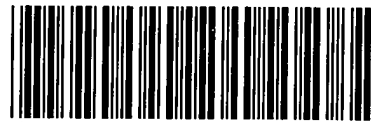


Registered Number: 3140878

PUNCH LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015**

WEDNESDAY



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Punch Limited

Directors, Officers and Registered Office

Directors

O Fayed
R J Fallowfield
J Byrne

Secretary

R J Fallowfield

Auditors

RSM 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 annual report and the audited financial statements of the Company for the year ended 31 August 2015.

Principal Activity and Review of Business

The Company continued its successful exploitation of the intellectual property rights to its cartoon collection. Royalties continue to be earned from the sale of past specialist books.

Directors and their Interests

The present Directors of the Company are:

R. J. Fallowfield
J. Byrne
O. Fayed

Results and Dividends

The loss after taxation for the year ended 31 August 2015 amounted to £12,736 (2014: Profit £6,940,072). The Directors do not recommend the payment of a dividend and an amount of (£12,736) (2014: Profit £6,940,072) has been transferred to reserves.

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.

DIRECTORS' REPORTcont'd

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.

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Baker Tilly Audit UK LLP changed its name on 26 October 2015 to RSM UK Audit LLP. RSM 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.

DIRECTORS' REPORT....contd

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 8th March 2016 and signed on behalf of the board by



R J Fallowfield
Secretary

Registered Office
55 Park Lane
London
W1K 1NA

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PUNCH LIMITED

We have audited the financial statements on pages 8 to 15. 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 4, 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 2015 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.

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:

Punch Limited

Independent Auditors Report to the members of Punch Limited (Continued)

- 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 from the requirement to prepare a strategic report or in preparing the directors' report.

RSM UK Audit LLP

Tony Castagnetti (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

9/3/2016

Punch Limited

PROFIT AND LOSS ACCOUNT YEAR ENDED 31 AUGUST 2015

		Year to 31/08/15 £	Year to 31/08/14 £
Note			
2	TURNOVER	105,579	113,181
	Cost of Sales	<u>-</u>	<u>-</u>
	GROSS PROFIT	105,579	113,181
	Administrative expenses	(118,315)	(110,280)
3	OPERATING (LOSS) /PROFIT	<u>(12,736)</u>	<u>2,901</u>
4	Loans forgiven by parent company	<u>-</u>	<u>6,937,171</u>
	Loss (Profit) before taxation	(12,736)	6,940,072
6	Taxation	-	-
11	(LOSS)/PROFIT AFTER TAXATION	<u><u>(12,736)</u></u>	<u><u>6,940,072</u></u>

The operating loss in the year is wholly attributable to continuing activities.

There were no recognised gains or losses other than those shown above. The movements on reserves are shown in note 11.

The notes on pages 11 to 15 form an integral part of these accounts.

Punch Limited

BALANCE SHEET AT 31 AUGUST 2015

Note		At 31/08/15 £	At 31/08/14 £
	FIXED ASSETS		
7	Tangible assets	<u>6,997</u>	<u>11,594</u>
	CURRENT ASSETS		
8	Debtors (amounts falling due within one year)	12,686	21,754
	Cash at bank and in hand	<u>36,058</u>	<u>62,244</u>
		48,744	83,998
9	CREDITORS (Amounts falling due within one year)	(51,065)	(78,180)
	NET CURRENT (LIABILITIES)/ASSETS	<u>(2,321)</u>	<u>5,818</u>
	TOTAL ASSETS LESS CURRENT LIABILITIES	<u>4,676</u>	<u>17,412</u>
	CAPITAL AND RESERVES		
10	Called up share capital	11,135,000	11,135,000
11	Profit and loss reserves	(11,130,324)	(11,117,588)
12	EQUITY SHAREHOLDER'S FUNDS	<u>4,676</u>	<u>17,412</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 8th March, 2016.

R. Fallowfield

R.J. Fallowfield

Director

Company Registration Number: 3140878

The notes on pages 11 to 15 form an integral part of these accounts.

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

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.

Going concern

The Company has a surplus of shareholder's funds at 31 August 2015. Since that date the Company has continued to trade around 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 immediate parent company, Panatura Investments Limited, and the verbal indications received from the ultimate controlling party, Mr O 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 Panatura Investments Limited or Mr O 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.

Depreciation of Tangible Fixed Assets

Depreciation is provided by the Company 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:

Machinery, fixtures and equipment	20% and 33%
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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.

NOTES TO THE ACCOUNTS....contd

1. ACCOUNTING POLICIES (Cont'd)

Turnover

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

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.

Pension costs

The cost of defined contribution pensions represent the contributions payable by the company during the year.

2 TURNOVER

In the opinion of the Directors, all turnover derives from one class of business.

3 OPERATING (LOSS)/PROFIT	Year to 31/08/15 £	Year to 31/08/14 £
Operating loss is stated after charging:		
Staff costs	63,721	60,766
Depreciation of tangible fixed assets:		
owned assets	4,597	3,801
Auditors' remuneration:		
Audit services current year	6,000	6,000
Audit services Prior year	-	(2,015)
Non audit services	790	1,920

4 LOAN FORGIVENESS

On the 2nd December 2013, the balance owing to the parent undertaking was £7,202,171. On that date the parent company formally forgave £6,937,171. The balance still owing of £265,000 was repaid in cash on that date.

NOTES TO THE ACCOUNTS....contd

5 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year to 31/08/15 £	Year to 31/08/14 £
Staff costs comprise:		
Wages and salaries	55,808	54,859
Social security costs	5,493	5,423
Pension costs	2,420	484
	<u>63,721</u>	<u>60,766</u>

The average weekly number of employees during the period under review was as follows:

	Year to 31/08/15	Year to 31/08/14
Management, Sales and administration	<u>2</u>	<u>2</u>

The directors did not receive emoluments in the year (2014:£nil)

6 TAXATION

No taxation charge has been provided in the accounts, based on the results of the year (2014: £nil).

The company has losses available to carry forward for offset against future profits of the same trade. The company has available tax losses of approximately £2,626,261 (2014: £2,606,262), which represents a potential tax asset of £525,252 (2014: £547,315) based on the corporation tax rate of 20% (2014: 21%).

The asset has not been recognised in the financial statements because, in the opinion of the directors, there is insufficient certainty concerning future taxable profits arising against which to utilise these losses.

NOTES TO THE ACCOUNTS.....contd

7	TANGIBLE ASSETS	Machinery, fixtures and equipment £	
	Cost:		
	At 1 September 2014	36,707	
	Additions	-	
	At 31 August 2015	<u>36,707</u>	
	Accumulated Depreciation		
	At 1 September 2014	25,113	
	Provision for year	4,597	
	At 31 August 2015	<u>29,710</u>	
	Net book value		
	At 31 August 2015	<u>6,997</u>	
	At 31 August 2014	<u>11,594</u>	
8	DEBTORS		
	Amounts falling due within one year	31/08/15	31/08/14
		£	£
	Trade debtors	11,452	21,719
	Prepayments	1,234	36
		<u>12,686</u>	<u>21,755</u>
9	CREDITORS (Amounts falling due within one year)		
		31/08/15	31/08/14
		£	£
	Trade Creditors	39,402	54,900
	Accruals and deferred income	9,500	13,245
	VAT	2,163	300
	Other Creditors	-	9,735
		<u>51,065</u>	<u>78,180</u>
10	SHARE CAPITAL	31/08/15	31/08/14
		£	£
	Authorised:		
	Ordinary shares of £1 each	<u>11,135,000</u>	<u>11,135,000</u>
	Allotted and fully paid:		
	Ordinary shares of £1 each	<u>11,135,000</u>	<u>11,135,000</u>

Punch Limited

NOTES TO THE ACCOUNTS.....contd

11	PROFIT AND LOSS RESERVES	31/08/15	31/08/14
		£	£
	At start of year	(11,117,588)	(18,057,660)
	Transfer from profit and loss account for the year	<u>(12,736)</u>	<u>6,940,072</u>
	At end of year	<u><u>(11,130,324)</u></u>	<u><u>(11,117,588)</u></u>
12	RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS	31/08/15	31/08/14
		£	£
	Profit/(Loss) for the financial year	(12,736)	6,940,072
	Shares issued during the year	-	265,000
	Opening shareholders' funds	<u>17,412</u>	<u>(7,187,660)</u>
	Closing shareholders' funds	<u><u>4,676</u></u>	<u><u>17,412</u></u>

13 RELATED PARTIES

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

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

Name	Purchases Year to 31/08/15	Purchases Year to 31/08/14
	£	£
Liberty Publishing & Media Ltd	<u>24,345</u>	<u>23,335</u>

At the Balance Sheet date, the amount owing to Liberty Publishing & Media Ltd was £36,049 (2014: £46,902)

14 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking at the 31st August 2015 was Panatura Investments Ltd, a company incorporated in British Virgin Islands, which is owned and controlled by Mr O Fayed, who is the ultimate controlling party.