/13	31/08/12
	£'000	£'000
At 1 September 2012	(28,685)	(28,734)
Transfer to profit and loss account for the year	(22)	49
At 31 August 2013	<u>(28,707)</u>	<u>(28,685)</u>

13. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	31/08/13	31/08/12
	£'000	£'000
Profit/(Loss) for the financial year	(22)	49
Opening shareholders' funds	<u>(9,435)</u>	<u>(9,484)</u>
Closing shareholders' funds	<u>(9,457)</u>	<u>(9,435)</u>

14. OPERATING LEASE COMMITMENTS

The Company had annual commitments under non-cancellable operating leases as set out below

	31/08/13	31/08/12
Operating leases which expire Between 1 and 2 years	<u>1</u>	<u>1</u>

15. PENSIONS

The Company participates in the Liberty Publishing & Media Group Personal Pension Plan, which is a money purchase scheme

The pension charge of £1,859 (2012 £4,260) represents contributions by the Company to the scheme

16. RELATED PARTIES

At the balance sheet date there were arm's length agreements between the Company and various related companies to provide management, security, property and maintenance services. These companies have directors in common with the Company. The value of these transactions during the period were as set out below

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS...contd

17. RELATED PARTIES (continued)

	Year to 31/08/13		Year to 31/08/12	
	Purchases	Sales	Purchases	Sales
	£	£	£	£
ACF Sevenoaks	-	56	-	199
AIT Leisure Enterprise Ltd	-	8,699	-	-
Allied Stars Film Ltd	-	20,771	-	66,703
Balnagown Castle Properties Ltd	-	20,248	-	36,061
Bocardo SA	-	2,015	-	7,200
Bodhi Tree House LLC	-	32,100	-	-
Chairmans Office	-	185	-	-
Cocosa Lifestyle Ltd	-	132,936	-	82,830
Cocosa Holding Ltd	-	-	-	1,377
Cocosa Investments Ltd	-	13	-	5,225
Fayair (Jersey) Ltd	-	4,888	-	18,139
Fayair (Stansted) Ltd	-	34,123	-	61,033
Fulham Football Leisure Ltd	-	21,165	-	34,208
Gallant Mineral Services Ltd	-	14,973	-	23,710
Hyde Park Residence Ltd	267,971	13,388	277,949	7,977
Issa London Ltd	-	1	-	41
Jasmine di Milo Ltd	-	23,671	-	30,384
Last Ten Ltd	-	28,270	-	26,315
Lawnfest Ltd	-	5,053	-	-
Leolite Ltd	-	1,800	-	-
Lonely Rock Productions Ltd	-	2,170	-	-
Metro Energy Ltd	-	29,001	-	26,603
Nome (Mapping Company) Ltd	-	605	-	-
Osmotica Films Ltd	-	2,064	-	-
Serenity Household	-	30,621	-	-
Synergetic Foundation	-	11,469	-	-
Synergetic Management Ltd	-	28,567	-	-
Synergetic Press Ltd	-	2,346	-	-
West Heath 2000	-	42	-	-
	267,971	471,240	277,949	428,005

No disclosure has been made of any transactions within these financial statements with subsidiaries in accordance with the exemptions allowed under Financial Reporting Standard No 8.

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS...contd

18. RELATED PARTIES (continued)

At the balance sheet date the Debtors, Creditors and Advances for the Company included the following balances

	31/08/2013		31/08/2012	
	£ Debtor	£ Creditor	£ Debtor	£ Creditor
Companies				
ACF Sevenoaks	38	-	20	-
AIT Leisure Enterprises Ltd	365	-	-	-
Allied Stars Film Ltd	1,147	-	21,832	-
Balnagown Castle Properties Ltd	1,957	-	14,195	-
Bocado SA	125	-	2,800	-
Bodhi Tree House LLC	2,031	-	-	-
Cocosa Lifestyle Ltd	3,007	-	27,963	-
Fayair (Jersey) Ltd	125	-	7,028	-
Fayair (Stansted) Ltd	1,004	-	6,467	-
Fulham Football Leisure Ltd	590	-	6,723	-
Gallant Mineral Services Ltd	858	-	4,355	-
Hyde Park Residence Ltd	144	64,421	(22)	114,966
Issa London Ltd	1	-	13	-
Jasmine di Milo	757	-	18,433	-
Last Ten Ltd	15,296	-	3,329	-
Leolite Ltd	2,160	-	-	-
Lonely Rock Productions Ltd	2,580	-	-	-
Metro Energy Ltd	709	-	7,358	-
Osmotica Films Ltd	2,463	-	-	-
Synergetic Foundation	-	-	27	-
Synergetic Management Ltd	4,444	-	-	-
Synergetic Press Ltd	2,751	-	-	-
	<u>42,552</u>	<u>64,421</u>	<u>120,521</u>	<u>114,966</u>

Analysis of the movement of the loan from Liberty Enterprise Holdings Limited

	Year to 31/08/13 £	Year to 31/08/12 £
Opening balance	<u>9,422,195</u>	<u>9,422,195</u>
Closing balance	<u>9,422,195</u>	<u>9,422,195</u>

Liberty Publishing & Media Limited

NOTES TO THE ACCOUNTS...contd

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 31 August 2013 the ultimate parent undertaking of Liberty Publishing & Media Limited was Liberty Enterprise Holdings Limited, a company incorporated in British Virgin Islands, which is owned and controlled by M Al Fayed, the ultimate controlling party