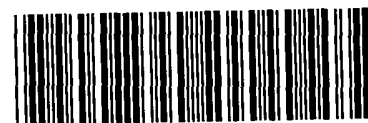


AL JAZEERA INTERNATIONAL LIMITED
ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014
COMPANY REGISTRATION NUMBER: 05233333

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AL JAZEERA INTERNATIONAL LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2014

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AL JAZEERA INTERNATIONAL LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014

DIRECTORS: Muftah Al Suwaidan
Khalid Abdulla 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: 05233333 (England and Wales)

INDEPENDENT AUDITORS: KPMG LLP
15 Canada Square
London
E14 5GL

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

AL JAZEERA INTERNATIONAL LIMITED

STRATEGIC REPORT **FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their strategic report for the year ended 31 December 2014.

REVIEW OF BUSINESS

The group's principal activities during the year continued to be the provision of satellite broadcasting services including production of programmes for broadcasting.

The key financial and other performance indicators during the year were as follows:

	2014	2013	%
Turnover	£28.8m	£30.1m	-4%
Gross profit	£5.3m	£4.7m	13%
Net (loss)/profit before tax	£(4.4m)	£(1.1)m	-300%
Equity shareholders' funds	£27.3m	£9.5m	187%
Average number of employees	130	128	2%

The company adopted IFRS in place of UK GAAP in 2014, which has resulted in a £138,904 increase to the reported results for 2013 details of which are shown on page 24 of the financial statements.

The Board expects the ensuing year to be in line with the 2014 results.

The increase in shareholders' funds is attributed to the capital contribution received from a related company.

During the year, the company moved its principal place of business to The Shard, one of the landmark buildings in the city of London. This has resulted in a significant investment in fixed assets.

PRINCIPAL RISKS AND UNCERTAINTIES

The company has established a risk and financial management framework whose primary objectives are to protect the company from events that hinder the achievement of the company's performance objectives.

The objectives aim to limit undue counterparty exposure, ensure sufficient working capital and monitor the management of risk at business unit level.

ABOUT THE COMPANY

The company is wholly owned by the Emir of the State of Qatar. All the company's services are provided to Al Jazeera Network, which is indirectly owned by the Emir of Qatar through the state broadcasting entity.

No dividends have been voted to date, and it is highly unlikely any dividends will be paid in the foreseeable future.

AL JAZEERA INTERNATIONAL LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

KEY SERVICE POINTS

Several factors contribute to the effectiveness of our services, but the following key values are the foundations of the company:

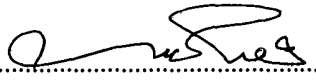
People

The company's employees are the most important asset. Our human resources policy aims at a lasting relationship with our personnel. This allows us to develop processes for the benefit of our clients' development projects.

Integrity

A lot of emphasis is made on ethical values both with our suppliers as well as personnel which has ensured long term relationships which are essential to the growth of the company.

ON BEHALF OF THE BOARD:


.....
Muftah Al Suwaidan - Director

Date: 15/7/15

AL JAZEERA INTERNATIONAL LIMITED

DIRECTORS' REPORT **FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of satellite broadcasting services to a related company.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2014.

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 2014 to the date of this report.

Muftah Al Suwaidan
Khalid Abdulla M Al-Mulla

PRINCIPAL RISKS AND UNCERTAINTIES

The company has established a risk and financial management framework whose primary objectives are to protect the company from events that hinder the achievement of the company's performance objectives.

The objectives aim to limit undue counterparty exposure, ensure sufficient working capital and monitor the management of risk at business unit level.

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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person currently serving as a director of the company at the date this report is approved is aware, there is no relevant audit information of which the company's auditor is unaware and each director hereby confirms that he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information, and to establish that the company's auditor is aware of that information.

They have a 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.

AL JAZEERA INTERNATIONAL LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

AUDITORS

During the year under consideration Ernst & Young LLP resigned as auditors and in their place KPMG LLP were appointed.

KPMG LLP will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....

Muftah Al Suwaidan - Director

Date: 15/7/15

AL JAZEERA INTERNATIONAL LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES **FOR THE YEAR ENDED 31 DECEMBER 2014**

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;
- state that the financial statements comply with IFRS subject to any material departures disclosed and explained in the financial statements, and
- 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AL JAZEERA INTERNATIONAL LIMITED

We have audited the financial statements of Al Jazeera International Limited for the year ended 31 December 2014 on pages nine to twenty six. 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.

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 six, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.gov.uk/auditscopeukprivate

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 31 December 2014 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AL JAZEERA INTERNATIONAL LIMITED

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.

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

Date:16 JULY 2015.....

AL JAZEERA INTERNATIONAL LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 DECEMBER 2014

		2014	2013
	Notes	£	£
CONTINUING OPERATIONS			
Revenue		28,783,595	30,086,186
Cost of sales		<u>(23,511,528)</u>	<u>(25,364,495)</u>
GROSS PROFIT		5,272,067	4,721,691
Administrative expenses		<u>(9,714,919)</u>	<u>(5,870,394)</u>
OPERATING LOSS		(4,442,852)	(1,148,703)
Finance income	3	<u>15,045</u>	<u>10,375</u>
LOSS BEFORE INCOME TAX	4	(4,427,807)	(1,138,328)
Income tax	5	<u>-</u>	<u>135,542</u>
LOSS FOR THE YEAR		(4,427,807)	(1,002,786)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(4,427,807)</u>	<u>(1,002,786)</u>

The notes on pages 13 to 26 form part of these financial statements

AL JAZEERA INTERNATIONAL LIMITED (REGISTERED NUMBER: 05233333)**STATEMENT OF FINANCIAL POSITION**
31 DECEMBER 2014

		31.12.14	31.12.13	1.1.13
	Notes	£	£	£
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	6	36,788,062	5,791,411	753,782
Loans and other financial assets	7	<u>567</u>	<u>567</u>	<u>567</u>
		<u>36,788,629</u>	<u>5,791,978</u>	<u>754,349</u>
CURRENT ASSETS				
Inventories	8	645,717	1,749,693	590,908
Trade and other receivables	9	2,843,409	1,533,988	3,340,942
Cash and cash equivalents		<u>7,099,897</u>	<u>17,969,862</u>	<u>2,156,039</u>
		<u>10,589,023</u>	<u>21,253,543</u>	<u>6,087,889</u>
TOTAL ASSETS		<u>47,377,652</u>	<u>27,045,521</u>	<u>6,842,238</u>
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital	10	50,000	50,000	50,000
Capital contribution		38,089,104	15,895,903	-
Retained earnings		<u>(10,862,897)</u>	<u>(6,435,090)</u>	<u>(5,432,304)</u>
TOTAL EQUITY		<u>27,276,207</u>	<u>9,510,813</u>	<u>(5,382,304)</u>
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	11	19,121,695	17,231,176	12,036,010
Provisions	13	<u>979,750</u>	<u>303,532</u>	<u>188,532</u>
		<u>20,101,445</u>	<u>17,534,708</u>	<u>12,224,542</u>
TOTAL LIABILITIES		<u>20,101,445</u>	<u>17,534,708</u>	<u>12,224,542</u>
TOTAL EQUITY AND LIABILITIES		<u>47,377,652</u>	<u>27,045,521</u>	<u>6,842,238</u>

The financial statements were approved by the Board of Directors on15/7/15..... and were signed on its behalf by:

.....
Muftah Al Suwaidan - Director

The notes on pages 13 to 26 form part of these financial statements

AL JAZEERA INTERNATIONAL LIMITED**STATEMENT OF CHANGES IN EQUITY**
FOR THE YEAR ENDED 31 DECEMBER 2014

	Called up share capital £	Retained earnings £	Capital contribution £	Total equity £
Balance at 1 January 2013	50,000	(5,432,304)	-	(5,382,304)
Changes in equity				
Capital contribution			15,895,903	15,895,903
Total comprehensive income	-	(1,002,786)	-	(1,002,786)
Balance at 31 December 2013	<u>50,000</u>	<u>(6,435,090)</u>	<u>15,895,903</u>	<u>9,510,813</u>
Changes in equity				
Capital contribution	-	-	22,193,201	22,193,201
Total comprehensive income	-	(4,427,807)	-	(4,427,807)
Balance at 31 December 2014	<u>50,000</u>	<u>(10,862,897)</u>	<u>38,089,104</u>	<u>27,276,207</u>

Capital contribution above relates to contribution made by a related company towards the acquisition of fixed assets by the company.

AL JAZEERA INTERNATIONAL LIMITED**STATEMENT OF CASH FLOWS**
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	£	£
Cash flows from operating activities		
Cash generated from operations 18	845,670	5,265,994
Tax paid	<u>-</u>	<u>158,625</u>
Net cash from operating activities	<u>845,670</u>	<u>5,424,619</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(33,926,699)	(5,519,332)
Sale of tangible fixed assets	2,818	2,258
Interest received	<u>15,045</u>	<u>10,375</u>
Net cash from investing activities	<u>(33,908,836)</u>	<u>(5,506,699)</u>
Cash flows from financing activities		
Proceeds from capital contribution	<u>22,193,201</u>	<u>15,895,903</u>
Net cash from financing activities	<u>22,193,201</u>	<u>13,895,903</u>
(Decrease)/increase in cash and cash equivalents	(10,869,965)	15,813,823
Cash and cash equivalents at beginning of year 19	<u>17,969,862</u>	<u>2,156,039</u>
Cash and cash equivalents at end of year 19	<u>7,099,897</u>	<u>17,969,862</u>

The notes on pages 13 to 26 form part of these financial statements

AL JAZEERA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2014**

1. 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.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2014.

The financial statements are presented in Sterling and all values are rounded to the nearest pound except when otherwise indicated.

The company adopted IFRS in the current year and the effect of transition from UK GAAP to IFRS is shown on page 24.

Revenue recognition

Revenue represents net invoiced sales of services, including 5% mark-up and excluding value added tax. Revenue is entirely derived from activities with companies of the group.

Property, plant and equipment

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

Short leasehold	- 33.3% per annum
Plant and machinery	- 20% per annum
Fixtures and fittings	- 25% per annum
Motor vehicles	- 25% per annum
Computer equipment	- 33% per annum

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Borrowing costs attributable to assets under construction are recognised as an expense.

The carrying values of property, plant, and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively. An item of property, plant, and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognised.

AL JAZEERA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES - continued

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.

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.

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.

AL JAZEERA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES - continued

Research and development

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

Foreign currencies

The functional and presentation currency of Al Jazeera International Limited is Sterling. Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the statement of financial position date. All differences arising on translation are taken to the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue receiving the financial support of Al Jazeera Media 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 near future.

2. EMPLOYEES AND DIRECTORS

	2014	2013
	£	£
Wages and salaries	9,688,019	7,485,697
Social security costs	1,196,391	868,804
Other pension costs	586,628	473,845
	<u>11,471,038</u>	<u>8,828,346</u>

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

	2014	2013
Production	104	104
Administration and finance	<u>26</u>	<u>24</u>
	<u>130</u>	<u>128</u>

	2014	2013
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

AL JAZEERA INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2014**3. NET FINANCE INCOME**

	2014	2013
	£	£
Finance income:		
Deposit account interest	<u>15,045</u>	<u>10,375</u>

4. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging/(crediting):

	2014	2013
	£	£
Cost of inventories recognised as expense	23,511,528	25,364,495
Depreciation - owned assets	2,927,230	481,703
Profit on disposal of fixed assets	-	(2,258)
Auditors' remuneration	<u>50,601</u>	<u>57,699</u>

AL JAZEERA INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2014**5. INCOME TAX****Analysis of tax income**

	2014	2013
	£	£
Current tax:		
Previous under/(over) provision of Corporation Tax	-	(135,542)
Total tax income in statement of comprehensive income	-	(135,542)

Factors affecting the tax expense

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

	2014	2013
	£	£
Loss on ordinary activities before income tax	(4,427,807)	(1,138,328)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.500% (2013 - 23.250%)	(951,979)	(264,661)
Effects of:		
Capital allowances	(1,597,281)	(381,080)
Losses brought forward	(1,265,177)	(1,316,039)
Losses carried forward	3,814,437	1,961,780
Previous provisions written back	-	(135,542)
Income Tax	-	(135,542)

AL JAZEERA INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014****6. PROPERTY, PLANT AND EQUIPMENT**

	Short Leasehold £	Improvements to Property £	Plant and Machinery £	Fixtures and Fittings £	Motor Vehicles £	Computer Equipment £	Total £
COST							
At 1 January 2014	3,379,295	5,455,793	10,147,487	633,720	43,699	720,700	20,380,694
Additions	979,750	-	25,847,814	5,909,948	-	1,189,187	33,926,699
Disposals	-3,379,295	-	-2700	-	-	-118	-3,382,113
Reclassification/transfer	-	(5,455,793)	5,455,793	-	-	-	-
At 31 December 2014	979,750	-	41,448,394	6,543,668	43,699	1,909,769	50,925,280
DEPRECIATION							
At 1 January 2014	3,379,295	-	9,911,758	611,544	40,931	645,755	14,589,283
Charge for year	65,317	-	2,168,999	504,241	2,767	185,906	2,927,230
Eliminated on disposal	-3,379,295	-	-	-	-	-	(3,379,295)
At 31 December 2014	65,317	-	12,080,757	1,115,785	43,698	831,661	14,137,218
NET BOOK VALUE							
At 31 December 2014	914,433	-	29,367,637	5,427,883	1	1,078,108	36,788,062
At 31 December 2013	-	5,455,793	235,729	22,176	2,768	74,945	5,791,411

AL JAZEERA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014



LOANS AND OTHER FINANCIAL ASSETS

	2014	2013
	£	£
1% Capital in Aljazeera Turk	<u>567</u>	<u>567</u>

8. INVENTORIES

	2014	2013
	£	£
Work-in-progress	<u>645,717</u>	<u>1,749,693</u>

AL JAZEERA INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2014**9. TRADE AND OTHER RECEIVABLES**

	2014	2013
	£	£
Current:		
VAT	2,564,103	1,192,049
Amounts due from related companies	62,811	116,782
Called up share capital not paid	50,000	50,000
Prepayments and accrued income	133,381	152,882
Other debtors	33,114	22,275
	<u>2,843,409</u>	<u>1,533,988</u>

10. CALLED UP SHARE CAPITAL

Authorised and issued:		Nominal value:	2014	2013
Number:	Class:		£	£
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

AL JAZEERA INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2014**11. TRADE AND OTHER PAYABLES**

	2014	2013
	£	£
Current:		
Trade creditors	1,290,492	1,388,627
Deferred income	5,911,022	7,264,015
Amounts owed to related party	4,867,472	6,221,614
Accrued expenses	6,917,260	2,308,866
Other accruals	135,449	48,054
	<u>19,121,695</u>	<u>17,231,176</u>

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2014	2013
	£	£
Within one year	1,389,050	1,389,050
Between one and five years	5,556,202	5,556,202
In more than five years	<u>12,501,454</u>	<u>13,890,504</u>
	<u>19,446,706</u>	<u>20,835,756</u>

Operating lease commitments

Commitments under operating leases relate primarily to the rental of office space. Minimum lease rentals payable under non-cancellable operating leases as at 31 December 2014 are as shown above

AL JAZEERA INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2014**13. PROVISIONS**

	2014	2013
	£	£
Provision for dilapidation brought forward	303,532	118,532
Movement during the year	676,218	115,000
	-----	-----
Provision for dilapidation carried forward	<u>979,750</u>	<u>303,532</u>

The provision relates to the company's dilapidation obligations in respect of their new premises at The Shard.

14. CONTINGENT LIABILITIES

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

15. CAPITAL COMMITMENTS

	2014	2013
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>1,900,000</u>

The Capital commitments for prior year related to commitments to acquire fixed assets.

AL JAZEERA INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2014**16. RELATED PARTY DISCLOSURES**

Company's entire revenue is based on services provided to Al Jazeera Media Network, Qatar which is owned by the State of Qatar. The entire share capital of the company is owned by H E The Emir of Qatar, who is also the sovereign head of the State of Qatar.

17. ULTIMATE CONTROLLING PARTY

The Emir of Qatar is the 100% owner of the issued share capital and therefore, the controlling party.

18. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2014	2013
	£	£
Loss before income tax	(4,427,807)	(1,138,328)
Depreciation charges	2,927,232	481,703
Profit on disposal of fixed assets	-	(2,258)
Finance income	(15,045)	(10,375)
	(1,515,620)	(669,258)
Decrease/(increase) in inventories	1,103,976	(1,158,785)
(Increase)/decrease in trade and other receivables	(1,309,421)	1,783,871
Increase in trade and other payables	1,890,519	5,195,166
Provision for dilapidation	676,218	115,000
Cash generated from operations	845,670	5,265,994

19. CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statement of financial position amounts:

Year ended 31 December 2014

	31.12.14	1.1.14
	£	£
Cash and cash equivalents	<u>7,099,897</u>	<u>17,969,862</u>

Year ended 31 December 2013

	31.12.13	1.1.13
	£	£
Cash and cash equivalents	<u>17,969,862</u>	<u>2,156,039</u>

AL JAZEERA INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2014**20. FIRST YEAR ADOPTION OF IFRS**

As stated in note 1, these are the company's first financial statements prepared in accordance with Adopted IFRSs. The accounting policies have been applied in preparing the financial statements for the year ended 31 December 2014, the comparative information presented in these financial statements for the year ended 31 December 2013 and in the preparation of an opening IFRS Statement of Financial Position at 1 January 2013 (the Company's date of transition).

In preparing its opening IFRS Statement of Financial Position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (GAAP). An explanation of how the transition from UK GAAP to adopted IFRSs has affected the Company's financial position and financial performance is set out in the following table.

	1 Jan 2013 UK GAAP	1 Jan 2013 Prior Year Adjustment	1 Jan 2013 UK GAAP Restated	1 Jan 2013 Effect of Transition	1 Jan 2013 Adopted IFRS
	£	£	£	£	£
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	753,782	-	753,782	-	753,782
Loans and other financial assets	567	-	567	-	567
	<u>754,349</u>	<u>-</u>	<u>754,349</u>		<u>754,349</u>
CURRENT ASSETS					
Inventories	590,908	-	590,908	-	590,908
Trade and other receivables	3,340,942	-	3,340,942	-	3,340,942
Cash and cash equivalents	2,156,039	-	2,156,039	-	2,156,039
	<u>6,087,889</u>	<u>-</u>	<u>6,087,889</u>		<u>6,087,889</u>
TOTAL ASSETS	<u>6,842,238</u>	<u>-</u>	<u>6,842,238</u>	<u>-</u>	<u>6,842,238</u>
EQUITY					
SHAREHOLDERS' EQUITY					
Called up share capital	50,000	-	50,000	-	50,000
Capital contribution	-	-	-	-	-
Retained earnings	-6,666,880	1,234,576	-5,432,304	-	-5,432,304
TOTAL EQUITY	<u>-6,616,880</u>	<u>1,234,576</u>	<u>-5,382,304</u>	<u>-</u>	<u>-5,382,304</u>
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	13,270,586	-	12,036,010	-	12,036,010
Provisions	188,532	-	188,532	-	188,532
TOTAL LIABILITIES	<u>13,459,118</u>	<u>1,234,576</u>	<u>12,224,542</u>	<u>-</u>	<u>12,224,542</u>
TOTAL EQUITY AND LIABILITIES	<u>6,842,238</u>	<u>1,234,576</u>	<u>6,842,238</u>	<u>-</u>	<u>6,842,238</u>

AL JAZEERA INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2014**20. FIRST YEAR ADOPTION OF IFRScontinued**

	31 Dec 2013 UK GAAP	31 Dec 2013 Prior Year Adjustment	31 Dec 2013 UK GAAP Restated £	31 Dec 2013 Effect of Transition £	31 Dec 2013 Adopted IFRS £
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5,791,411	-	5,791,411	-	5,791,411
Loans and other financial assets	567	-	567	-	567
	<u>5,791,978</u>	<u>-</u>	<u>5,791,978</u>	<u>-</u>	<u>5,791,978</u>
CURRENT ASSETS					
Inventories	1,749,693	-	1,749,693	-	1,749,693
Trade and other receivables	1,533,988	-	1,533,988	-	1,533,988
Cash and cash equivalents	17,969,862	-	17,969,862	-	17,969,862
	<u>21,253,543</u>	<u>-</u>	<u>21,253,543</u>	<u>-</u>	<u>21,253,543</u>
TOTAL ASSETS	<u>27,045,521</u>	<u>-</u>	<u>27,045,521</u>	<u>-</u>	<u>27,045,521</u>
EQUITY					
SHAREHOLDERS' EQUITY					
Called up share capital	50,000	-	50,000	-	50,000
Capital contribution	-	15,895,903	15,895,903	-	15,895,903
Retained earnings	10,628,155	-17,202,149	-6,573,994	138,904	-6,435,090
TOTAL EQUITY	<u>10,678,155</u>	<u>-1,306,246</u>	<u>9,371,909</u>	<u>138,904</u>	<u>9,510,813</u>
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	16,063,834	-1,306,246	17,370,080	-138,904	17,231,176
Provisions	303,532	-	303,532	-	303,532
TOTAL LIABILITIES	<u>16,367,366</u>	<u>-1,306,246</u>	<u>17,673,612</u>	<u>-138,904</u>	<u>17,534,708</u>
TOTAL EQUITY AND LIABILITIES	<u>27,045,521</u>	<u>-</u>	<u>27,045,521</u>	<u>-</u>	<u>27,045,521</u>

AL JAZEERA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

20. FIRST YEAR ADOPTION OF IFRScontinued

Prior year adjustment

Prior year adjustment relates to the following adjustments made to previous years:

	2014 £	2013 £
Transfer of revenue to capital contribution reserve (a)	15,895,903	-
Transfer pricing adjustment 2013 (b)	(1,414,892)	-
Transfer pricing adjustment 2012 (b)	(1,234,578)	(1,234,576)
Reversal of accrual 2013 (c)	(138,905)	-
Adjustment to deferred income (d)	3,955,715	-
	<u>£ 17,063,245</u>	<u>£ (1,234,576)</u>

(a) Transfer of revenue to capital contribution has arisen to correctly recognise contribution from a related party as capital, which was previously recognised as income.

(b) Transfer pricing adjustment reflects the adding of a mark-up of 5% to services provided to related companies. Previously, no mark-up had been accounted for.

(c) Reversal of accrual relating to free-rent period is an adjustment that has arisen on adopting IFRS for the first time (as stated on page 24)

(d) Adjustment of deferred income relates to amounts received in advance of services being provided, which previously used to be shown as advance from related party, now shown as deferred income