

AL JAZEERA SATELLITE CHANNEL LTD
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

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AL JAZEERA SATELLITE CHANNEL LTD

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AL JAZEERA SATELLITE CHANNEL LTD

COMPANY INFORMATION

for the year ended 31 December 2019

DIRECTORS:

M Al Suwaidan
K A M Al-Mulla

REGISTERED OFFICE:

4 Churchill Court
58 Station Road
North Harrow
Middlesex
HA2 7ST

BUSINESS ADDRESS:

Level 16
The Shard
32 London Bridge Street
London
SE1 9SG

REGISTERED NUMBER:

03466258 (England and Wales)

AUDITORS:

Chapmans Associates Limited, Chartered Accountants
Statutory Auditors
3 Coombe Road
London
NW10 0EB

BANKERS:

Qatar National Bank
51 Grosvenor Street
London
W1K 3HH

AL JAZEERA SATELLITE CHANNEL LTD

DIRECTORS' REPORT

for the year ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of Satellite TV programme producers and provision of production facilities.

REVIEW OF BUSINESS

The company's progress has remained steady in line of the company's medium term plan. The Board is of the opinion that the results for the ensuing period will be in line with current year.

The company's income and profitability is reliant upon the level of services provided to Al Jazeera Network, which is owned by the State of Qatar and is the sole member of the company.

RESEARCH AND DEVELOPMENT

Research and development costs are written off to profit and loss account in the period in which the expenditure is incurred. For the year under consideration no such expenditure was recorded.

FUTURE DEVELOPMENTS

No major developments are planned for the ensuing year.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

M Al Suwaidan
K A M Al-Mulla

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

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 International Financial Reporting Standards as adopted by the European Union. 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 accounting 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.

AL JAZEERA SATELLITE CHANNEL LTD

DIRECTORS' REPORT

for the year ended 31 December 2019

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITORS

In accordance with section 487(2) of the Companies Act 2006, Chapmans Associates Limited will be deemed to be re-appointed as the company's auditors.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



M Al Suwaidan - Director

Date:

23rd April 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AL JAZEERA SATELLITE CHANNEL LTD

Opinion

We have audited the financial statements of Al Jazeera Satellite Channel Ltd (the 'company') for the year ended 31 December 2019 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AL JAZEERA SATELLITE CHANNEL LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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 Auditors' 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.



Praful Patel, FCA (Senior Statutory Auditor)
for and on behalf of Chapmans Associates Limited, Chartered Accountants
Statutory Auditors
3 Coombe Road
London
NW10 0EB

Date: 24/4/2020

AL JAZEERA SATELLITE CHANNEL LTD**STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2019**

		2019 £	2018 £
CONTINUING OPERATIONS			
Revenue		1,749,873	1,387,211
Cost of sales		(1,306,873)	(944,266)
GROSS PROFIT		443,000	442,945
Administrative expenses		(344,202)	(364,428)
OPERATING PROFIT		98,798	78,517
PROFIT BEFORE INCOME TAX	4	98,798	78,517
Income tax	5	(18,772)	(14,798)
PROFIT FOR THE YEAR		80,026	63,719

The notes on pages 12 to 17 form part of these financial statements

AL JAZEERA SATELLITE CHANNEL LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2019

	2019	2018
	£	£
PROFIT FOR THE YEAR	80,026	63,719
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME		
FOR THE YEAR	<u>80,026</u>	<u>63,719</u>

The notes on pages 12 to 17 form part of these financial statements


AL JAZEERA SATELLITE CHANNEL LTD (REGISTERED NUMBER: 03466258)

STATEMENT OF FINANCIAL POSITION

31 December 2019

	Notes	2019 £	2018 £
ASSETS			
NON-CURRENT ASSETS			
Investments	7	-	-
CURRENT ASSETS			
Trade and other receivables	8	412,414	238,461
Cash and cash equivalents	9	98,732	161,677
		511,146	400,138
TOTAL ASSETS		511,146	400,138
EQUITY			
Retained earnings	10	402,540	322,514
TOTAL EQUITY		402,540	322,514
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	89,834	62,826
Tax payable		18,772	14,798
		108,606	77,624
TOTAL LIABILITIES		108,606	77,624
TOTAL EQUITY AND LIABILITIES		511,146	400,138

The financial statements were approved by the Board of Directors and authorised for issue on 23rd April 2020 and were signed on its behalf by:


 M Al Suwaidan - Director

The notes on pages 12 to 17 form part of these financial statements

AL JAZEERA SATELLITE CHANNEL LTD**STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2019**

	Retained earnings £	Total equity £
Balance at 1 January 2018	258,795	258,795
Changes in equity		
Total comprehensive income	63,719	63,719
Balance at 31 December 2018	322,514	322,514
Changes in equity		
Total comprehensive income	80,026	80,026
Balance at 31 December 2019	402,540	402,540

The notes on pages 12 to 17 form part of these financial statements

AL JAZEERA SATELLITE CHANNEL LTD**STATEMENT OF CASH FLOWS**
for the year ended 31 December 2019

		2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	(48,147)	61,831
Tax paid		(14,798)	(17,161)
Net cash from operating activities		<u>(62,945)</u>	<u>44,670</u>
(Decrease)/increase in cash and cash equivalents		<u>(62,945)</u>	<u>44,670</u>
Cash and cash equivalents at beginning of year	2	161,677	117,007
Cash and cash equivalents at end of year	2	<u><u>98,732</u></u>	<u><u>161,677</u></u>

The notes on pages 12 to 17 form part of these financial statements

AL JAZEERA SATELLITE CHANNEL LTD

NOTES TO THE STATEMENT OF CASH FLOWS for the year ended 31 December 2019

1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2019	2018
	£	£
Profit before income tax	98,798	78,517
(Increase)/decrease in trade and other receivables	(173,953)	21,567
Increase/(decrease) in trade and other payables	27,008	(38,253)
Cash generated from operations	(48,147)	61,831

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	98,732	161,677

Year ended 31 December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	161,677	117,007

The notes on pages 12 to 17 form part of these financial statements

AL JAZEERA SATELLITE CHANNEL LTD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

1. STATUTORY INFORMATION

Al Jazeera Satellite Channel Ltd is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about Al Jazeera Satellite Channel Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Revenue recognition

Revenue represents net invoiced sales of services, excluding value added tax. Revenue is recognised when the relevant expenditure is recognised, and is arrived at after marking up the expenditure by 6%.

Going concern

The company has considerable financial resources together with a long-term contract with its principal client, Al Jazeera Network. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to transfer pricing provisions as applicable to the company.

Tax on the income or loss for the year comprises current and deferred tax. Income tax is charged or credited directly to the income statement.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates enacted or substantively enacted at the statement of financial position date.

Deferred tax is recognised on all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements with the exception of deferred income tax assets which are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Trade and other receivables

Trade receivables, which are generally received from Al Jazeera Media Network, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence the balances will not be recovered in full. Balances are written off when the probability of recovery is assessed as being remote.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

AL JAZEERA SATELLITE CHANNEL LTD

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents, net of outstanding bank overdrafts.

Financial liabilities

Contributions are paid into the money purchase pension schemes held by certain employees. The assets of the scheme are held separately. The contributions are recognised in the income statement in the period in which they become payable.

Current/non-current asset/liability distinction

Current assets include assets held primarily for trading purposes, cash and cash equivalents and assets expected to be realised in the course of the operating cycle. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes and liabilities expected to be settled in the course of the operating cycle. All other liabilities are classified as non-current liabilities.

3. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	1,086,686	757,822
Social security costs	94,991	69,859
Other pension costs	36,668	29,726
	<u>1,218,345</u>	<u>857,407</u>

The average number of employees during the year was as follows:

	2019	2018
Administrative	3	3
Production	7	6
	<u>10</u>	<u>9</u>

	2019	2018
	£	£
Directors' remuneration	<u>57,168</u>	<u>57,155</u>

4. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	2019	2018
	£	£
Cost of inventories recognised as expense	1,306,873	944,266
Auditors' remuneration	<u>6,250</u>	<u>7,126</u>

AL JAZEERA SATELLITE CHANNEL LTD

NOTES TO THE FINANCIAL STATEMENTS - continued' for the year ended 31 December 2019

5. INCOME TAX

Analysis of tax expense

	2019 £	2018 £
Current tax:		
Taxation	18,772	14,798
Total tax expense in statement of profit or loss	<u>18,772</u>	<u>14,798</u>

Factors affecting the tax expense

The tax assessed for the year is the same as (2018 - lower) the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
Profit before income tax	<u>98,798</u>	<u>78,517</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	18,772	14,918
Effects of:		
Tax effect of Transfer Pricing	-	(120)
Income Tax		
Tax expense	<u>18,772</u>	<u>14,798</u>

6. PRIOR YEAR ADJUSTMENT

The amounts shown for 2018 have been restated in terms of reclassification of expenses. This has not led to any change in company's profits or tax liability.

7. INVESTMENTS

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Al Jazeera Satellite Channel II Limited

Registered office: 4 Churchill Court, 58 Station Road, North Harrow, HA2 7ST, United Kingdom

Nature of business: Dormant company

Class of shares:	% holding	2019 £	2018 £
Ordinary	100.00		
Aggregate capital and reserves		(2,650)	(2,037)
Loss for the year		<u>(613)</u>	<u>(613)</u>

AL JAZEERA SATELLITE CHANNEL LTD

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2019

8. TRADE AND OTHER RECEIVABLES

	2019 £	2018 £
Current:		
Trade debtors	850	-
Other debtors	-	877
Amounts due from related parties	402,759	226,258
VAT	8,805	11,326
	<u>412,414</u>	<u>238,461</u>

9. CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	9,699	9,666
Bank accounts	89,033	152,011
	<u>98,732</u>	<u>161,677</u>

10. RESERVES

	Retained earnings £
At 1 January 2019	322,514
Profit for the year	80,026
At 31 December 2019	<u>402,540</u>
	Retained earnings £
At 1 January 2018	258,795
Profit for the year	63,719
At 31 December 2018	<u>322,514</u>

AL JAZEERA SATELLITE CHANNEL LTD

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2019

11. TRADE AND OTHER PAYABLES

	2019 £	2018 £
Current:		
Trade creditors	78,515	18,055
Other creditors	1,719	-
Pension Contributions Payable	9,600	-
Accrued expenses	-	44,771
	<u>89,834</u>	<u>62,826</u>

12. CONTINGENT LIABILITIES

As far as the Board is aware, there were no contingent liabilities at the balance sheet date.

13. RELATED PARTY DISCLOSURES

The details of related party transactions are as follows:

Related party	Description	2019 £	2018 £
Al Jazeera Media Network	Sales	1,749,873	1,387,211
Al Jazeera International Limited	Purchases	142,134	191,487

The following amount was due from a related party at the balance sheet date:

Related party	£	£
Al Jazeera Media Network	402,759	226,258

14. ULTIMATE CONTROLLING PARTY

Al Jazeera Network, the registered office of which is at Television Roundabout, P O Box 23123, Doha, Qatar is the company's ultimate controlling party.

15. LIMITED BY GUARANTEE

The company is limited by guarantee and does not have any shares. The sole member of the company has undertaken to contribute £1 towards the assets of the company in the event that a contribution is required upon the winding up of the company.

16. GOING CONCERN

The financial statements have been drawn up on a going concern basis which assumes that the company will continue receiving the financial support of Al Jazeera Network, Qatar. The Board believes that this basis is appropriate and they are not aware of any reasons why the financial support should not continue in the foreseeable future.