

AL JAZEERA SATELLITE CHANNEL LIMITED  
( A COMPANY LIMITED BY GUARANTEE AND  
NOT HAVING SHARE CAPITAL)

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 NOVEMBER 2000



**AL JAZEERA SATELLITE CHANNEL LIMITED**  
**( A COMPANY LIMITED BY GUARANTEE AND**  
**NOT HAVING SHARE CAPITAL)**

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**FOR THE YEAR ENDED 30 NOVEMBER 2000**

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**AL JAZEERA SATELLITE CHANNEL LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND**  
**NOT HAVING SHARE CAPITAL)**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 NOVEMBER 2000**

|                           |  |
|---------------------------|--|
| <b>DIRECTORS:</b>         | M Al Suwaidan<br>M J Al Ali<br>H A Jafar<br>M A Sahlawi<br>K A Al Mannae   |
| <b>SECRETARY:</b>         | M A Shah & M J Al Ali  |
| <b>REGISTERED OFFICE:</b> | 4 Churchill Court<br>58 Station Road<br>North Harrow<br>HA2 7ST  |
| <b>REGISTERED NUMBER:</b> | 03466258 (England and Wales)   |
| <b>AUDITORS:</b>          | ADAMS MOORHOUSE, Chartered Accountants<br>Registered Auditors<br>4 Churchill Court<br>58 Station Road<br>Harrow<br>HA2 7ST |
| <b>BANKERS:</b>           | Qatar National Bank<br>One Mount Street<br>London<br>W1Y 8HQ   |

**AL JAZEERA SATELLITE CHANNEL LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND**  
**NOT HAVING SHARE CAPITAL)**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2000**

The directors present their report with the financial statements of the company for the year ended 30 November 2000.

**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 results for the year and financial position of the company are as shown in the annexed financial statements.

**DIVIDENDS**

No dividends will be distributed for the year ended 30 November 2000.

**RESEARCH AND DEVELOPMENT**

Research and development costs 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 ensuing year.

**DIRECTORS**

The directors during the year under review were:

M Al Suwaidan  
M J Al Ali  
H A Jafar  
M A Sahlawi  
K A Al Mannae

In accordance with the Articles of Association, H A Jafar and M A Sahlawi will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which 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 those 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;
- 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 1985. 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 LIMITED**  
**( A COMPANY LIMITED BY GUARANTEE AND**  
**NOT HAVING SHARE CAPITAL)**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2000**

**AUDITORS**

The auditors, ADAMS MOORHOUSE, Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**

 A handwritten signature in black ink, appearing to read 'M Al Suwaidan', followed by a small checkmark.

M Al Suwaidan - DIRECTOR

Dated: 10 April 2002

**AL JAZEERA SATELLITE CHANNEL LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND**  
**NOT HAVING SHARE CAPITAL)**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**AL JAZEERA SATELLITE CHANNEL LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND**  
**NOT HAVING SHARE CAPITAL)**

We have audited the financial statements of Al Jazeera Satellite Channel Limited ( A Company limited by guarantee and not having share capital) for the year ended 30 November 2000 on pages five to twelve. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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**

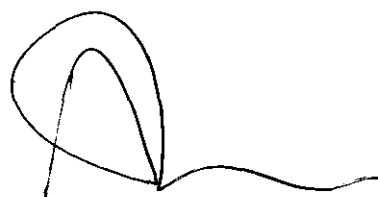
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

ADAMS MOORHOUSE, Chartered Accountants  
Registered Auditors  
4 Churchill Court  
58 Station Road  
Harrow  
HA2 7ST



Dated: 10 April 2002

**AL JAZEERA SATELLITE CHANNEL LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND**  
**NOT HAVING SHARE CAPITAL)**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 NOVEMBER 2000**

|   | Notes | 2000    |           | 1999    |           |
|---|-------|---------|-----------|---------|-----------|
|   |       | £       | £         | £       | £         |
| <b>TURNOVER</b>   |       |         | 2,146,446 |         | 1,763,229 |
| Cost of sales   |       |         | 1,204,415 |         | 936,718   |
| <b>GROSS PROFIT</b>   |       |         | 942,031   |         | 826,511   |
| Distribution costs  |       | 36,011  |           | 56,582  |           |
| Administrative expenses                                     |       | 848,310 |           | 860,960 |           |
|   |       |         | 884,321   |         | 917,542   |
| <b>OPERATING PROFIT/(LOSS)</b>                              | 3     |         | 57,710    |         | (91,031)  |
| Interest receivable and similar income                      |       |         | 2,152     |         | -         |
|   |       |         | 59,862    |         | (91,031)  |
| Interest payable and similar charges                        | 4     |         | 5,797     |         | 2,179     |
| <b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |       |         | 54,065    |         | (93,210)  |
| Tax on profit/(loss) on ordinary activities                 | 5     |         | -         |         | -         |
| <b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>  |       |         | 54,065    |         | (93,210)  |
| (Deficit)/Retained profit brought forward                   |       |         | (71,176)  |         | 22,034    |
| <b>DEFICIT CARRIED FORWARD</b>                              |       |         | £(17,111) |         | £(71,176) |

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

**AL JAZEERA SATELLITE CHANNEL LIMITED**  
**( A COMPANY LIMITED BY GUARANTEE AND**  
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**BALANCE SHEET**  
**30 NOVEMBER 2000**

|   |       | 2000    |           | 1999    |           |
|---|-------|---------|-----------|---------|-----------|
|   | Notes | £       | £         | £       | £         |
| <b>FIXED ASSETS:</b>                                  |       |         |           |         |           |
| Tangible assets                                       | 6     |         | 36,214    |         | 39,917    |
| <b>CURRENT ASSETS:</b>                                |       |         |           |         |           |
| Debtors   | 7     | 151,943 |           | 133,347 |           |
| Cash at bank and in hand                              |       | 123,522 |           | 27,376  |           |
|   |       | 275,465 |           | 160,723 |           |
| <b>CREDITORS: Amounts falling due within one year</b> | 8     | 328,790 |           | 271,816 |           |
| <b>NET CURRENT LIABILITIES:</b>                       |       |         | (53,325)  |         | (111,093) |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>         |       |         | £(17,111) |         | £(71,176) |
| <b>RESERVES:</b>                                      |       |         |           |         |           |
| Profit and loss account                               |       |         | (17,111)  |         | (71,176)  |
|   | 11    |         | £(17,111) |         | £(71,176) |

**ON BEHALF OF THE BOARD:**



M Al Suwaidan - DIRECTOR

Approved by the Board on 10 April 2002





**AL JAZEERA SATELLITE CHANNEL LIMITED**  
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**NOT HAVING SHARE CAPITAL)**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 NOVEMBER 2000**

|  |       | 2000                  | 1999                  |
|--|-------|-----------------------|-----------------------|
|  | Notes | £                     | £                     |
| Net cash inflow from operating activities                | 1     | 65,342                | 455,796               |
| Returns on investments and servicing of finance          | 2     | (3,645)               | (2,179)               |
| Capital expenditure                                      | 2     | (2,687)               | (35,414)              |
|  |       | <u>59,010</u>         | <u>418,203</u>        |
| Financing  | 2     | (7,807)               | (344,900)             |
| Increase in cash in the period                           |       | <u><u>£51,203</u></u> | <u><u>£73,303</u></u> |
| <hr/>  |       |                       |                       |
| Reconciliation of net cash flow to movement in net funds | 3     |                       |                       |
| Increase in cash in the period                           |       | <u>51,203</u>         | <u>73,303</u>         |
| Change in net funds resulting from cash flows            |       | <u>51,203</u>         | <u>73,303</u>         |
| Movement in net funds in the period                      |       | <u>51,203</u>         | <u>73,303</u>         |
| Net funds/(debt) at 1 December                           |       | <u>27,376</u>         | <u>(45,927)</u>       |
| Net funds at 30 November                                 |       | <u><u>£78,579</u></u> | <u><u>£27,376</u></u> |

The notes form part of these financial statements

**AL JAZEERA SATELLITE CHANNEL LIMITED**  
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**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 NOVEMBER 2000**

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

|  | 2000<br>£         | 1999<br>£         |
|--|-------------------|-------------------|
| Operating profit/(loss)                              | 57,710            | (91,031)          |
| Depreciation charges                                 | 6,390             | 7,044             |
| (Increase)/Decrease in debtors                       | (18,596)          | 382,919           |
| Increase in creditors                                | 19,838            | 156,864           |
|  | <u>          </u> | <u>          </u> |
| <b>Net cash inflow<br/>from operating activities</b> | <u>65,342</u>     | <u>455,796</u>    |

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

|   | 2000<br>£         | 1999<br>£         |
|---|-------------------|-------------------|
| <b>Returns on investments and<br/>servicing of finance</b>                      |                   |                   |
| Interest received   | 2,152             | -                 |
| Interest paid   | (5,797)           | (2,179)           |
|   | <u>          </u> | <u>          </u> |
| <b>Net cash outflow<br/>for returns on investments and servicing of finance</b> | <u>(3,645)</u>    | <u>(2,179)</u>    |
| <br><b>Capital expenditure</b>  |                   |                   |
| Purchase of tangible fixed assets   | (2,687)           | (43,419)          |
| Sale of tangible fixed assets   | -                 | 8,005             |
|   | <u>          </u> | <u>          </u> |
| <b>Net cash outflow<br/>for capital expenditure</b>                             | <u>(2,687)</u>    | <u>(35,414)</u>   |
| <br><b>Financing</b>  |                   |                   |
| Loan repayments in year   | -                 | (344,900)         |
| Amount withdrawn by directors   | (7,807)           | -                 |
|   | <u>          </u> | <u>          </u> |
| <b>Net cash outflow<br/>from financing</b>                                      | <u>(7,807)</u>    | <u>(344,900)</u>  |

The notes form part of these financial statements

**AL JAZEERA SATELLITE CHANNEL LIMITED**  
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**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 NOVEMBER 2000**

**3. ANALYSIS OF CHANGES IN NET FUNDS**

|                                  | At 1.12.99<br>£ | Cash flow<br>£ | At 30.11.00<br>£ |
|----------------------------------|-----------------|----------------|------------------|
| Net cash:                        |                 |                |                  |
| Cash at bank and in hand         | 27,376          | 96,146         | 123,522          |
| Bank overdraft                   | -               | (44,943)       | (44,943)         |
|                                  | <u>27,376</u>   | <u>51,203</u>  | <u>78,579</u>    |
| Total                            | <u>27,376</u>   | <u>51,203</u>  | <u>78,579</u>    |
| <b>Analysed in Balance Sheet</b> |                 |                |                  |
| Cash at bank and in hand         | 27,376          |                | 123,522          |
| Bank overdraft                   | -               |                | (44,943)         |
|                                  | <u>27,376</u>   |                | <u>78,579</u>    |

**AL JAZEERA SATELLITE CHANNEL LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2000**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**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   | - 15% on reducing balance |
| Fixtures and fittings | - 15% on reducing balance |

**Deferred taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

**2. STAFF COSTS**

|                       | 2000           | 1999           |
|-----------------------|----------------|----------------|
|                       | £              | £              |
| Wages and salaries    | 431,895        | 333,453        |
| Social security costs | 43,445         | 33,943         |
|                       | <u>475,340</u> | <u>367,396</u> |

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

|                           | 2000      | 1999      |
|---------------------------|-----------|-----------|
| Office and administration | 4         | 2         |
| Production                | 8         | 9         |
|                           | <u>12</u> | <u>11</u> |

**3. OPERATING PROFIT/(LOSS)**

The operating profit (1999 - operating loss) is stated after charging:

|                             | 2000          | 1999     |
|-----------------------------|---------------|----------|
|                             | £             | £        |
| Hire of plant and machinery | 2,424         | 3,452    |
| Depreciation - owned assets | 6,390         | 7,044    |
| Auditors' remuneration      | 4,000         | 6,000    |
|                             | <u>44,389</u> | <u>-</u> |

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

|               | 2000         | 1999         |
|---------------|--------------|--------------|
|               | £            | £            |
| Bank interest | <u>5,797</u> | <u>2,179</u> |

**AL JAZEERA SATELLITE CHANNEL LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2000**

5. **TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 30 November 2000 nor for the year ended 30 November 1999.

6. **TANGIBLE FIXED ASSETS**

|                        | Plant and<br>machinery | Fixtures<br>and<br>fittings | Totals        |
|------------------------|------------------------|-----------------------------|---------------|
|                        | £                      | £                           | £             |
| <b>COST:</b>           |                        |                             |               |
| At 1 December 1999     | 45,347                 | 2,240                       | 47,587        |
| Additions              | 1,323                  | 1,364                       | 2,687         |
|                        | <u>46,670</u>          | <u>3,604</u>                | <u>50,274</u> |
| At 30 November 2000    |                        |                             |               |
| <b>DEPRECIATION:</b>   |                        |                             |               |
| At 1 December 1999     | 7,334                  | 336                         | 7,670         |
| Charge for year        | 5,900                  | 490                         | 6,390         |
|                        | <u>13,234</u>          | <u>826</u>                  | <u>14,060</u> |
| At 30 November 2000    |                        |                             |               |
| <b>NET BOOK VALUE:</b> |                        |                             |               |
| At 30 November 2000    | <u>33,436</u>          | <u>2,778</u>                | <u>36,214</u> |
| At 30 November 1999    | <u>38,013</u>          | <u>1,904</u>                | <u>39,917</u> |

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

|   | 2000<br>£      | 1999<br>£      |
|---|----------------|----------------|
| V.A.T.  | 50,444         | 96,660         |
| Trade debtors                                 | 7,640          | 250            |
| Other debtors                                 | 3,603          | -              |
| Amounts owed by common<br>ownership companies | 90,256         | 36,437         |
|   | <u>151,943</u> | <u>133,347</u> |

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

|   | 2000<br>£      | 1999<br>£      |
|---|----------------|----------------|
| Bank loans and overdrafts<br>(see note 9) | 44,943         | -              |
| Trade creditors                           | 180,381        | 136,322        |
| Directors current accounts                | 90,693         | 98,500         |
| Social security & other taxes             | -              | 17,994         |
| Accrued expenses                          | 12,773         | 19,000         |
|   | <u>328,790</u> | <u>271,816</u> |

**AL JAZEERA SATELLITE CHANNEL LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2000**

**9. LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

|   | 2000<br>£     | 1999<br>£ |
|---|---------------|-----------|
| Amounts falling due within one year or on demand: |               |           |
| Bank overdrafts                                   | <u>44,943</u> | <u>-</u>  |

**10. RELATED PARTY DISCLOSURES**

The entire turnover of the company is derived from provision of services to Al Jazeera in the Emirate of Qatar. The directors of the company are also the directors of Al Jazeera, Qatar. The directors (who are also the members) have undertaken to contribute £1 each, towards the assets of the company in the event that a contribution is required upon the winding up of the company.

**11. RECONCILIATION OF MOVEMENTS IN RESERVES**

|                                      | 2000<br>£       | 1999<br>£       |
|--------------------------------------|-----------------|-----------------|
| Profit/(Loss) for the financial year | <u>54,065</u>   | <u>(93,210)</u> |
| Net addition/(reduction) to reserves | 54,065          | (93,210)        |
| Opening reserves                     | <u>(71,176)</u> | <u>22,034</u>   |
| Closing reserves                     | <u>(17,111)</u> | <u>(71,176)</u> |