JimJam Television Limited

Directors' report and financial statements

Registered number 05689135

31 December 2012

Contents

Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2012

Principal activities

The principal activity of the company is the operation and distribution to cable and satellite companies of the JimJam TV channel

Results and business review

The results for the year are set out on page 4 of these financial statements The directors do not recommend payment of a dividend (2011 £nil)

An interim dividend of £242,679 was received from Polsat JimJam a joint venture which JimJam Television has a 50% stake in on 9 May 2012 Polsat JimJam paid a further final dividend of £283,125 on 21 November 2012

Business Review
As discussed above, the principal activity of the company is the operation and distribution to cable and satellite companies of the JimJam TV Channel, throughout Europe, Africa, the Middle East and Asia

Principle risks and uncertainties
The Company may be adversely affected by downturns in the general economic conditions or during periods of economic recession Fluctuations in currency exchange rates in the countries where we operate may also adversely affect our results The impact of these items could have a material adverse effect on our investments by impacting the results of their operations

Directors

The directors who held office during the year and to the date of this report were as follows
T Gugenheim
C Sharp
D Shortt

Political and charitable contributions
The company made no political or charitable contributions during the year (2011 £nil)

Disclosure of information to 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 auditors are 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 auditors are aware of that information

Auditor
Pursuant to a shareholders resolution the company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office

On behalf of the board

D Shortt
Director

105-109 Salusbury Road
London
NW6 6RG
26th September 2013

Statement of Directors' responsibilities in respect of the Directors' 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 proper 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 its financial statements comply with the Companies Act 2006 They 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 members of JimJam Television Limited

We have audited the financial statements of JimJam Television Limited for the year ended 31 December 2012 set out on pages 4 to 14 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 web-site at www frc org uk/auditscopeukprivate

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Steve Masters

27 September 2013

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

Profit and loss account

for the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	2	8,248,413	8,253,123
Cost of sales		(3,883,511)	(4,221,633)
Gross profit		4,364,902	4,031,490
Administrative expenses		(1,145,384)	(1,308,879)
Operating profit		3,219,518	2,722,611
Dividend received		525,804	263,089
Interest payable and similar charges	4	51,725	(65,218)
Profit on ordinary activities before taxation	3	3,797,047	2,920,482
Taxation on profit on ordinary activities	7	(357,017)	(732,875)
Profit for the year	14	3,440,030	2,187,607

All of the above results are from continuing operations

The company had no recognised gains or losses other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 6 to 14 form an integral part of this profit and loss account

Balance sheet
as at 31 December 2012

	Notes		2012		2011
			£		£
Fixed assets					
Tangible assets	*8*		23,105		42,380
Investments	*9*		1,546,385		1,546,385
Current assets					
Programme inventory	*10*	5,012,369		5,106,419	
Debtors	*11*	11,857,177		10,326,807	
Cash at bank in hand		284,649		-	
		17,154,195		15,433,226	
Creditors amounts falling due within one year	*12*	(6,172,534)		(7,910,870)	
Net current assets			10,981,661		7,522,356
Total assets less current liabilities			12,551,151		9,111,121
Net assets			12,551,151		9,111,121
Capital and reserves					
Called up share capital	*13*		1		1
Capital Contribution	*15*		4,226,790		4,226,790
Profit and loss account	*14*		8,324,360		4,884,330
Shareholder's funds	*15*		12,551,151		9,111,121

These financial statements were approved by the board of directors on 26th September 2013, and signed on its behalf by

D Shortt
Director

The notes on pages 6 to 14 form an integral part of this balance sheet

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors' Report on page 1 The directors consider that the Company has access to sufficient funding to meet its needs for the reasons set out below Accordingly, the directors have prepared the financial statements on a going concern basis The company is expected to continue to generate positive cash flows on its own account for the foreseeable future The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries The directors, having assessed the responses of the directors of the company's parent Chellomedia Programming Finance Holdco BV to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Jim Jam group to continue as a going concern or its ability to continue with the current banking arrangements On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Jim Jam Television Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

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

Under FRS 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking, Liberty Global Inc includes the wholly owned company in its own published consolidated financial statements

The company has control over Polsat JimJam, a joint venture in which it has a 50% stake The company is exempt by virtue of section 401 of the companies Act 2006 from the requirement to prepare group accounts as the company is included in the consolidated accounts of is ultimate holding company Liberty Global Inc, a company incorporated in the USA These financial statements present information about the company as an individual undertaking and not about its group

Under FRS8, the Company is exempt from disclosing transactions entered into between members of the group given that it is a wholly owned subsidiary of the group

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and gains or losses on translation are included in the profit and loss account

Notes *(continued)*

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful lives at the following rates

Plant and machinery - 4 years

Investments

Investments are stated at cost less any impairment

Programme inventory

Programme inventory comprises fees paid and payable for film licenses, film distribution rights, and broadcasting rights for television programmes Programme inventory is stated at cost less any provision for impairment, less accumulated amortisation

Amortisation is provided to write off the cost of the programme inventory over the period of the license

The company's policy relating to dubbing and subtitling of programmes is to capitalise such costs within programming inventory and amortise them over a period of three years

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 Deferred Tax

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers and revenue is recognised on transmission

Notes *(continued)*

2 Turnover

	2012	2011
	£	£
By geographical market		
Europe	7,914,782	7,835,820
Asia	333,631	417,303
	8,248,413	**8,253,123**

3 Notes to the profit and loss account

	2012	2011
	£	£
Profit on ordinary activities before taxation is stated		
After charging:		
Depreciation on tangible assets	19,275	26,159
Programme inventory amortisation	1,152,844	780,457
Exchange Loss/ (gain)	(79,215)	41,651

The cost of auditor's remuneration of £12,609 for the year ended 31 December 2012 *(2011 £10,300)* has been borne by Zonemedia Management Limited, a fellow subsidiary of Liberty Global Inc

Notes *(continued)*

4 Interest payable and similar charges

	2012	2011
	£	£
On bank loans and overdrafts	27,490	23,567
Net exchange losses/(gains)	(79.215)	41,651
	(51,725)	65,218

5 Staff numbers and costs

The company employed no staff during the period *(2011 £nil)*

6 Directors' remuneration

The cost of directors' remuneration has been borne by Zonemedia Management Limited, a fellow subsidiary of Liberty Global Inc, and therefore no costs have been incurred in the year *(2011 £nil)*

Notes *(continued)*

7 Taxation

Analysis of tax charge in the year

	2012	2011
	£	£
Current tax on income for the year	806,178	711,347
Adjustments in respect of prior periods	(445,186)	22,875
Total Current Tax	360,992	734,222
Deferred tax credit	(3,975)	(1,347)
Total tax charge	357,017	732,875

Factors affecting the tax charge for the current year
The current tax charge for the period is lower (2011 lower) than the standard rate of corporation tax in the UK of 24 5% (2011 26 5%) Differences are explained below

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively This will reduce the company's future current tax charge accordingly The deferred tax asset at 31 December 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement The reductions to 21% and 20% were substantively enacted on 17 July 2013 It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly

	2012	2011
	£	£
Current tax reconciliation		
Profit on ordinary activities before tax	3,797,047	2,920,482
Current tax at 24 5% *(2011 26 5%)*	930,277	773,928
Effects of		
Permanent timing differences	(128,822)	(69,718)
Fixed asset timing differences	4,723	6,932
Group relief	(528,237)	(419,716)
Group relief compensation	528,237	419,716
Prior period adjustment	(445,186)	22,875
Other	-	205
Total current tax charge	360,992	734,222

Notes *(continued)*

8 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2012	109,357
Additions/Disposals	-
At 31 December 2012	109,357
Depreciation	
At 1 January 2012	66,977
Charge for the year	19,275
At 31 December 2012	86,252
Net book value	
At 31 December 2012	23,105
At 31 December 2011	42,380

9 Investments

	Investments £
Cost	
At 1 January 2012	1,546,385
Additions	-
At 31 December 2012	1,546,385

The investment comprises of the 50% stake in Polsat JimJam Limited, this was purchased from a fellow subsidiary JimJam CEE Limited on 27th January 2011

Notes *(continued)*

10 Programme inventory

	2012	2011
	£	£
Programme licence fee costs	4,564,930	4,345,132
Capitalised programme costs	447,439	761,287
	5,012,369	5,106,419

11 Debtors

	2012	2011
	£	£
Trade debtors	1,047,022	847,532
Prepayments and accrued income	808,614	729,914
Amounts owed by other entities under common control	9,624,756	8,503,966
Amounts owed by group undertakings	281,692	239,686
Taxation and social security	87,629	2,238
Deferred tax asset	7,446	3,471
	11,857,159	10,326,807

12 Creditors: amounts falling due within one year

	2012	2011
	£	£
Trade creditors	47,976	439 675
Taxation and social security	1,277	19,000
Accruals and deferred income	2,341,390	2,577,205
Amounts owed to group undertakings	3,781,891	4,720,249
Bank overdraft	-	154,741
	6,172,534	7,910,870

Notes *(continued)*

13 Share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

14 Profit and loss account

	2012	2011
	£	£
At the beginning of the year	4,884,330	2,696,723
Profit for the year	3,440,030	2,187,607
At the end of the year	8,324,360	4,884,330

15 Reconciliation of movements in shareholders' funds

	Share Capital	Capital Contribution Reserve	Profit & Loss Account	Total
	£	£	£	£
At beginning of year	1	4,226,790	4,884,330	9,111,121
Profit for the year	-	-	3,440,030	3,440,030
At end of year	1	4,226,790	8,324,360	12,551,151

On 7th July 2010, the capital contribution reserve arose on the acquisition by Chellomedia Programming Finance Holdco BV of HIT UK's 40% shareholding in the immediate parent company, Zone Kids Limited

Notes *(continued)*

16 Related party transactions

On 21st December 2012 JimJam CEE Limited paid a dividend of £2,291,213 to Zone Kids limited The dividend has been settled by way of reassigning £2,291,213 loan receivable from Jim Jam TV Limited to Zone Kids Limited on 21st December 2012

The ultimate parent undertaking at 31 December 2012 was Liberty Global Inc , a company incorporated in Denver USA The consolidated accounts of this group can be obtained from 12300 Liberty Boulevard, Englewood, CO 80112

The company's immediate parent company in the United Kingdom is Zone Kids Limited, which is exempt from the requirement to prepare consolidated group accounts under Section 401 of the Companies Act 2006

On 7 June 2013, Liberty Global Inc moved its domicile from the United States to the United Kingdom and became a subsidiary undertaking of a new parent company, Liberty Global Plc As of that date, Liberty Global Plc has therefore become the new ultimate parent undertaking of JimJam Television Limited