

JimJam Television Limited

Annual report and financial statements

Registered number 05689135

31 December 2013



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Strategic report

The directors present their Strategic report on the Company for the year ended 31 December 2013.

Business overview

JimJam Television Limited operates and distributes the JimJam TV channel to cable and satellite companies throughout Europe, Africa, the Middle East and Asia.

Results and business review

The results of the Company for the period ended 31 December 2013, as set out on page 5, show a profit on ordinary activities before taxation of £3,560,689 (2012: £3,797,047).

The key measure of business performance is operating profit, which has increased by £122,748 from 2012, and is a profit of £3,342,266. This is mainly driven by greater activity in the African and Asia markets.

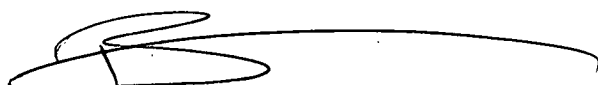
A dividend of £512,890 was received from Polsat JimJam a joint venture which JimJam Television has a 50% stake in on 29 May 2013. A further dividend of £499,405 from this joint venture was received on 29 January 2014.

Business environment

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.

Key Performance Indicators ('KPIs')

	Year ended 31 December 2013 £	Year ended 31 December 2012 £	
Turnover	8,704,507	8,248,413	Total turnover
Gross profit	4,517,150	4,364,902	Turnover less Cost of Sales
Gross profit %	52%	53%	Percentage of Gross profit to Turnover
Operating profit	3,342,266	3,219,518	Profit before interest and taxes
Return on capital employed	20.40%	25.65%	Operating profit for the period in relation to shareholders' funds
Subscriber numbers	15,036,644	13,316,980	Number of subscribers



D Shortt
Director

105-109 Salusbury Road
 London
 NW6 6RG
 25th September 2014

Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2013.

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 (2012: £nil).

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 (2012: £nil).

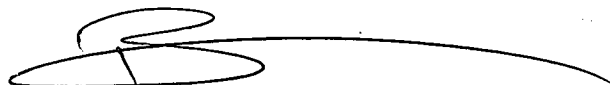
Disclosure of information to auditor

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 auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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

On behalf of the board



D Shortt
Director

105-109 Salusbury Road
London
NW6 6RG
25th September 2014

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 2013 set out on pages 5 to 15. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 2013 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 Strategic Report and 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.



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

25th September 2014

Profit and loss account
for the year ended 31 December 2013

		2013 £	2012 £
Turnover	2	8,704,507	8,248,413
Cost of sales		<u>(4,187,357)</u>	<u>(3,883,511)</u>
Gross profit		4,517,150	4,364,902
Administrative expenses		<u>(1,174,884)</u>	<u>(1,145,384)</u>
Operating profit		3,342,266	3,219,518
Dividend received		512,890	525,804
Interest payable and similar charges	4	<u>(294,467)</u>	<u>51,725</u>
Profit on ordinary activities before taxation	3	3,560,689	3,797,047
Taxation on profit on ordinary activities	7	274,739	(357,017)
Profit for the year	14	<u><u>3,835,428</u></u>	<u><u>3,440,030</u></u>

All of the above results are from continuing operations.

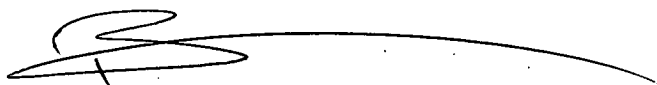
The company had no recognised gains or losses other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 7 to 15 form an integral part of this profit and loss account.

Balance sheet
as at 31 December 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	8	8,788	23,105
Investments	9	1,546,385	1,546,385
Current assets			
Programme inventory	10	4,354,733	5,012,369
Debtors	11	16,670,119	11,857,177
Cash at bank in hand		466,246	284,649
		<u>21,491,098</u>	<u>17,154,195</u>
Creditors: amounts falling due within one year	12	<u>(6,659,692)</u>	<u>(6,172,534)</u>
Net current assets		<u>14,831,406</u>	<u>10,981,661</u>
Total assets less current liabilities		<u>16,386,579</u>	<u>12,551,151</u>
Net assets		<u><u>16,386,579</u></u>	<u><u>12,551,151</u></u>
Capital and reserves			
Called up share capital	13	1	1
Capital Contribution	15	4,226,790	4,226,790
Profit and loss account	14	<u>12,159,788</u>	<u>8,324,360</u>
Shareholder's funds	15	<u><u>16,386,579</u></u>	<u><u>12,551,151</u></u>

These financial statements were approved by the board of directors on 25th September 2014,
and signed on its behalf by:



D Shortt
Director

The notes on pages 7 to 15 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 Strategic 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 Plc. 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 its ultimate holding company Liberty Global Plc, a company incorporated in the UK. 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

	2013	2012
	£	£
<i>By geographical market</i>		
Europe	7,920,655	7,914,782
Asia	423,302	333,631
Africa	346,356	-
Other	14,194	-
	<u>8,704,507</u>	<u>8,248,413</u>

3 Notes to the profit and loss account

	2013	2012
	£	£
<i>Profit on ordinary activities before taxation is stated</i>		
<i>After charging:</i>		
Depreciation on tangible assets	14,317	19,275
Programme inventory amortisation	1,354,115	1,152,844
Exchange Loss/ (gain)	294,510	(79,215)

The cost of auditor's remuneration of £10,289 for the year ended 31 December 2013 (2012:£12,609) has been borne by Zonemedia Management Limited, a fellow subsidiary of Liberty Global Plc.

Notes (continued)

4 Interest payable and similar charges

	2013 £	2012 £
On bank loans and overdrafts	(43)	27,490
Net exchange losses/(gains)	294,510	(79,215)
	<u>294,467</u>	<u>(51,725)</u>

5 Staff numbers and costs

The company employed no staff during the period (2012: *£nil*).

6 Directors' remuneration

The cost of directors' remuneration has been borne by Zonemedia Management Limited, a fellow subsidiary of Liberty Global Plc, and therefore no costs have been incurred in the year (2012: *£nil*).

Notes (continued)

7 Taxation

Factors affecting the tax charge for the current year

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2013 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

Analysis of tax charge in the year

	2013 £	2012 £
Current tax on income for the year	255,757	806,178
Adjustments in respect of prior periods	<u>(530,293)</u>	<u>(445,186)</u>
Total current tax (credit)/charge	(274,536)	360,992
Deferred tax credit	<u>(203)</u>	<u>(3,975)</u>
Total tax (credit)/charge	<u><u>(274,739)</u></u>	<u><u>357,017</u></u>

	2013 £	2012 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	<u>3,560,689</u>	<u>3,797,047</u>
Current tax at 23.25% (2012: 24.5%)	827,860	930,277
<i>Effects of:</i>		
Permanent timing differences	(119,247)	(128,822)
Fixed asset timing differences	3,329	4,723
Group relief	(456,185)	(528,237)
Group relief compensation	-	528,237
Prior period adjustment	(530,293)	(445,186)
Other	-	-
Total current tax (credit)/charge	<u><u>(274,536)</u></u>	<u><u>360,992</u></u>

Notes (continued)

8 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2013	109,357
Additions/Disposals	<u>-</u>
At 31 December 2013	<u>109,357</u>
Depreciation	
At 1 January 2013	86,252
Charge for the year	<u>14,317</u>
At 31 December 2013	<u>100,569</u>
Net book value	
At 31 December 2013	<u>8,788</u>
At 31 December 2012	<u>23,105</u>

9 Investments

	Investments £
Cost	
At 1 January 2013	1,546,385
Additions	<u>-</u>
At 31 December 2013	<u>1,546,385</u>

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

	2013	2012
	£	£
Programme licence fee costs	3,697,170	4,564,930
Capitalised programme costs	657,563	447,439
	<u>4,354,733</u>	<u>5,012,369</u>

11 Debtors

	2013	2012
	£	£
Trade debtors	1,536,437	1,047,022
Prepayments and accrued income	888,442	808,614
Amounts owed by other entities under common control	13,964,498	9,624,756
Amounts owed by group undertakings	266,588	281,692
Taxation and social security	6,505	87,647
Deferred tax asset	7,649	7,446
	<u>16,670,119</u>	<u>11,857,177</u>

12 Creditors: amounts falling due within one year

	2012	2011
	£	£
Trade creditors	32,844	47,976
Taxation and social security	977	1,277
Accruals and deferred income	2,220,701	2,341,390
Amounts owed to group undertakings	4,405,170	3,781,891
Bank overdraft	-	-
	<u>6,659,692</u>	<u>6,172,534</u>

Notes (continued)

13 Share capital

	2013 £	2012 £
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

14 Profit and loss account

	2013 £	2012 £
At the beginning of the year	8,324,360	4,884,330
Profit for the year	<u>3,835,428</u>	<u>3,440,030</u>
At the end of the year	<u>12,159,788</u>	<u>8,324,360</u>

15 Reconciliation of movements in shareholders' funds

	Share Capital £	Capital Contribution Reserve £	Profit & Loss Account £	Total £
At beginning of year	1	4,226,790	8,324,360	12,551,151
Profit for the year	-	-	3,835,428	3,835,428
At end of year	<u>1</u>	<u>4,226,790</u>	<u>12,159,788</u>	<u>16,386,579</u>

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

The ultimate parent undertaking at 31 December 2013 was Liberty Global Plc., a company incorporated in the UK. 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 38 Hans Crescent, London SW1X 0LZ, United Kingdom.

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.

17 Subsequent Events

On 29 January 2014 a dividend of £499,405 was received from Polsat JimJam a joint venture which JimJam Television has a 50% stake in.

On 31 January 2014 Liberty Global plc sold Chello Zone Holdings Ltd, of which JimJam Television Limited was a subsidiary, to AMC Networks Inc. On this date AMC Networks Inc. became the ultimate parent undertaking of JimJam Television Limited.