

# **Companies House Copy**

**AL JAZEERA INTERNATIONAL LIMITED**

**REPORT OF THE DIRECTORS AND**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD**

**1 JULY 2008 TO 31 DECEMBER 2008**

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COMPANIES HOUSE

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 1 JULY 2008 TO 31 DECEMBER 2008**

	<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>6</b>
<b>Statement of Total Recognised Gains and Losses</b>	<b>7</b>
<b>Balance Sheet</b>	<b>8</b>
<b>Cash Flow Statement</b>	<b>9</b>
<b>Notes to the Cash Flow Statement</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>11</b>

**AL JAZEERA INTERNATIONAL LIMITED**

**COMPANY INFORMATION**

**FOR THE PERIOD 1 JULY 2008 TO 31 DECEMBER 2008**

**DIRECTORS:** K A M Al-Mulla  
M Al Suwaidan

**SECRETARY:** M Al Suwaidan

**REGISTERED OFFICE:** Premier Suite  
4 Churchill Court  
58 Station Road  
North Harrow  
Middlesex  
HA2 7ST

**REGISTERED NUMBER:** 5233333 (England and Wales)

**AUDITORS:** ADAMS MOORHOUSE, Chartered Accountants  
Registered Auditors  
4 Churchill Court  
58 Station Road  
North Harrow  
Middlesex  
HA2 7ST

**BANKERS:** Qatar National Bank  
51 Grosvenor Street  
London  
W1K 3HH

**REPORT OF THE DIRECTORS**  
**FOR THE PERIOD 1 JULY 2008 TO 31 DECEMBER 2008**

The directors present their report with the financial statements of the company for the period 1 July 2008 to 31 December 2008

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of Satellite Broadcasting Services

**REVIEW OF BUSINESS**

The company's results for the period are in line with forecasts. The Board is confident that the ensuing period will be in line with expectations showing a loss in accordance with the company's long term plan

**DIVIDENDS**

No dividends will be distributed for the period ended 31 December 2008

**RESEARCH AND DEVELOPMENT**

Research and development expenditure, if any, is written off to profit and loss account in the period in which it is incurred

**FUTURE DEVELOPMENTS**

No major developments are planned and the company expects to continue with its long term plan to make the activities self financing in the medium to long term

**DIRECTORS**

K A M Al-Mulla and M Al Suwaidan were appointed as directors after 31 December 2008 but prior to the date of this report.

A M Al Khelaifi, A A M Al Khulaifi and A Al Suwaidi ceased to be directors after 31 December 2008 but prior to the date of this report

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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). The financial statements are required by law to 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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

**REPORT OF THE DIRECTORS**  
**FOR THE PERIOD 1 JULY 2008 TO 31 DECEMBER 2008**


**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

**AUDITORS**

Messrs Adams Moorhouse will be proposed for re-appointment at the forthcoming Annual General Meeting

**ON BEHALF OF THE BOARD:**

.. .. . 

M Al Suwaidan - Director

Date .<sup>12</sup> February 2010

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
AL JAZEERA INTERNATIONAL LIMITED**

We have audited the financial statements of Al Jazeera International Limited for the period ended 31 December 2008 on pages six to sixteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, and give a true and fair view. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

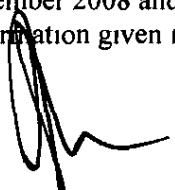
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF**  
**AL JAZEERA INTERNATIONAL LIMITED**

**Opinion**

In our opinion

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006,
- the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2008 and of its loss for the period then ended, and
- the information given in the Report of the Directors is consistent with the financial statements



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 12 February 2010

**AL JAZEERA INTERNATIONAL LIMITED (REGISTERED NUMBER: 5233333)****PROFIT AND LOSS ACCOUNT****FOR THE PERIOD 1 JULY 2008 TO 31 DECEMBER 2008**

	Notes	period 1 7 08 to 31 12 08 £	period 1 12 07 to 30 6 08 £
<b>TURNOVER</b>	2	12,109,062	12,807,459
Cost of sales		11,666,566	11,057,438
<b>GROSS PROFIT</b>		442,496	1,750,021
Administrative expenses		2,797,815	3,124,033
		(2,355,319)	(1,374,012)
Other operating income		-	1,313
<b>OPERATING LOSS</b>	4	(2,355,319)	(1,372,699)
Interest receivable and similar income		9,105	34,316
		(2,346,214)	(1,338,383)
Interest payable and similar charges	5	331	1,295
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(2,346,545)	(1,339,678)
Tax on loss on ordinary activities	6	695,465	771,791
<b>LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION</b>		(3,042,010)	(2,111,469)
<b>DEFICIT FOR THE PERIOD</b>		(3,042,010)	(2,111,469)
Deficit brought forward			
As previously reported		(2,415,587)	(353,334)
Prior year adjustment		-	49,216
As restated		(2,415,587)	(304,118)
<b>DEFICIT CARRIED FORWARD</b>		(5,457,597)	(2,415,587)

**CONTINUING OPERATIONS**

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

The notes form part of these financial statements



**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE PERIOD 1 JULY 2008 TO 31 DECEMBER 2008**

	period 1 7.08 to 31 12 08 £	period 1 12 07 to 30 6 08 £
<b>LOSS FOR THE FINANCIAL PERIOD</b>	(3,042,010)	(2,111,469)
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD</b>	<u>(3,042,010)</u>	<u>(2,111,469)</u>
Prior year adjustment		<u>49,216</u>
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT</b>		<u><u>(2,062,253)</u></u>

**AL JAZEERA INTERNATIONAL LIMITED (REGISTERED NUMBER: 5233333)**

**BALANCE SHEET**  
**31 DECEMBER 2008**

	Notes	2008 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	7	6,896,825	8,032,485
<b>CURRENT ASSETS</b>			
Debtors	8	1,148,278	705,891
Cash at bank and in hand		642,456	752,820
		<u>1,790,734</u>	<u>1,458,711</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>2,873,441</u>	<u>1,912,344</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,082,707)</u>	<u>(453,633)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,814,118	7,578,852
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	(9,377,038)	(8,795,227)
<b>PROVISIONS FOR LIABILITIES</b>	11	<u>(1,844,677)</u>	<u>(1,149,212)</u>
<b>NET LIABILITIES</b>		<u><u>(5,407,597)</u></u>	<u><u>(2,365,587)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	50,000	50,000
Profit and loss account		<u>(5,457,597)</u>	<u>(2,415,587)</u>
<b>SHAREHOLDERS' FUNDS</b>	16	<u><u>(5,407,597)</u></u>	<u><u>(2,365,587)</u></u>

The financial statements were approved by the Board of Directors on 12 February 2010 and were signed on its behalf by

  
M Al Suwardan - Director

The notes form part of these financial statements

**CASH FLOW STATEMENT**

**FOR THE PERIOD 1 JULY 2008 TO 31 DECEMBER 2008**

		period 1 7 08 to 31 12 08 £	period 1 12 07 to 30 6 08 £
Net cash (outflow)/inflow from operating activities	Notes 1	(70,683)	628,531
Returns on investments and servicing of finance	2	8,774	33,021
Taxation		-	(17,579)
Capital expenditure	2	(48,455)	(55,986)
(Decrease)/Increase in cash in the period		<u>(110,364)</u>	<u>587,987</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		<u>(110,364)</u>	<u>587,987</u>
Change in net funds resulting from cash flows		<u>(110,364)</u>	<u>587,987</u>
Movement in net funds in the period		(110,364)	587,987
Net funds at 1 July		<u>752,820</u>	<u>164,833</u>
Net funds at 31 December		<u>642,456</u>	<u>752,820</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE PERIOD 1 JULY 2008 TO 31 DECEMBER 2008**

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

	period 1 7 08 to 31 12 08 £	period 1 12 07 to 30 6 08 £
Operating loss	(2,355,319)	(1,372,699)
Depreciation charges	1,184,114	1,385,240
Increase in debtors	(442,386)	(7,547)
Increase in creditors	1,542,908	623,537
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(70,683)</b>	<b>628,531</b>

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

	period 1 7 08 to 31 12 08 £	period 1 12 07 to 30 6.08 £
<b>Returns on investments and servicing of finance</b>		
Interest received	9,105	34,316
Interest paid	(331)	(1,295)
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>8,774</b>	<b>33,021</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(48,455)	(55,986)
<b>Net cash outflow for capital expenditure</b>	<b>(48,455)</b>	<b>(55,986)</b>

**3 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 7 08 £	Cash flow £	At 31 12.08 £
Net cash.			
Cash at bank and in hand	752,820	(110,364)	642,456
	752,820	(110,364)	642,456
<b>Total</b>	<b>752,820</b>	<b>(110,364)</b>	<b>642,456</b>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 1 JULY 2008 TO 31 DECEMBER 2008**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

**Turnover**

Turnover represents net invoiced sales of goods, excluding 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

Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 33% on cost

**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. TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the company.

The entire turnover relates to export services provided to the company's principal customer, Al Jazeera Network, the state owned corporation of the State of Qatar.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JULY 2008 TO 31 DECEMBER 2008**

**3 STAFF COSTS**

	period 1 7 08 to 31 12 08 £	period 1 12 07 to 30 6 08 £
Wages and salaries	3,998,196	4,070,889
Social security costs	461,703	534,262
Other pension costs	248,711	244,405
	<u>4,708,610</u>	<u>4,849,556</u>

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

	period 1.7 08 to 31 12 08	period 1 12 07 to 30 6 08
Production	180	174
Administration and Finance	16	15
	<u>196</u>	<u>189</u>

**4 OPERATING LOSS**

The operating loss is stated after charging

	period 1 7 08 to 31 12 08 £	period 1 12 07 to 30 6 08 £
Depreciation - owned assets	1,184,114	1,385,240
Auditors' remuneration	9,115	10,635
	<u>-</u>	<u>-</u>
Directors' remuneration	-	-

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	period 1 7.08 to 31 12 08 £	period 1 12 07 to 30 6 08 £
Bank interest	331	1,295

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JULY 2008 TO 31 DECEMBER 2008****6 TAXATION****Analysis of the tax charge**

The tax charge on the loss on ordinary activities for the period was as follows

	period 1 7.08 to 31 12 08 £	period 1 12 07 to 30 6 08 £
Current tax.		
Foreign withholding tax	-	17,579
Provision for potential Corporation Tax liability	695,465	754,212
	<u>695,465</u>	<u>771,791</u>
Tax on loss on ordinary activities	<u>695,465</u>	<u>771,791</u>

**7 TANGIBLE FIXED ASSETS**

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 July 2008	3,349,295	9,747,524	533,947
Additions	-	10,779	32,095
	<u>3,349,295</u>	<u>9,758,303</u>	<u>566,042</u>
At 31 December 2008	<u>3,349,295</u>	<u>9,758,303</u>	<u>566,042</u>
<b>DEPRECIATION</b>			
At 1 July 2008	432,182	4,978,237	261,666
Charge for period	83,732	975,830	56,604
	<u>515,914</u>	<u>5,954,067</u>	<u>318,270</u>
At 31 December 2008	<u>515,914</u>	<u>5,954,067</u>	<u>318,270</u>
<b>NET BOOK VALUE</b>			
At 31 December 2008	<u>2,833,381</u>	<u>3,804,236</u>	<u>247,772</u>
At 30 June 2008	<u>2,917,113</u>	<u>4,769,287</u>	<u>272,281</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JULY 2008 TO 31 DECEMBER 2008****7 TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 July 2008	19,604	441,097	14,091,467
Additions	-	5,581	48,455
At 31 December 2008	19,604	446,678	14,139,922
<b>DEPRECIATION</b>			
At 1 July 2008	6,208	380,690	6,058,983
Charge for period	1,960	65,988	1,184,114
At 31 December 2008	8,168	446,678	7,243,097
<b>NET BOOK VALUE</b>			
At 31 December 2008	11,436	-	6,896,825
At 30 June 2008	13,396	60,407	8,032,484

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

	2008 £	2008 £
Trade debtors	-	33,442
Other debtors	2,529	7,284
Staff Advances	161,010	120,511
VAT	860,603	470,567
Called up share capital not paid	50,000	50,000
Prepayments and accrued income	74,136	24,087
	1,148,278	705,891

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

	2008 £	2008 £
Trade creditors	1,373,089	1,069,595
UK Corporation Tax	12,413	12,413
Social security and other taxes	-	222,082
Other creditors	1,063,784	240,470
Pension Contributions Payable	90,170	24,059
Childcare Vouchers	1,145	1,554
Accrued expenses	332,840	342,171
	2,873,441	1,912,344



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JULY 2008 TO 31 DECEMBER 2008**

**10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2008 £	2008 £
Al Jazeera Network, Qatar	<u>9,377,038</u>	<u>8,795,227</u>

**11 PROVISIONS FOR LIABILITIES**

	2008 £	2008 £
Deferred tax	395,000	395,000
Other provisions	<u>1,449,677</u>	<u>754,212</u>
	<u>1,844,677</u>	<u>1,149,212</u>

	Deferred tax £	Other provisions £
Balance at 1 July 2008	395,000	754,212
Provision for potential Corporation Tax	-	695,465
Balance at 31 December 2008	<u>395,000</u>	<u>1,449,677</u>

**12 CALLED UP SHARE CAPITAL**

Allotted and issued: Number	Class	Nominal value £1	2008 £	2008 £
50,000	Share capital 1		<u>50,000</u>	<u>50,000</u>

**13 CONTINGENT LIABILITIES**

The company is engaged in negotiations with the UK Inland Revenue on the chargeability of the Company to Corporation Tax. Provision of £695,465 has been made in the accounts for any potential liability in the event that it is determined that the company is chargeable to UK Taxation, though this figure is based on estimates and assumptions, and as a result may not cover the entire liability.

**14 RELATED PARTY DISCLOSURES**

The company's entire turnover is based on services provided to Al Jazeera Network, Qatar which is owned by the State of Qatar. The company's 100% shareholding is owned by the Emir of Qatar, who is also the sovereign head of the State of Qatar.

**15 ULTIMATE CONTROLLING PARTY**

His Excellency the Emir of Qatar is the 100% owner of the issued share capital and therefore the ultimate controlling party.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JULY 2008 TO 31 DECEMBER 2008**

**16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2008 £	2008 £
Loss for the financial period	(3,042,010)	(2,111,469)
<b>Net reduction of shareholders' funds</b>	<b>(3,042,010)</b>	<b>(2,111,469)</b>
Opening shareholders' funds	(2,365,587)	(254,118)
<b>Closing shareholders' funds</b>	<b>(5,407,597)</b>	<b>(2,365,587)</b>

**17 GOING CONCERN**

The financial statements have been drawn up on a going concern basis which assume 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.