

AL JAZEERA SATELLITE CHANNEL LTD
(REGISTERED NUMBER 03466258)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2017

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AL JAZEERA SATELLITE CHANNEL LTD

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for the year ended 31 December 2017**

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AL JAZEERA SATELLITE CHANNEL LTD

COMPANY INFORMATION

for the year ended 31 December 2017

DIRECTORS:

M Al Suwaidan
K A M Al Mulla

REGISTERED OFFICE:

Premier Suite
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)

AUDITOR:

KPMG LLP
15 Canada Square
London
E14 5GL

BANKER:

Qatar National Bank
51 Grosvenor Street
London
W1K 3HH

AL JAZEERA SATELLITE CHANNEL LTD

DIRECTORS' REPORT

for the year ended 31 December 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

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, State of Qatar which is a company controlled by H E The Emir of the State of Qatar who is the sole member of the company.

RESEARCH AND DEVELOPMENT

Research and development costs are expensed 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 2017 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.

DISCLOSURE OF INFORMATION TO THE AUDITOR

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.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

POLITICAL CONTRIBUTIONS

The Company made no political donations or incurred any political expenditure during the year (2016 – Nil)

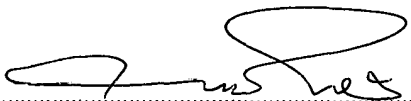
AL JAZEERA SATELLITE CHANNEL LTD

DIRECTORS' REPORT

for the year ended 31 December 2017

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: 20/08/2018

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

AL JAZEERA SATELLITE CHANNEL LTD

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER 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 31st December 2017 which comprise the Statement of Profit and Loss, the Statement of Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

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

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Andrew Turner

Andrew Turner (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 29 August 2018

AL JAZEERA SATELLITE CHANNEL LTD**STATEMENT OF PROFIT AND LOSS**
for the year ended 31 December 2017

	Notes	2017 £	2016 £
CONTINUING OPERATIONS			
Revenue		1,575,167	1,566,823
Cost of sales		<u>(1,190,174)</u>	<u>(1,145,884)</u>
GROSS PROFIT		384,993	420,939
Distribution costs		(2,151)	(4,570)
Administrative expenses		<u>(293,681)</u>	<u>(327,031)</u>
OPERATING PROFIT		<u>89,161</u>	<u>89,338</u>
PROFIT BEFORE TAX	4	89,161	89,338
Taxation	5	<u>(17,160)</u>	<u>(18,157)</u>
PROFIT FOR THE YEAR		<u><u>72,001</u></u>	<u><u>71,181</u></u>

The notes on pages 13 to 17 form part of these financial statements

AL JAZEERA SATELLITE CHANNEL LTD**STATEMENT OF OTHER COMPREHENSIVE INCOME**
for the year ended 31 December 2017

	2017 £	2016 £
PROFIT FOR THE YEAR	72,001	71,181
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>72,001</u></u>	<u><u>71,181</u></u>

The notes on pages 13 to 17 form part of these financial statements

AL JAZEERA SATELLITE CHANNEL LTD (REGISTERED NUMBER: 03466258)**STATEMENT OF FINANCIAL POSITION****31 December 2017**

	Notes	2017 £	2016 £
ASSETS			
CURRENT ASSETS			
Trade and other receivables	6	260,028	175,612
Cash and cash equivalents	7	<u>117,007</u>	<u>147,225</u>
		<u>377,035</u>	<u>322,837</u>
TOTAL ASSETS		<u>377,035</u>	<u>322,837</u>
EQUITY			
Retained earnings	8	<u>258,795</u>	<u>186,794</u>
TOTAL EQUITY		<u>258,795</u>	<u>186,794</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	<u>118,240</u>	<u>136,043</u>
TOTAL LIABILITIES		<u>118,240</u>	<u>136,043</u>
TOTAL EQUITY AND LIABILITIES		<u>377,035</u>	<u>322,837</u>

The financial statements were approved by the Board of Directors on 20/08/ 2018 and were signed on its behalf by:



M Al Suwaidan - Director

Company registration number: 03466258 (England and Wales)

The notes on pages 13 to 17 form part of these financial statements

AL JAZEERA SATELLITE CHANNEL LTD**STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2017**

	Retained earnings £	Total equity £
Balance at 1 January 2016	115,613	115,613
Changes in equity		
Total comprehensive income	<u>71,181</u>	<u>71,181</u>
Balance at 31 December 2016	<u>186,794</u>	<u>186,794</u>
Changes in equity		
Total comprehensive income	<u>72,001</u>	<u>72,001</u>
Balance at 31 December 2017	<u><u>258,795</u></u>	<u><u>258,795</u></u>

The notes on pages 13 to 17 form part of these financial statements

AL JAZEERA SATELLITE CHANNEL LTD**STATEMENT OF CASH FLOWS
for the year ended 31 December 2017**

	2017 £	2016 £
Cash flows from operating activities		
Cash generated from operations 1	(12,488)	5,761
Tax paid	<u>(17,730)</u>	<u>(18,693)</u>
Decrease in cash and cash equivalents	(30,218)	(12,932)
Cash and cash equivalents at beginning of year 2	147,225	160,157
	<hr/>	<hr/>
Cash and cash equivalents at end of year 2	<u>117,007</u>	<u>147,225</u>

The notes on pages 13 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 2017

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

	2017	2016
	£	£
Profit before income tax	89,161	89,338
Increase in trade and other receivables	(84,416)	(41,101)
Decrease in trade and other payables	<u>(17,233)</u>	<u>(42,476)</u>
Cash generated from operations	<u>(12,488)</u>	<u>5,761</u>

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 2017

	2017	2016
	£	£
Cash and cash equivalents	<u>117,007</u>	<u>147,225</u>

The notes on pages 13 to 17 form part of these financial statements

AL JAZEERA SATELLITE CHANNEL LTD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2017

1. STATUTORY INFORMATION

Al Jazeera Satellite Channel Ltd is a private company limited by guarantee, incorporated, domiciled and registered in England and Wales in the UK. The company's registered number and registered office address can be found on page 1 of these financial statements.

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.

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%.

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.

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.

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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Employee benefit costs

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 2017

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.

Derecognition of financial assets and liabilities

A financial asset or liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

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.

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.

3. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	546,508	655,535
Social security costs	65,626	89,365
Other pension costs	<u>28,957</u>	<u>25,741</u>
	<u>641,091</u>	<u>770,641</u>

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

	2017	2016
Administrative	3	3
Production	<u>6</u>	<u>6</u>
	<u>9</u>	<u>9</u>

AL JAZEERA SATELLITE CHANNEL LTD**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2017****3. EMPLOYEES AND DIRECTORS - continued**

	2017	2016
	£	£
Directors' remuneration	<u>57,155</u>	<u>57,155</u>

4. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	2017	2016
	£	£
Cost of inventories recognised as expense	1,190,174	1,145,884
Hire of plant and machinery	57,421	58,688
Auditor's remuneration	<u>12,000</u>	<u>14,133</u>

5. INCOME TAX**Analysis of tax expense**

	2017	2016
	£	£
Current tax:		
Taxation	17,160	17,730
Previous under/(over) provision of Corporation Tax	<u>-</u>	<u>427</u>
Total tax expense in statement of profit or loss	<u>17,160</u>	<u>18,157</u>

Factors affecting the tax expense

The tax assessed for 2017 is the same as the standard rate of corporation tax. The tax assessed for the year for 2016 was higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2017	2016
	£	£
Profit before income tax	<u>89,161</u>	<u>89,338</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.246% (2016 - 20%)	17,160	17,868
Effects of:		
Tax effect of Transfer Pricing	-	(138)
Previously under provided Income Tax	<u>-</u>	<u>427</u>
Tax expense	<u>17,160</u>	<u>18,157</u>

AL JAZEERA SATELLITE CHANNEL LTD**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2017****6. TRADE AND OTHER RECEIVABLES**

	2017 £	2016 £
Current:		
Other debtors	21	-
Amounts due from related parties	175,088	138,721
VAT	<u>84,919</u>	<u>36,891</u>
	<u>260,028</u>	<u>175,612</u>

7. CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	2,114	3,713
Bank accounts	<u>114,893</u>	<u>143,512</u>
	<u>117,007</u>	<u>147,225</u>

8. RESERVES

	Retained earnings £
At 1 January 2017	186,794
Profit for the year	<u>72,001</u>
At 31 December 2017	<u>258,795</u>
	Retained earnings £
At 1 January 2016	115,613
Profit for the year	<u>71,181</u>
At 31 December 2016	<u>186,794</u>

AL JAZEERA SATELLITE CHANNEL LTD

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2017

9. TRADE AND OTHER PAYABLES

	2017 £	2016 £
Current:		
Trade creditors	69,580	99,937
Social security and other taxes	-	3
Accrued expenses	<u>31,500</u>	<u>18,373</u>
	<u>101,080</u>	<u>118,313</u>

10. CONTINGENT LIABILITIES

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

11. RELATED PARTY DISCLOSURES

The entire turnover of the company is derived from provision of services to Al Jazeera Network in Qatar which is controlled by the sole member of the company.

At the balance sheet date, the company owed £327,262 to related parties.

During the year, the company obtained services worth £597,800 from related companies, the pricing of which was on arm's length basis.

12. ULTIMATE CONTROLLING PARTY

The Emir of the state of Qatar is the sole member of the company and therefore the controlling party. By virtue of him being a foreign sovereign, he does not have a registered office.

13. 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.