JimJam Television Limited

Directors' report and financial statements

Registered number 05689135

31 December 2008

Contents

Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2008.

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 5 of these financial statements. The directors do not recommend payment of a dividend (2007 : £nil).

Based on its size, the Company has met the requirements of the Companies Act 1985, to obtain the exemption from the presentation of an enhanced business review.

Directors

The directors who held office during the year and to the date of this report were as follows:

T Gugenheim	
A Homewood	
C Sharp	
D Shortt	
B Steinberg	(resigned 6 March 2008)
J Dunn	(appointed 6 March 2008)

Political and charitable contributions

The company made no political or charitable contributions during the year (2007: £nil).

Disclosure of information to auditors

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.

Auditors

Pursuant to a shareholders resolution the company is not obliged to reappoint it's 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

23rd Sept 2009

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).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 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 1985. 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.

KPMG

KPMG LLP

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the members of JimJam Television Limited

We have audited the financial statements of JimJam Television Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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.

Independent auditors' report to the members of JimJam Television Limited
(continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

25 September 2009

Profit and loss account
for the year ended 31 December 2008

	Note	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Turnover	*2*	2,556,047	1,541,939
Cost of sales		(1,118,319)	(399,773)
Gross profit		1,437,728	1,142,166
Administrative expenses		(852,265)	(150,143)
Operating profit		585,463	992,023
Interest receivable and similar income	*4*	2,064	-
Interest payable and similar charges	*5*	(134,403)	(373,946)
Profit on ordinary activities before taxation	*3*	453,124	618,077
Taxation on profit on ordinary activities	*8*	(182,725)	(185,151)
Profit for the year	*14*	270,399	432,926

All of the above results are from continuing operations.

The historical cost profits in the current and prior period are the same as those stated above.

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 7 to 13 form an integral part of this profit and loss account.

Balance sheet
as at 31 December 2008

	Notes		**31 December 2008**		**31 December 2007**
			£		**£**
Fixed assets					
Tangible assets	*9*		24,332		15,217
Current assets					
Programme inventory	*10*	1,514,416		370,514	
Debtors	*11*	1,467,267		519,534	
Cash at bank in hand		-		278,968	
		2,981,683		1,169,016	
Creditors: amounts falling due within one year	*12*	(2,252,233)		(700,850)	
Net current assets			729,450		468,166
Total assets less current liabilities			753,782		483,383
Net assets			753,782		483,383
Capital and reserves					
Called up share capital	*13*		1		1
Profit and loss account	*14*		753,781		483,382
Shareholder's funds	*15*		753,782		483,383

These financial statements were approved by the board of directors on 23rd Sept 2009, and signed on its behalf by:

D Shortt
Director

The notes on pages 7 to 13 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 financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

Under Financial Reporting Standard (FRS) 1 Cash Flow Statements, the company is exempt from producing a cash flow statement on the grounds that its parent undertaking, Liberty Global Inc. includes it in its own consolidated cash flow statement.

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.

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

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 on a transmission basis or 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.

Notes *(continued)*

1 Accounting policies *(continued)*

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, 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 goods or services to customers and revenue is recognised on transmission.

2 Analysis of turnover

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
By geographical market		
Europe	2,556,047	1,541,939

3 Profit on ordinary activities before taxation

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation on tangible assets	8,064	2,596
Programme inventory amortisation	308,562	377,427
Exchange Loss	108,515	356,207

The cost of auditors' remuneration of £8,000 for the year ended 31 December 2008 *(2007:£5,000)* has been borne by Zonemedia Management Limited, a fellow subsidiary of Liberty Global Inc. Zonemedia Management Limited recharges these costs via a management service agreement (see note 16).

Notes *(continued)*

4 Interest receivable and similar income

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Bank interest	2,064	-

5 Interest payable and similar charges

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
On bank loans and overdrafts	25,888	-
On director's loans	-	17,739
Net exchange losses	108,515	356,207
	134,403	373,946

6 Staff numbers and costs

The average number of persons employed by the company, including directors, during the year, analysed by category, was as follows:

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Directors	5	2
Administration	-	2
	5	4

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Wages and salaries	-	33,127
Social security costs	-	3,114
	-	36,241

The company was acquired by Zone Kids Limited on 24 September 2007, the staff contracts were terminated at this time. Since then the cost of staff has been borne by Zonemedia Management Limited a fellow subsidiary of Liberty Global Inc, and therefore no costs have been incurred in the period. Zonemedia Management Limited recharges for these costs via a management services agreement (see note 16).

Notes *(continued)*

7 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 period *(2007: nil)*. Zonemedia Management Limited recharges for these costs via a management services agreement (see note 16).

8 Taxation

Analysis of tax charge in the year

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Current tax charge	182,725	185,151
Total current tax charge and total tax charge	182,725	185,151

Factors affecting the tax charge for the current year
The current tax charge for the year is higher (*2007: lower*) than the standard rate of corporation tax in the UK of 28.5% (*2007: 30%*). The differences are explained below.

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Current tax reconciliation		
Profit on ordinary activities before tax	453,124	618,077
Current tax at 28.5% *(2007: 30%)*	129,140	185,423
Effects of:		
Expenses not deductible for taxation purposes	5,421	-
Depreciation/(Accelerated Capital Allowances)	2,298	(272)
Prior period adjustment	45,866	-
Total current tax charge	182,725	185,151

There is no deferred tax.

Notes *(continued)*

9 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2008	19,538
Additions	17,179
At 31 December 2008	36,717
Depreciation	
At 1 January 2008	4,321
Charge for the year	8,064
At 31 December 2008	12,385
Net book value	
At 31 December 2008	24,332
At 31 December 2007	15,217

10 Programme inventory

	31 December 2008 £	31 December 2007 £
Programme licence fee costs	1,177,608	341,298
Capitalised programme costs	336,808	29,216
	1,514,416	370,514

11 Debtors

	31 December 2008 £	31 December 2007 £
Trade debtors	198,616	99,687
Prepayments and accrued income	797,920	419,847
Amounts owed by group undertakings	455,821	-
Taxation and social security	14,910	-
	1,467,267	519,534

Notes *(continued)*

12 Creditors: amounts falling due within one year

	31 December 2008 £	31 December 2007 £
Trade creditors	41,363	95,113
Taxation and Social Security	-	94,440
Accruals and deferred income	917,507	277,373
Amounts owed to group undertakings	1,268,788	233,924
Bank overdraft	24,575	-
	2,252,233	700,850

13 Share capital

	31 December 2008 £	31 December 2007 £
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

14 Profit and loss account

	31 December 2008 £	31 December 2007 £
At the beginning of the year	483,382	50,456
Profit for the year	270,399	432,926
At the end of the year	753,781	483,382

Notes *(continued)*

15 Reconciliation of movements in shareholders' funds

	31 December 2008 £	31 December 2007 £
At the beginning of the year	483,382	50,456
Profit for the year	270,399	432,926
At the end of the year	753,781	483,382

16 Related party transactions

The company is a wholly owned subsidiary of Zone Kids Limited which is jointly owned by Chellomedia Programming Financing Holdco BV ('CMPH') and HIT Entertainment Limited. Ultimately the Directors consider that Zone Kids Limited is controlled by CMPH whose ultimate parent undertaking is Liberty Global Inc (see note 17). The company undertook the following related party transactions with companies that form part of the group.

	Value of transactions during the period 2008 £	Receivable/ (payable) at period end 2008 £
Transactions with Liberty Global Inc and it's subsidiaries:		
Charges for services provided to JimJam CEE Limited	(392,731)	392,731
Charges for services provided to Zone Kids Limited	(63,090)	63,090
Charges for services provided to Zonemedia Management Limited	1,268,788	(1,268,788)
Total amount receivable/payable		(812,967)

There were no other related party transactions.

17 Immediate and ultimate parent undertaking

The company is a subsidiary undertaking of Zone Kids Limited, a company registered in England and Wales. The ultimate parent undertaking at 31 December 2008 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 ultimate parent company in the United Kingdom is Zone Kids Limited, which is exempt from the requirement to prepare consolidated group accounts under Section 228A of the Companies Act 1985 as it and its subsidiary undertakings are included in the consolidated accounts of a parent company. Zone Kids Limited's ultimate parent company is Liberty Global Inc., and those accounts and group annual report are drawn up in accordance with provisions of the Seventh Directive (83/349/EEC) or in a manner equivalent to consolidated accounts and consolidated annual reports so drawn up. The consolidated financial statements and consolidated annual report have been filed along with these accounts, and can be obtained from Michelin House, 81 Fulham Road, London SW3 6RD.