

AL JAZEERA SPORTS LIMITED

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 NOVEMBER 2011

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**AL JAZEERA SPORTS LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>4</b>
<b>Profit and Loss Account</b>	<b>5</b>
<b>Balance Sheet</b>	<b>6</b>
<b>Cash Flow Statement</b>	<b>7</b>
<b>Notes to the Cash Flow Statement</b>	<b>8</b>
<b>Notes to the Financial Statements</b>	<b>9</b>
<b>Trading and Profit and Loss Account</b>	<b>13</b>

**AL JAZEERA SPORTS LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

<b>DIRECTORS:</b>	K A M Al-Mulla M Al Suwaidan
<b>REGISTERED OFFICE:</b>	4 Churchill Court 58 Station Road North Harrow Middlesex HA2 7ST
<b>REGISTERED NUMBER:</b>	04167044 (England and Wales)
<b>AUDITORS:</b>	ADAMS MOORHOUSE, Chartered Accountants Registered Auditors 4 Churchill Court 58 Station Road North Harrow Middlesex HA2 7ST
<b>BANKERS:</b>	Qatar National Bank 51 Grosvenor Street London W1K 3HH

**AL JAZEERA SPORTS LIMITED**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

The directors present their report with the financial statements of the company for the year ended 30 November 2011

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of Satellite Channel Services

**REVIEW OF BUSINESS**

The Board is satisfied with the result for the year, which is in accordance with the company's medium term strategy. The Board expects the results for the ensuing period to be in line with that of the current period.

**DIVIDENDS**

No dividends will be distributed for the year ended 30 November 2011

**RESEARCH AND DEVELOPMENT**

Expenditure on research and development are written off to profit and loss account in the period in which the expenditure is incurred.

**FUTURE DEVELOPMENTS**

No major developments are planned for the year.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 December 2010 to the date of this report.

K A M Al-Mulla  
M Al Suwaidan

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 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.

**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.

**AL JAZEERA SPORTS LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

**AUDITORS**

The auditors, ADAMS MOORHOUSE, Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'M Al Suwaidan', is written over a horizontal line.

M Al Suwaidan - Director

30 April 2012

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**AL JAZEERA SPORTS LIMITED**

We have audited the financial statements of Al Jazeera Sports Limited for the year ended 30 November 2011 on pages five to twelve. 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 a Report of the Auditors 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 auditors**

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. 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, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note thirteen to the financial statements.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**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 30 November 2011 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.

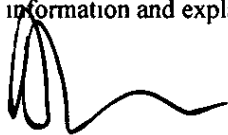
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors 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
- 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.



S R Mamdani FCA FCCA (Senior Statutory Auditor)  
for and on behalf of ADAMS MOORHOUSE, Chartered Accountants  
Registered Auditors  
4 Churchill Court  
58 Station Road  
North Harrow  
Middlesex  
HA2 7ST

Date 16 May 2012

**AL JAZEERA SPORTS LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

	Notes	2011 £	2010 £
<b>TURNOVER</b>		6,213,447	6,252,146
Cost of sales		7,014,032	6,183,903
<b>GROSS (LOSS)/PROFIT</b>		(800,585)	68,243
Administrative expenses		65,157	48,928
<b>OPERATING (LOSS)/PROFIT</b>	3	(865,742)	19,315
Interest payable and similar charges	4	-	45
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(865,742)	19,270
Tax on (loss)/profit on ordinary activities	5	310,672	312,607
<b>LOSS FOR THE FINANCIAL YEAR</b>		(1,176,414)	(293,337)
Retained profit brought forward		112,281	405,618
<b>(DEFICIT)/RETAINED PROFIT CARRIED FORWARD</b>		(1,064,133)	112,281

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current year or previous year

The notes form part of these financial statements

**AL JAZEERA SPORTS LIMITED****BALANCE SHEET**  
**30 NOVEMBER 2011**

	Notes	2011 £	£	2010 £	£
<b>FIXED ASSETS</b>					
Tangible assets	6		609		717
<b>CURRENT ASSETS</b>					
Debtors	7	588,923		672,109	
Cash at bank and in hand		143,033		465,921	
		731,956		1,138,030	
<b>CREDITORS</b>					
Amounts falling due within one year	8	1,061,979		602,420	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			(330,023)		535,610
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(329,414)		536,327
<b>PROVISIONS FOR LIABILITIES</b>	9		734,619		423,946
<b>NET (LIABILITIES)/ASSETS</b>			(1,064,033)		112,381
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		100		100
Profit and loss account			(1,064,133)		112,281
<b>SHAREHOLDERS' FUNDS</b>	15		(1,064,033)		112,381

The financial statements were approved by the Board of Directors on 30 April 2012 and were signed on its behalf by



M Al Suwaidan - Director



**AL JAZEERA SPORTS LIMITED****CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

	Notes	2011 £	2010 £
Net cash (outflow)/inflow from operating activities	1	(322,888)	182,108
Returns on investments and servicing of finance	2	-	(45)
Capital expenditure	2	-	(843)
(Decrease)/increase in cash in the period		<u>(322,888)</u>	<u>181,220</u>

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**Reconciliation of net cash flow  
to movement in net funds**

	3		
(Decrease)/increase in cash in the period		<u>(322,888)</u>	<u>181,220</u>
Change in net funds resulting from cash flows		<u>(322,888)</u>	<u>181,220</u>
Movement in net funds in the period		<u>(322,888)</u>	<u>181,220</u>
Net funds at 1 December		<u>465,921</u>	<u>284,701</u>
Net funds at 30 November		<u>143,033</u>	<u>465,921</u>

The notes form part of these financial statements

**AL JAZEERA SPORTS LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

**1 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2011 £	2010 £
Operating (loss)/profit	(865,742)	19,315
Depreciation charges	107	126
Decrease/(increase) in debtors	83,188	(428,940)
Increase in creditors	459,559	591,607
	<u>          </u>	<u>          </u>
Net cash (outflow)/inflow from operating activities	<u>(322,888)</u>	<u>182,108</u>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2011 £	2010 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	-	(45)
	<u>          </u>	<u>          </u>
Net cash outflow for returns on investments and servicing of finance	<u>-</u>	<u>(45)</u>
	<u>          </u>	<u>          </u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	-	(843)
	<u>          </u>	<u>          </u>
Net cash outflow for capital expenditure	<u>-</u>	<u>(843)</u>
	<u>          </u>	<u>          </u>

**3 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 12 10 £	Cash flow £	At 30 11 11 £
Net cash			
Cash at bank and in hand	465,921	(322,888)	143,033
	<u>          </u>	<u>          </u>	<u>          </u>
	465,921	(322,888)	143,033
	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>465,921</u>	<u>(322,888)</u>	<u>143,033</u>

The notes form part of these financial statements

**AL JAZEERA SPORTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention

**Turnover**

The entire turnover relates the one principal activity which comprises export services to companies under common ownership. The amounts are shown exclusive of Value Added Tax

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Computer equipment        -    15% on reducing balance

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

**Research and development**

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

**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 transaction. Exchange differences are taken into account in arriving at the operating result

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

**2 STAFF COSTS**

	2011 £	2010 £
Wages and salaries	279,258	170,153
Social security costs	32,262	19,463
Other pension costs	7,617	10,867
	<u>319,137</u>	<u>200,483</u>

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

	2011	2010
Administration and production	<u>8</u>	<u>4</u>

**3 OPERATING (LOSS)/PROFIT**

The operating loss (2010 - operating profit) is stated after charging

	2011 £	2010 £
Depreciation - owned assets	108	126
Auditors' remuneration	4,500	3,500
Management fees paid	<u>31,938</u>	<u>21,246</u>

**AL JAZEERA SPORTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

**3 OPERATING (LOSS)/PROFIT - continued**

Directors' remuneration	-	-
	<u>          </u>	<u>          </u>

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	2011	2010
	£	£
Bank interest	-	45
	<u>          </u>	<u>          </u>

**5 TAXATION**

The company is in negotiations with HMRC on the matter of Transfer Pricing and whether the Transfer Pricing rules are applicable to the company.

The tax charge shown in the financial statements is a provision for tax payable should the outcome be that the company is liable, and is computed at 5% of the annual turnover. The eventual figure is likely to be between 0% and 10% - any under or over provision will have to be adjusted by way of prior year adjustment in future accounts.

**6 TANGIBLE FIXED ASSETS**

	Computer equipment £
<b>COST</b>	
At 1 December 2010 and 30 November 2011	843
<b>DEPRECIATION</b>	
At 1 December 2010	126
Charge for year	108
At 30 November 2011	234
<b>NET BOOK VALUE</b>	
At 30 November 2011	609
At 30 November 2010	717

**7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011	2010
	£	£
Other debtors	2,347	-
Common Ownership Companies	1,998	1,998
VAT	584,578	670,111
	<u>588,923</u>	<u>672,109</u>

**AL JAZEERA SPORTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011	2010
	£	£
Trade creditors	977,053	558,703
Social security and other taxes	12,977	7,522
Other creditors	59,949	26,195
Accrued expenses	12,000	10,000
	<u>1,061,979</u>	<u>602,420</u>

**9 PROVISIONS FOR LIABILITIES**

	2011	2010
	£	£
Other provisions	<u>734,619</u>	<u>423,946</u>
		Transfer Pricing
		£
Balance at 1 December 2010		423,946
Provision made for the current		<u>310,672</u>
Balance at 30 November 2011		<u>734,618</u>

**10 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid			2011	2010
Number	Class	Nominal value	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

**11 CONTINGENT LIABILITIES**

Please refer to note 3 to the accounts which deals with the contingent liability identified by the Board for disclosure

**12 RELATED PARTY DISCLOSURES**

The entire turnover of the company is derived from provision of services to Al Jazeera Network in Qatar which is the state broadcasting corporation for the State of Qatar. The only shareholder of Al Jazeera Sports Limited is the sovereign head of the State of Qatar.

Management fees paid relate to Al Jazeera Satellite Channel Limited, a company which is limited by guarantee, and in which the directors of Al Jazeera Sports Limited are the guarantors.

**13 APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES**

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

**14 ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is H E The Emir of Qatar who owns the entire share capital of the company.

**AL JAZEERA SPORTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

<b>15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	(1,176,414)	(293,337)
Issue of shares at par		
<b>Net reduction of shareholders' funds</b>	<b>(1,176,414)</b>	<b>(293,337)</b>
Opening shareholders' funds	112,381	405,718
<b>Closing shareholders' funds</b>	<b>(1,064,033)</b>	<b>112,381</b>