

Company Registered Number: 3137730  
(England and Wales)

**LIBERTY PUBLISHING & MEDIA LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 2014**

WEDNESDAY



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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

## **DIRECTORS' REPORT**

The Directors present their report and the audited financial statements of the Company for the year ended 31 August 2014, 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 2<sup>nd</sup> December 2013.

### **Post Balance Sheet**

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

### **Results and Dividends**

The profit after taxation for the year ended 31 August 2014 amounted to £250,848 (2013: Loss of £22,337).

The Directors are unable to recommend the payment of a dividend and an amount of £250,848 (2013: Loss of £22,337) has been transferred to 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.

## **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 31<sup>st</sup> 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 26 March 2015 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 <http://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 2014 and of its profit 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.

#### **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

**Liberty Publishing & Media Limited**

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

- 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 from the requirement to prepare a strategic report or 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

*2 April* 2015



**Liberty Publishing & Media Limited**

**PROFIT AND LOSS ACCOUNT  
YEAR ENDED 31 AUGUST 2014**

Note		Year to 31/08/14 £'000	Year to 31/08/13 £'000
2	<b>TURNOVER</b>	221	244
	External charges	(124)	(120)
3	Staff costs	(100)	(106)
6	Depreciation	(2)	(4)
5	<b>OPERATING PROFIT / (LOSS)</b>	(5)	(14)
	Release/(Creation) of provision against inter-company loans	256	(36)
	<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	251	(22)
4	Tax on loss on ordinary activities	-	-
13	<b>PROFIT / (LOSS) FOR THE FINANCIAL YEAR</b>	251	(22)

The notes on pages 11 – 20 form an integral part of these financial statements.

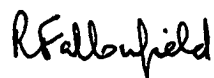
**Liberty Publishing & Media Limited**

**BALANCE SHEET  
AS AT 31 AUGUST 2014**

Note		As at 31/08/14 £'000	As at 31/08/13 £'000
	<b>FIXED ASSETS</b>		
6	Tangible assets	21	7
7	Investments	-	-
		<u>21</u>	<u>7</u>
	<b>CURRENT ASSETS</b>		
8	Debtors (Amounts falling due within one year)	156	76
	Cash at bank and in hand	32	33
		<u>188</u>	<u>109</u>
9	CREDITORS (Amounts falling due within one Year)	(208)	(101)
		<u></u>	<u></u>
	NET CURRENT (LIABILITIES)/ ASSETS	<u>(20)</u>	<u>8</u>
	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	1	15
10	CREDITORS (Amounts falling due after more than one year)	(9,207)	(9,472)
		<u>(9,206)</u>	<u>(9,457)</u>
	<b>CAPITAL AND RESERVES</b>		
11	Called up share capital	19,250	19,250
12	Profit and loss reserves	(28,456)	(28,707)
13	EQUITY SHAREHOLDERS' FUNDS	<u>(9,206)</u>	<u>(9,457)</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 26 March 2015.



R.J.Fallowfield

Director

Company Registration Number: 3137730

The notes on pages 11 to 20 form an integral part of these financial statements.

**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 2014 and since that date has operated at only slightly above break-even. 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.

**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.

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.

	<b>Year to 31/08/14 £'000</b>	<b>Year to 31/08/13 £'000</b>
Management and Accounting Services	221	244
	<u>221</u>	<u>244</u>

**3. STAFF COSTS**

	<b>Year to 31/08/14 £'000</b>	<b>Year to 31/08/13 £'000</b>
Wages and salaries	83	93
Social Security costs	10	11
Pension and other costs	7	2
	<u>100</u>	<u>106</u>

Average number employed by the Company during the year:

	<b>Year to 31/08/14 Number</b>	<b>Year to 31/08/13 Number</b>
Finance and Administration	2	2
	<u>2</u>	<u>2</u>

There were no director's emoluments during the year (2013: nil).

There are no directors (2013: nil) to whom retirement benefits are accrued.

**NOTES TO THE ACCOUNTS...contd**

**4. TAXATION**

No taxation change has been provided in the accounts based on the results of the year (2013: nil) as a result of utilisation of available tax losses.

The Company has tax losses carried forward of approximately £157,420 (2013: £137,577) available for offset against future taxable profits of the same trade. This represents a potential deferred tax asset of £33,058 (2013: £31,643) using a corporation tax rate of 21% (2013: 23%). 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**

	<b>Year to 31/08/14 £'000</b>	<b>Year to 31/08/13 £'000</b>
Operating Loss (Prior Year: Profit) is stated after charging:		
Staff Costs	100	106
Depreciation of tangible fixed assets		
owned assets	2	4
Auditors' remuneration		
Audit services - Current year	9	7
Audit services - Prior year	7	1
Non audit services	3	5
Operating lease rentals		
Land and buildings	36	34
Other	8	3

NOTES TO THE ACCOUNTS...cont'd

6. FIXED ASSETS	Short leasehold improvements	Machinery, fixtures and equipment	Total
	£	£	£
Cost:			
At 01.09.13	7	14	21
Additions	-	16	16
At 31.08.14	7	30	37
Depreciation:			
At 01.09.13	1	13	14
Provision for year	1	1	2
At 31.08.14	2	14	16
Net Book amount			
At 31.08.14	5	16	21
At 31.08.13	6	1	7

7. INVESTMENTS

Cost	£'000
At 01.09.13	11,270
At 31.08.14	-
Provision at 1.09.13	11,270
Provision at 31.08.14	-
Net book amount	
At 31.08.14	-
At 31.08.13	-

The Company's subsidiary undertakings at 31 August 2014, which are all 100% owned, are as follows:

	Activity
Brompton Press Limited	Publishing

On 2<sup>nd</sup> December 2013, the entire share capital of Punch Ltd previously a wholly owned subsidiary undertaking was sold to a third party for £1.

On 3<sup>rd</sup> September 2014, Brompton Press Ltd started a process which will lead to it being wound-up and removed from the Register of Companies.

NOTES TO THE ACCOUNTS...cont'd

8. DEBTORS (Amounts falling due within one year)

	31/08/14	31/08/13
	£'000	£'000
Trade debtors	135	43
Owing from subsidiary company	1	-
Other debtors	3	12
Prepayments and accrued income	17	21
	<u>156</u>	<u>76</u>

On 2<sup>nd</sup> 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)

	31/08/14	31/08/13
	£'000	£'000
Trade creditors	189	85
Accruals and deferred income	19	16
	<u>208</u>	<u>101</u>

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

	31/08/14	31/08/13
	£'000	£'000
Amounts owed to parent undertaking	9,157	9,422
Amount owing to ultimate controlling party	50	50
	<u>9,207</u>	<u>9,472</u>

11. SHARE CAPITAL

	31/08/14	31/08/13
	£	£
Allotted and fully paid:		
19,250,100 ordinary shares of £1 each	<u>19,250,100</u>	<u>19,250,100</u>



NOTES TO THE ACCOUNTS...cont'd

**12. PROFIT AND LOSS RESERVES**

	31/08/14	31/08/13
	£'000	£'000
At 1 September 2013	(28,707)	(28,685)
Transfer from/( to) profit and loss account for the year	251	(22)
At 31 August 2014	<u>(28,456)</u>	<u>(28,707)</u>

**13. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS**

	31/08/14	31/08/13
	£'000	£'000
Profit/(Loss) for the financial year	251	(22)
Opening shareholders' funds	<u>(9,457)</u>	<u>(9,435)</u>
Closing shareholders' funds	<u>(9,206)</u>	<u>(9,457)</u>

**14. OPERATING LEASE COMMITMENTS**

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

	31/08/14	31/08/13
	£'000	£'000
Operating leases which expire:		
Between 1 and 2	-	1
Between 2 and 5 years	<u>150</u>	<u>-</u>
	<u>150</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 £4,082 (2013: £1,859) 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

## Liberty Publishing & Media Limited

with the Company. The value of these transactions during the period were as set out below.

### NOTES TO THE ACCOUNTS...cont'd

#### 17. RELATED PARTIES (continued)

	Year to 31/08/14		Year to 31/08/13	
	Purchases	Sales	Purchases	Sales
	£	£	£	£
ACF Sevenoaks	-	-	-	56
AIT Leisure Enterprise Ltd	-	-	-	8,699
Allied Stars Film Ltd	-	8,645	-	20,771
Balnagown Castle Properties Ltd	-	18,305	-	20,248
Bocardo SA	-	1,625	-	2,015
Bodhi Tree House LLC	-	19,990	-	32,100
Chairman's Office	-	-	-	185
Cocosa Lifestyle Ltd	-	7,410	-	132,936
Cocosa Investments Ltd	-	-	-	13
Fayair (Jersey) Ltd	-	8,250	-	4,888
Fayair (Stansted) Ltd	-	8,530	-	34,123
Fulham Football Leisure Ltd	-	-	-	21,165
Gallant Mineral Services Ltd	-	3,855	-	14,973
Hyde Park Residence Ltd	226,908	-	267,971	13,388
Issa London Ltd	-	-	-	1
Jasmine di Milo Ltd	-	7,520	-	23,671
Last Ten Ltd	-	19,960	-	28,270
Lawnfest Ltd	-	-	-	5,053
Leolite Ltd	-	12,370	-	1,800
Leolite (Scunthorpe) Ltd	-	4,750	-	-
Lonely Rock Productions Ltd	-	7,290	-	2,170
Metro Energy Fields Ltd	-	12,275	-	29,001
Nome (Mapping Company) Ltd	-	-	-	605
Osmotica Films Ltd	-	7,795	-	2,064
Panatura Properties (A) Ltd	-	2,625	-	-
Punch Ltd	-	23,335	-	-
Quinexas Ltd	-	1,890	-	-
Serenity Household	-	-	-	30,621
Synergetic Foundation	-	560	-	11,469
Synergetic Management Ltd	-	29,065	-	28,567
Synergetic Press Ltd	-	12,575	-	2,346
West Heath 2000	-	-	-	42
	-	218,620	267,971	471,240

NOTES TO THE ACCOUNTS...cont'd

18. RELATED PARTIES (continued)

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

	31/08/2014		31/08/2013	
	£	£	£	£
	Debtor	Creditor	Debtor	Creditor
<u>Companies</u>				
ACF Sevenoaks	57	-	38	-
AIT Leisure Enterprises Ltd	211	-	365	-
Allied Stars Film Ltd	2,935	-	1,147	-
Balnagown Castle Properties Ltd	1,404	-	1,957	-
Bocardo SA	250	-	125	-
Bodhi Tree House LLC	4,018	-	2,031	-
Cocosa Investment Ltd	2,946	-	-	-
Cocosa Lifestyle Ltd	-	-	3,007	-
ESTEE (UK) Ltd	14	-	-	-
Fayair (Jersey) Ltd	4,005	-	125	-
Fayair (Stansted) Ltd	1,502	-	1,004	-
Fulham Football Leisure Ltd	-	-	590	-
Gallant Mineral Services Ltd	366	-	858	-
Gemini Holdings Ltd	540	-	-	-
Hyde Park Residence Ltd	41	153,589	144	64,421
Issa London Ltd	1	-	1	-
iTen Ltd	15	-	-	-
Jasmine di Milo	-	-	757	-
Last Ten Ltd	14,495	-	15,296	-
Leolite Ltd	924	-	2,160	-
Leolite (Scunthorpe) Ltd	5,101	-	-	-
Lonely Rock Productions Ltd	14,941	-	2,580	-
Metro Energy Fields Ltd	13,776	-	709	-
Ome (Mapping Company) Ltd	36	-	-	-
One Zero World Ltd	2	-	-	-
Osmotica Films Ltd	1,524	-	2,463	-
Panatura Properties (A) Ltd	1,059	-	-	-
Punch Ltd	46,902	-	-	-
Quinexas Ltd	977	-	-	-
Ross Estates Company	1,880	-	-	-
Synergetic Foundation	16	-	-	-
Synergetic Management Ltd	11,003	-	4,444	-
Synergetic Press Ltd	3,800	-	2,751	-
West Heath 2000	54	-	-	-
	<u>134,796</u>	<u>153,589</u>	<u>42,552</u>	<u>64,421</u>

## **Liberty Publishing & Media Limited**

### **NOTES TO THE ACCOUNTS...cont'd**

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

	<b>Year to 31/08/14</b>	<b>Year to 31/08/13</b>
	<b>£</b>	<b>£</b>
Opening balance	9,422,195	9,422,195
Repayment	(265,000)	-
Closing balance	<u>9,157,195</u>	<u>9,422,195</u>

#### **19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

At 31 August 2014 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.