

3466258

AL JAZEERA SATELLITE CHANNEL LIMITED

FINANCIAL STATEMENTS

30 NOVEMBER 1998



AL JAZEERA SATELLITE CHANNEL LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 NOVEMBER 1998

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The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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AL JAZEERA SATELLITE CHANNEL LIMITED

COMPANY INFORMATION

30 NOVEMBER 1998

Incorporated in England and Wales on 15 November 1997

Number 3466258

CHAIRMAN M J Alali

OTHER DIRECTORS
K A Almannae
M A Sahlawi
H A Jaffer
M Al Suwaidan

SECRETARY M J Alali

REGISTERED OFFICE
Malcolm House
Empire Way
Wembley
Middlesex HA9 0LN

BANKERS
Qatar National Bank
1 Mount Street
London
W1Y 6HQ

SOLICITORS
Taylor Joynson Garrett
Carmelite
50 Victoria Embankment
Blackfriars
London EC4Y 0DX

AUDITORS
Adams Moorhouse
Chartered Accountants
Malcolm House
Empire Way
Wembley
HA9 0LN

AL JAZEERA SATELLITE CHANNEL LIMITEDDIRECTORS' REPORT30 NOVEMBER 1998

The directors present their annual report with the audited financial statements for the period ended 30 November 1998.

Principal activity

The principal activity of the company in the year under review was that of TV and Satellite Channel Operators.

Business review

The results for the period and the financial position of the company is as shown in the annexed financial statements. The board considers the state of affairs to be satisfactory.

The board does not recommend the payment of any dividends. Movement on reserves is shown in note 13 to the financial statements.

Fixed assets

Changes in fixed assets during the year are set out in note 6 to the accounts.

Share capital

During the period 100,000 ordinary shares were issued at par of which 100 were fully paid up and 99,900 called up but unpaid shares.

Directors

The directors of the company during the period were as follows:

M J Alali
K A Almannae
M A Sahlawi
H A Jaffer

Post balance sheet events

There have been no events since the balance sheet date which materially affect the position of the company.

Future developments

No major developments are planned for the ensuing year.

Auditors

The auditors, Adams Moorhouse have expressed their willingness to continue in office and in accordance with Section 385 of the Companies Act 1985, a resolution to re-appoint them will be presented to the company at the annual general meeting.

On behalf of the board



M Al Suwaidan
Director
22 November 1999

AL JAZEERA SATELLITE CHANNEL LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period, and of the profit or loss for that period.

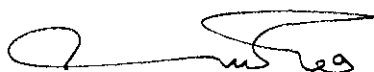
In preparing those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- follow applicable accounting standards.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



M Al Suwaidan
Director
22 November 1999

AL JAZEERA SATELLITE CHANNEL LIMITEDAUDITORS' REPORT TO THE MEMBERS OF AL JAZEERA SATELLITE CHANNEL LIMITED

We have audited the financial statements on pages 5 to 13 which have been prepared under the historic cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are 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 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 directors 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 error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 1998 and of its profit and cash flows for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Malcolm House
Empire Way
Wembley
Middlesex
HA9 0LN

Adams Moorhouse
Chartered Accountants
Registered Auditors

22 November 1999

AL JAZEERA SATELLITE CHANNEL LIMITEDPROFIT AND LOSS ACCOUNTFOR THE PERIOD ENDED 30 NOVEMBER 1998

	Note	1998 £
Turnover		360,001
Cost of sales		(261,553)
Gross profit		98,448
Net operating expenses		
Distribution costs		(27,716)
Administrative expenses		(48,644)
Operating profit	2	22,088
Interest payable	4	(54)
Profit on ordinary activities before taxation		22,034
Taxation	5	-
Retained profit for the period	13	£ 22,034

Movements in reserves are shown in note 13.

Recognised gains and losses

There are no recognised gains and losses in 1998 other than the profit for the period.

Continuing operations

None of the company's activities were acquired or discontinued during the above financial period.

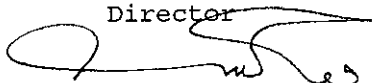
The notes on pages 8 to 13 form part of these financial statements.

AL JAZEERA SATELLITE CHANNEL LIMITEDBALANCE SHEETAT 30 NOVEMBER 1998

	Note	1998
		£
Fixed assets		
Tangible assets	6	11,547
Current assets		
Debtors	8	517,766
		<hr/> 517,766
Creditors: amounts falling due within one year	9	(62,379)
		<hr/> (62,379)
Net current assets		455,387
		<hr/> 455,387
Total assets less current liabilities		466,934
		<hr/> 466,934
Creditors: amounts falling due after more than one year	10	(344,900)
		<hr/> (344,900)
		<hr/> 122,034
		<hr/> <hr/> 122,034
Capital and reserves		
Called up share capital	12	100,000
Profit and loss account	13	22,034
		<hr/> 22,034
		<hr/> 122,034
		<hr/> <hr/> 122,034

The financial statements on pages 5 to 13 were approved by the board of directors on 22 November 1999

M Al Suwaidan
Director



The notes on pages 8 to 13 form part of these financial statements.

AL JAZEERA SATELLITE CHANNEL LIMITEDCASH FLOW STATEMENTFOR THE PERIOD ENDED 30 NOVEMBER 1998

	1998
	£ £
Net cash outflow from operating activities	(478,600)
Returns on investments and servicing of finance	
Interest paid	(54)
Net cash outflow from returns on investments and servicing of finance	(54)
Investing activities	
Payments to acquire:	
Tangible fixed assets	(12,173)
Net cash outflow from investing activities	(12,173)
Net cash outflow before financing	(490,827)
Financing	
Issue of share capital	100,000
Shareholder loan	344,900
Net cash inflow from financing	444,900
(Decrease) in cash and cash equivalents	(45,927)

See Note 14 for the notes to this statement.

AL JAZEERA SATELLITE CHANNEL LIMITEDNOTES TO THE FINANCIAL STATEMENTS30 NOVEMBER 1998**1 Accounting policies****Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules in accordance with applicable accounting standards.

Turnover

Turnover is the amount of grants received from the State of Qatar, recognised on a receipts basis.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Leasehold land and buildings	over 5 years
Plant and machinery	15% on Written Down Value

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

2 Operating profit

	1998
	£
Operating profit is stated after charging	
Auditors' remuneration	5,500
	<hr/>
Depreciation of tangible fixed assets	
(note 6)	
Depreciation owned assets	626
	<hr/>

AL JAZEERA SATELLITE CHANNEL LIMITEDNOTES TO THE FINANCIAL STATEMENTS30 NOVEMBER 1998

3 Directors and employees

1998

£

Staff costs including directors' emoluments

Wages and salaries

142,328

Social security costs

7,359

149,687

Number

Average number employed including
executive directors

Office and management

7

4 Interest payable

1998

£

Bank interest

54

5 Taxation

The company has no liability for taxation.

AL JAZEERA SATELLITE CHANNEL LIMITEDNOTES TO THE FINANCIAL STATEMENTS30 NOVEMBER 1998

6. Tangible fixed assets

	Plant and Equipment £	Fixtures and Fittings £	Land and Buildings £	TOTAL £
COST OR VALUATION				
Additions	4,168	-	8,005	12,173
At 30 November 1998	4,168	-	8,005	12,173
DEPRECIATION				
Charge for the period	626	-	-	626
At 30 November 1998	626	-	-	626
NET BOOK VALUE				
At 30 November 1998	3,542	-	8,005	11,547

7. Land and buildings

Land and buildings comprise:

Net Book Value

Short leasehold

£
8,005

AL JAZEERA SATELLITE CHANNEL LIMITEDNOTES TO THE FINANCIAL STATEMENTS30 NOVEMBER 1998**8 Debtors**

1998

£

Amounts falling due within one year

Amounts owed by shareholder	1,055
Other debtors	75,936
Prepayments and accrued income	340,875
Called up share capital unpaid	99,900
	<hr/>
	517,766
	<hr/>

9 Creditors: amounts falling due within one year

1998

£

Bank overdrafts	45,927
Trade creditors	6,400
Other creditors	52
Accruals and deferred income	10,000
	<hr/>
	62,379
	<hr/>

AL JAZEERA SATELLITE CHANNEL LIMITEDNOTES TO THE FINANCIAL STATEMENTS30 NOVEMBER 1998

- 10 **Creditors:** amounts falling due
after more than one year

	1998 £
Shareholder Loan	344,900
	<u>344,900</u>

The shareholder loan is repayable at the discretion of the company and does not carry any interest.

- 11 **Reconciliation of movements in shareholders' funds**

	1998 £
Profit for the financial period	22,034
New share capital subscribed	100,000
	<u>122,034</u>
Net addition to shareholders' funds	122,034
Opening shareholders' funds	-
Closing shareholders' funds	<u>122,034</u>

- 12 **Called up share capital**

	At 15.11.97 and 30.11.98	
	Number of shares	£
Authorised Equity interests		
Ordinary £1 shares	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Allotted called up and fully paid Equity interests		
Ordinary £1 shares	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

AL JAZEERA SATELLITE CHANNEL LIMITEDNOTES TO THE FINANCIAL STATEMENTS30 NOVEMBER 1998

13 Profit and loss account

	1998 £
Retained profit for the period	22,034

14 Notes to the cash flow statement

Reconciliation of operating profit to
net cash outflow from operating activities

	1998 £
Operating profit	22,088
Depreciation charges	626
(Increase) in debtors	(517,766)
Increase in creditors	16,452
Net cash outflow from operating activities	(478,600)

Analysis of changes in cash and cash
equivalents as shown in the balance sheet

Net cash outflow	45,927
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Analysis of the balances of cash and cash
equivalents as shown in the balance sheet

	Change in period £
Bank overdrafts	45,927
	45,927

Analysis of changes in financing during the period

	Share Capital £
Cashflow from financing	100,000
Balance at 30 November 1998	100,000