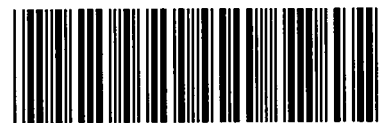


Registered Number: 3140878

**PUNCH LIMITED**

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

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## **DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 August 2013.

### **Principal Activity and Review of Business**

The Company continued its successful exploitation of the intellectual property rights to its cartoon collection. The book 'The Best of Punch in Colour' was released in September 2012 to good critical reviews. Royalties continue to be earned from the sale of past specialist books.

On the 2<sup>nd</sup> December 2013, the entire issued share capital of the company was acquired by Panatura Investments Ltd, a company owned and controlled by Mr O Fayed. Immediately before that the parent company, Liberty Publishing and Media Ltd, forgave inter-company indebtedness in the amount of £6,937,171. This reduced the net amount owing to Liberty Publishing and Media Ltd to £265,000.

Immediately after, Panatura Investments Ltd subscribed for £265,000 additional ordinary shares of £1 each at par, and paid in cash. The cash was used to fully repay the balance due to Liberty Publishing and Media Ltd.

### **Directors and their Interests**

The present Directors of the Company are:

R. J. Fallowfield

J. Byrne

O. Fayed (Appointed 23<sup>rd</sup> January 2014)

### **Results and Dividends**

The loss after taxation for the year ended 31 August 2013 amounted to £30,515 (2012: £18,297). The Directors do not recommend the payment of a dividend and an amount of £30,515 (2012: £18,297) has been transferred out of 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.

## **Punch Limited**

### **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 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.

**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 24<sup>th</sup> June 2014 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 6 to 13. 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 2, 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](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 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PUNCH LIMITED....contd**

**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

25<sup>th</sup> June 2014

**Punch Limited**

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

		<b>Year to 31/08/13 £</b>	<b>Year to 31/08/12 £</b>
Note			
2	TURNOVER	92,579	76,872
	Cost of Sales	<u>-</u>	<u>-</u>
	GROSS PROFIT	92,579	76,872
	Administrative expenses	(123, 094)	(95,169)
3	OPERATING LOSS	<u>(30,515)</u>	<u>(18,297)</u>
11	(LOSS) FOR THE FINANCIAL YEAR	<u><u>(30,515)</u></u>	<u><u>(18,297)</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.



**Punch Limited**

**BALANCE SHEET  
AT 31 AUGUST 2013**

Note		At 31/08/13 £	At 31/08/12 £
	<b>FIXED ASSETS</b>		
6	Tangible assets	<u>6,814</u>	<u>9,163</u>
		<u>6,814</u>	<u>9,163</u>
	<b>CURRENT ASSETS</b>		
7	Debtors (amounts falling due within one year)	28,962	14,622
	Cash at bank and in hand	<u>9,527</u>	<u>18,109</u>
		38,489	32,731
8	CREDITORS (Amounts falling due within one year)	(28,038)	(9,359)
	<b>NET CURRENT ASSETS</b>	<u>10,451</u>	<u>23,372</u>
	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	17,265	32,535
9	CREDITORS (Amounts falling due after more than one year)	(7,204,925)	(7,189,680)
		<u>(7,187,660)</u>	<u>(7,157,145)</u>
	<b>CAPITAL AND RESERVES</b>		
10	Called up share capital	10,870,000	10,870,000
11	Profit and loss reserves	(18,057,660)	(18,027,145)
12	<b>EQUITY SHAREHOLDER'S FUNDS</b>	<u>(7,187,660)</u>	<u>(7,157,145)</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 24<sup>th</sup> June 2014.

*R. Fallowfield*

R.J. Fallowfield

Director

Company Registration Number: 3140878

The notes on pages 8 to 13 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 deficit of shareholder's funds at 31 August 2013 and since that date the Company has continued to make operating 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, 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.

**Leasing**

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

**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. Overseas turnover amounted to 14.68% of the total turnover for the year.

**3 OPERATING LOSS**

	<b>Year to 31/08/13</b>	<b>Year to 31/08/12</b>
	<b>£</b>	<b>£</b>
Operating loss is stated after charging:		
Staff costs	58,498	56,515
Depreciation of tangible fixed assets:		
owned assets	5,724	4,191
Auditors' remuneration:		
Audit services current year	5940	1102
Audit services Prior year	264	-
Non audit services	1100	800
Operating lease rentals:		
Other	-	-

NOTES TO THE ACCOUNTS....contd

4 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year to 31/08/13 £	Year to 31/08/12 £
<b>Staff costs comprise:</b>		
Wages and salaries	53,241	51,418
Social security costs	<u>5,257</u>	<u>5,097</u>
	<u>58,498</u>	<u>56,515</u>

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

	Year to 31/08/13	Year to 31/08/12
Management, Sales and administration	<u>2</u>	<u>2</u>

The directors did not receive emoluments in the year (2012:£nil)

5 TAXATION

No taxation charge has been provided in the accounts, based on the results of the year (2012: £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 £2,607,000 (2012: £2,577,000) which represents a potential tax asset of £612,645 (2012: £617,000) based on the corporation tax rate of 23.5% (2012: 25.16%).

The 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.

NOTES TO THE ACCOUNTS.....contd

**6 TANGIBLE ASSETS**

**Machinery,  
fixtures and  
equipment  
£**

Cost:

At 1 September 2012	24,751
Additions	3,375
At 31 August 2013	<u>28,126</u>
Accumulated Depreciation	
At 1 September 2012	15,588
Provision for year	5,724
At 31 August 2013	<u>21,312</u>
Net book value	
At 31 August 2013	<u>6,814</u>
At 31 August 2012	<u>9,163</u>

**7 DEBTORS**

**Amounts falling due within one year**

**31/08/13**

**31/08/12**

**£**

**£**

Trade debtors

28,962

14,622

28,962

14,622

**8 CREDITORS (Amounts falling due within one year)**

**31/08/13**

**31/08/12**

**£**

**£**

Trade Creditors

17,433

640

Accruals and deferred income

10,605

8,406

Other Creditors

-

313

28,038

9,359

**9 CREDITORS (Amounts falling due after more than one year)**

**31/08/13**

**31/08/12**

**£**

**£**

Amounts owed to parent undertaking.

7,204,925

7,189,679

These amounts are unsecured & interest free.

On the 2<sup>nd</sup> 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 of £265,000 was repaid in cash.

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

<b>10 SHARE CAPITAL</b>	<b>31/08/13</b>	<b>31/08/12</b>
	<b>£</b>	<b>£</b>
Authorised:		
Ordinary shares of £1 each	<u>10,870,000</u>	<u>10,870,000</u>
Allotted and fully paid:		
Ordinary shares of £1 each	<u>10,870,000</u>	<u>10,870,000</u>

On the 2<sup>nd</sup> December 2013 the authorised share capital was increase to 11,135,000 ordinary shares of £1 each. On that date, Panatura Investments Ltd subscribed for 265,000 new ordinary shares of £1 each, at par, and paid in cash.

<b>11 PROFIT AND LOSS RESERVES</b>	<b>31/08/13</b>	<b>31/08/12</b>
	<b>£</b>	<b>£</b>
At start of year	(18,027,145)	(18,008,848)
Transfer from profit and loss account for the year	<u>(30,515)</u>	<u>(18,297)</u>
At end of year	<u>(18,057,660)</u>	<u>(18,027,145)</u>

<b>12 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS</b>	<b>31/08/13</b>	<b>31/08/12</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	(30,515)	(18,297)
Opening shareholders' funds	<u>(7,157,145)</u>	<u>(7,138,848)</u>
Closing shareholders' funds	<u>(7,187,660)</u>	<u>(7,157,145)</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.

<b>Name</b>	<b>Purchases Year to 31/08/13</b>	<b>Purchases Year to 31/08/12</b>
	<b>£</b>	<b>£</b>
Hyde Park Residence Ltd	<u>-</u>	<u>2,706</u>
	<u>-</u>	<u>2,706</u>

There were no debtors or creditors for the above companies at the balance sheet date. (2012: nil).

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

**14 ULTIMATE PARENT UNDERTAKING**

The Company's immediate parent undertaking at the 31<sup>st</sup> August 2013 was Liberty Publishing & Media Limited, a company registered in England and Wales.

The consolidated accounts for Liberty Publishing & Media Limited will be filed with the Registrar of Companies in due course. Copies of these financial statements will be available from Companies House, Crown Way, Cardiff, CF14 3UZ on payment of the appropriate fee.

At 31 August 2013 the ultimate parent undertaking of Punch Limited was Liberty Enterprise Holdings Limited, a company incorporated in Jersey, which is owned and controlled by M. Al Fayed, the ultimate controlling party.

On the 2<sup>nd</sup> December 2013, Panatura Investments Ltd, a company incorporated in British Virgin Islands, and which is owned and controlled by Mr O Fayed, acquired the entire issued share capital of the company by virtue of this transaction, from that date Mr O Fayed became the ultimate controlling party.