

JimJam Television Limited

Annual report and financial statements

Registered number 05689135

31 December 2017



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Strategic Report

The directors present their Strategic Report on JimJam Television Limited ("the Company") for the year ended 31 December 2017.

Principal activities

JimJam Television Limited operates and distributes the JimJam TV channel to cable and satellite companies throughout Europe, Africa and the Middle East. JimJam TV ceased distribution of content to Italy in May 2015.

Results and business review

The results of the Company for the year ended 31 December 2017, as set out on page 6, show a profit on ordinary activities before tax of £2,151,000 (2016: profit of £4,437,000). As at 31 December 2017 Shareholder funds were £22,323,000 (2016: £22,733,000).

Principal 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.

In particular the recent fluctuation in exchange rates as a result of the Brexit will effect the results of the company as the functional currency of the company is in Pounds but a number of affiliate revenue contracts are in Euros.

Strategy

The key strategy is to increase distribution of the channel portfolio in order to increase viewership and therefore broadcasting subscription and advertising revenues.

Future developments

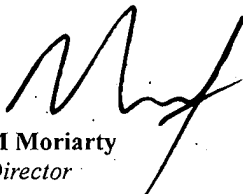
JimJam Television Limited is looking to acquire 100% of Polsat JimJam Limited through the purchase of Telewizja Sp z o.o 50% share.

Key Performance Indicators ('KPIs')

The directors monitor the progress of the Company by reference to the following KPIs -

	2017 £000	2016 £000	
Turnover	5,865	5,877	Total Turnover
Gross profit	2,983	3,432	Turnover less cost of sales
Gross profit %	51%	58%	Gross profit as a % of Turnover
Operating profit	2,223	2,697	Profit before interest and taxes
Return on capital employed %	10%	12%	Operating profit for the year in relation to Shareholders' funds

By order of the Board


M Moriarty
Director

111 Salusbury Road
London
NW6 6RG
30 August 2018

Directors' Report

The directors of the Company present their report on JimJam Television Limited for the year ended 31 December 2017.

Directors

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

T Gugenheim (resigned 1 January 2017)
C Sharp (resigned 1 January 2017)
M Moriarty
R A Wiltens
L Malnay (appointed 1 January 2017)

Proposed dividend

The directors do not recommend the payment of a dividend (2016: £nil).

Political and charitable contributions

The Company made no political or charitable contributions during the year (2016: £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/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

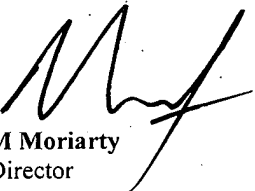
Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 1.

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


M Moriarty
Director

111 Salusbury Road
London
NW6 6RG
30 August 2018

Statement of Directors' responsibilities in respect of the Strategic report, 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), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 ("the company") for the year ended 31st December 2017 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity, cash flow statement, and related notes.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of JimJam Television Limited (*continued*)

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at <http://www.frc.org.uk/auditorsresponsibilities>.

The purpose of our audit work and to whom we owe our responsibilities

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.

Andrew Turner (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London, E14 5GL

30 August 2018

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2017

	<i>Note</i>	2017 £000	2016 £000
Turnover	2	5,865	5,877
Cost of sales		(2,882)	(2,445)
Gross profit		2,983	3,432
Administrative expenses		(760)	(735)
Operating profit	3	2,223	2,697
Interest receivable and similar income	4	-	1,740
Interest payable and similar charges	5	(72)	-
Profit before taxation		2,151	4,437
Tax on profit	9	(61)	(73)
Profit for the financial year		2,090	4,364
Other comprehensive income		-	-
Total comprehensive income for the financial year		2,090	4,364

The accompanying notes on pages 9 to 17 are an integral part of this financial statement.

All results are generated from continuing operations.

Balance Sheet
at 31 December 2017

	Note	£000	2017 £000	£000	2016 £000
Fixed assets					
Investments	10		1,546		1,546
			<u>1,546</u>		<u>1,546</u>
Current assets					
Programme inventory (including £1.5m long term assets, 2016: £2.5m)		2,863		3,883	
Debtors	11	20,245		20,299	
Cash at bank and in hand		1,683		1,475	
		<u>24,791</u>		<u>25,657</u>	
Creditors: amounts falling due within one year	13	<u>(4,014)</u>		<u>(4,470)</u>	
Net current assets			<u>20,777</u>		<u>21,187</u>
Total assets less current liabilities			<u>22,323</u>		<u>22,733</u>
Net assets			<u><u>22,323</u></u>		<u><u>22,733</u></u>
Capital and reserves					
Capital contribution			4,227		4,227
Profit and loss account			18,096		18,506
Shareholders' funds			<u><u>22,323</u></u>		<u><u>22,733</u></u>

The accompanying notes on pages 9 to 17 are an integral part of this financial statement.

These financial statements were approved by the board of directors on 30 August 2018 and were signed on its behalf by:


M Moriarty
Director

111 Salusbury Road
London
NW6 6RG

Company registered number: 05689135

Statement of Changes in Equity

	Called up share capital £000	Profit and loss account £000	Capital contribution £000	Total equity £000
Balance at 1 January 2016	-	14,142	4,227	18,369
Profit for the year	-	4,364	-	4,364
Total comprehensive income for the year	-	4,364	-	4,364
Balance at 31 December 2016	-	18,506	4,227	22,733

	Called up share capital £000	Profit and loss account £000	Capital contribution £000	Total equity £000
Balance at 1 January 2017	-	18,506	4,227	22,733
Profit for the year	-	2,090	-	2,090
Total comprehensive income for the year	-	2,090	-	2,090
Dividend	-	(2,500)	-	(2,500)
Total contributions by and distributions to owners	-	(2,500)	-	(2,500)
Balance at 31 December 2017	-	18,096	4,227	22,323

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.

During the year JimJam Television Limited made a dividend payment of £2,500,000 (2016: £nil) to parent company AMC Networks International Kids Limited.

The accompanying notes on pages 9 to 17 are an integral part of this financial statement.

Notes

1 Accounting policies

JimJam Television Limited is a company limited by shares and incorporated and domiciled in the UK.

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 AMC Networks Inc, a company incorporated in the United States of America. These financial statements present information about the company as an individual undertaking and not about its group.

Under Part 15 and Chapter 1 of Part 16 of the Companies Act 2006 the Company is required to prepare and have audited an annual report and financial statements. Under the Companies Act, the Company has the choice whether their financial statements are prepared under that applicable law and either UK Accounting Standards (UK Generally Accepted Accounting Practice) or International Financial Reporting Standards (IFRSs) as adopted by the EU. The Company has decided to apply UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is Pound Sterling. All amounts have been rounded to the nearest £1,000.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company did not retrospectively changed its accounting under old UK GAAP for accounting estimates.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions were taken in the prior year financial statements:

- Business combinations - Business combinations that took place prior to 1 January 2014 were not restated.

The Company's ultimate parent undertaking, AMC Networks Inc., a company incorporated in the US, includes the Company in its consolidated financial statements. The consolidated financial statements of AMC Networks Inc. are available to the public and may be obtained from 11 Penn Plaza, New York, 10001, The United States of America.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period; and
- Cash Flow Statement and related notes.

Notes (continued)

1 Accounting policies (continued)

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The company has net current assets of £20,777,000 (2016: £21,187,000) and net assets of £22,323,000 (2016: £22,733,000). 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 Strategic Report on page 1.

The Directors have no reason to believe that a material uncertainty exists that may cause significant doubt about the ability of JimJam Television Limited to continue as a going concern or its ability to continue with the current banking arrangements.

1.3 Foreign currency

The functional currency of the Company is Pound Sterling. Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Programme inventory

Programme inventory comprises fees paid and payable for film licences, 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 licence.

1.5 Turnover

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

Notes (continued)

1 Accounting policies (continued)

1.6 Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (continued)

2 Turnover

	2017 £000	2016 £000
<i>By activity:</i>		
Broadcasting	5,708	5,713
Programme Sales	157	164
	<u>5,865</u>	<u>5,877</u>
<i>By geographical market</i>		
Europe	3,671	4,104
Rest of world	2,194	1,773
	<u>5,865</u>	<u>5,877</u>

3 Expenses and auditor's remuneration

Included in profit are the following:

	2017 £000	2016 £000
Amortisation - programme licences	<u>1,580</u>	<u>1,296</u>

Auditor's remuneration:

	2017 £000	2016 £000
Audit of these financial statements	<u>14</u>	<u>13</u>
	<u>14</u>	<u>13</u>

4 Interest receivable and similar income

	2017 £000	2016 £000
Net foreign exchange gains	<u>-</u>	<u>1,740</u>
	<u>-</u>	<u>1,740</u>

5 Interest payable and similar charges

	2017 £000	2016 £000
Net foreign exchange losses	<u>72</u>	<u>-</u>
	<u>72</u>	<u>-</u>

Notes (continued)

6 Staff numbers and costs

No staff are employed by the Company, therefore no costs have been incurred by the company (2016: £nil).

7 Directors' remuneration

	2017 £000	2016 £000
Directors' remuneration	48	46
Amounts receivable under long term incentive schemes	17	11
Company contributions to money purchase pension plans	2	3

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £35,520 (2016: £19,957), and company pension contributions of £1,095 (2016: £1,007) were made to a money purchase scheme on their behalf.

	Number of directors	
	2017	2016
<i>Retirement benefits are accruing to the following number of directors under:</i>		
Money purchase schemes	2	4
The number of directors in respect of whose qualifying services shares were received or receivable under long term incentive schemes was	2	4

The directors' remuneration for the UK Group has been paid by Zonemedia Management Limited.

8 Key management personnel compensation

Total compensation of key management personnel (including the directors) in the year amounted to £44,587 (2016: £110,304). The key management personnel compensation for the UK Group has been paid by Zonemedia Management Limited.

Notes (continued)

9 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2017 £000	2016 £000
<i>Current tax</i>		
Current tax on income for the year	61	73
Total current tax	61	73
Total tax charge	61	73

The tax charge for the year is lower than the standard rate of corporation tax in the UK at 19.25% (2016: higher). The differences are explained below:

Reconciliation of effective tax rate

	2017 £000	2016 £000
Profit on ordinary activities before tax	2,151	4,437
Current tax at 19.25% (2016: 20.00%)	414	887
<i>Effects of:</i>		
Expenses not deductible for tax purposes	1	-
Irrecoverable taxes	11	8
Permanent timing differences	-	2
Group relief for no payment	(365)	(824)
Total expense included in profit	61	73

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 19% to 17% (effective 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016. This will reduce the future tax charge accordingly.

Notes (continued)

10 Fixed asset investment

	Shares in group undertaking £000
Cost	
Balance at 1 January 2017	1,546
Additions	-
Balance at 31 December 2017	1,546
Impairment	
Balance at 1 January 2017	-
Charge for the year	-
Balance at 31 December 2017	-
Net book value	
At 1 January 2017	1,546
At 31 December 2017	1,546

The company has the following investments in subsidiaries:

Subsidiary undertakings	Activity	Registered Office	Equity Shareholdings (%)	Ownership
Polsat Jim Jam Limited	Television broadcasting	111 Salusbury Road, London	50%	Direct

During the year management conducted an impairment review of its investment in Polsat Jim Jam Limited. After reviewing the net asset position and recent performance compared to the carrying value of the investment held by the company no impairments were identified.

Notes (continued)

11 Debtors

	2017 £000	2016 £000
Trade debtors	1,007	914
Amounts owed by group undertakings	18,522	18,696
Other debtors	-	2
Deferred tax (note 12)	8	8
Other tax and social security	43	43
Prepayments and accrued income	665	636
	<u>20,245</u>	<u>20,299</u>

12 Deferred tax

Deferred tax assets and liabilities are attributable to the following:

	2017 £000	2016 £000
Depreciation in excess of capital allowances	<u>8</u>	<u>8</u>

13 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	96	120
Amounts owed to group undertakings	3,163	3,124
Accruals and deferred income	755	1,226
Corporation tax	-	-
	<u>4,014</u>	<u>4,470</u>

Notes (continued)

14 Related party transactions

Other related party transactions

	Turnover		Administrative expenses incurred from	
	2017 £000	2016 £000	2017 £000	2016 £000
Entities with control, joint control or significant influence	185	180	395	782
	<u>185</u>	<u>180</u>	<u>395</u>	<u>782</u>

	Receivables outstanding		Creditors outstanding	
	2017 £000	2016 £000	2017 £000	2016 £000
Entities with control, joint control or significant influence	18,522	18,696	3,163	3,124
	<u>18,522</u>	<u>18,696</u>	<u>3,163</u>	<u>3,124</u>

The related party revenue recognised during the year relates to the Polish region programming rights recharges to Polsat JimJam.

15 Share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

16 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of AMC Networks International Kids Limited, a company registered in England and Wales.

The ultimate parent undertaking at 31 December 2017 was AMC Networks Inc., a company incorporated in the US. The consolidated accounts of this group can be obtained from 11 Penn Plaza, New York, 10001, The United States of America.

18 Post balance sheet events

Post year end, a draft Share Purchase Agreement has been issued to Telewizja Polsat SA. It was proposed that JimJam Television Limited acquire 50% of Polsat JimJam for 50% of the 2015 net assets. The Share Purchase Agreement is expected to be signed in September 2018.