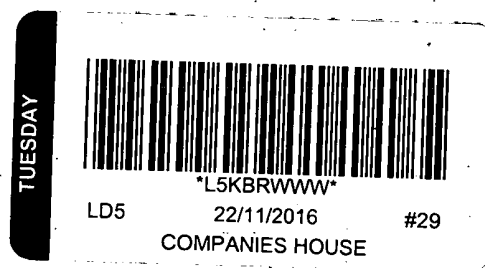


**JimJam Television Limited**

Annual report and financial statements

Registered number 05689135

31 December 2015



## **Contents**

Strategic Report	1
Directors' report	2
Statement of Directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements	3
Independent auditor's report to the members of JimJam Television Limited	4
Profit and Loss Account and Other Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	7
Notes	8

## Strategic Report

The directors present their Strategic report on JimJam Television Limited ("the Company") for the year ended 31 December 2015.

### Review of the business

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 Asia at the start of 2015.

### Results and business review

The results of the Company for the year ended 31 December 2015, as set out on page 5, show a loss on ordinary activities before tax of £497,425 (2014: profit of £2,869,759). As at 31 December 2015 Shareholder funds were £18,369,344 (2014: £18,985,717).

The key measure of business performance is operating profit, which has decreased by £2,214,791 from 2014, and is a loss of £275,425 in 2015 (2014: profit of £2,490,216). This decrease is mainly driven by the closure of the Asia feeds and the termination of a major operator, Sky Italia.

### 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.

### 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 –

	2015	2014	
	£000	£000	
Turnover	5,831	8,198	Total turnover
Gross profit	2,734	3,790	Turnover less Cost of Sales
Gross profit %	47%	46%	Percentage of Gross profit to Turnover
Operating profit	(275)	2,490	Profit before interest and taxes
Return on capital employed	(1.5%)	13.11%	Operating profit for the year in relation to shareholders' funds

  
M Moriarty  
Director

105-109 Salusbury Road  
London  
NW6 6RG  
22<sup>nd</sup> November 2016

## Directors' report

The directors of the Company present their report on JimJam Television Limited for the financial year ended 31 December 2015.

### Directors

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

T Gugenheim  
C Sharp  
M. Moriarty

### Proposed dividend

The directors do not recommend the payment of a dividend.

### Political contributions

The Company made no political donations during the year (2014:£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.

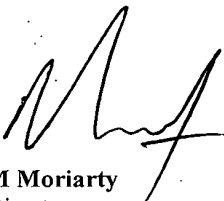
### Other information

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.

By order of the board



M Moriarty  
Director

105-109 Salusbury Road  
London  
NW6 6RG  
22<sup>nd</sup> November 2016

## **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 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 2015 set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

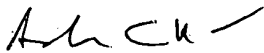
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss 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.

### **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



Adrian Collier (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square  
London, E14 5GL

22 November 2016

## Profit and Loss Account and Other Comprehensive Income

for the year ended 31 December 2015

	<i>Note</i>	2015 £ 000	2014 £000
<b>Turnover</b>	2	5,831	8,198
Cost of sales		<u>(3,097)</u>	<u>(4,408)</u>
<b>Gross profit</b>		2,734	3,790
Administrative expenses	3	<u>(3,009)</u>	<u>(1,300)</u>
<b>Operating (loss)/ profit</b>		(275)	2,490
Dividend received	4	-	499
Interest payable and similar charges	5	<u>(222)</u>	<u>(119)</u>
<b>(Loss)/ profit on ordinary activities before taxation</b>		(497)	2,870
Taxation on profit on ordinary activities	9	(120)	(271)
<b>(Loss)/ profit for the financial year</b>		<u><u>(617)</u></u>	<u><u>2,599</u></u>
Other comprehensive income and loss		-	-
<b>Total comprehensive (loss)/income for the year</b>		<u><u>(617)</u></u>	<u><u>2,599</u></u>

The accompanying notes on pages 8 to 16 are an integral part of this financial statement.

All results are generated from continuing operations.

**Balance Sheet**  
at 31 December 2015

		31 December		31 December	
	Note	£000	2015 £000	£000	2014 £000
<b>Fixed assets</b>					
Investments	10		1,546		1,546
<b>Current assets</b>					
Programme inventory		2,839		3,971	
Debtors (including £17,894 (2014 : £15,447) due after more than one year)	11	17,843		17,667	
Cash at bank and in hand		819		1,496	
			<u>21,501</u>		<u>23,134</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(4,678)</u>		<u>(3,402)</u>	
<b>Net current assets</b>			<u>16,823</u>		<u>19,732</u>
<b>Total assets less current liabilities</b>			18,369		21,278
<b>Creditors: amounts falling due after more than one year</b>	14		<u>-</u>		<u>(2,292)</u>
<b>Net Assets</b>			<u>18,369</u>		<u>18,986</u>
<b>Capital and reserves</b>					
Called up share capital	16		-		-
Capital contribution reserve			4,227		4,227
Profit and loss account			<u>14,142</u>		<u>14,759</u>
<b>Shareholder Funds</b>			<u>18,369</u>		<u>18,986</u>

The accompanying notes on pages 8 to 16 are an integral part of this financial statement.

These financial statements were approved by the board of directors on 22<sup>nd</sup> November 2016 and were signed on its behalf by:

  
**M Moriarty**  
Director

Company registered number: 05689135



## Statement of Changes in Equity

	Called up share capital	Capital contribution reserves	Profit and loss account	Shareholder funds
	£000	£000	£000	£000
Balance at 1 January 2014	-	4,227	12,160	16,387
Profit for the year	-	-	2,599	2,599
Total comprehensive income for the year	-	-	2,599	2,599
<b>Balance at 31 December 2014</b>	-	<b>4,227</b>	<b>14,759</b>	<b>18,986</b>

	Called up share capital	Capital contribution reserves	Profit and loss account	Shareholder funds
	£000	£000	£000	£000
Balance at 1 January 2015	-	4,227	14,759	18,986
Loss for the year	-	-	(617)	(617)
Total comprehensive income for the year	-	-	(617)	(617)
<b>Balance at 31 December 2015</b>	-	<b>4,227</b>	<b>14,142</b>	<b>18,369</b>

On 7<sup>th</sup> 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

### 1 Accounting policies

JimJam Television Limited (the "Company") 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 sterling. All amounts have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments, therefore no transition statement has been presented.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Business combinations – Business combinations that took place prior to 1 January 2014 have not been 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 Statements and related notes.

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 has not retrospectively changed its accounting under old UK GAAP for accounting estimates.

#### 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 £16,822,959 (2014: £19,732,227) and net assets of £18,369,344 (2014: £18,985,716). 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.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.3 Foreign currency

The functional currency of the Company is 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.

#### 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.

**Notes (continued)**

**1 Accounting policies (continued)**

**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.

**2 Turnover**

	2015 £000	2014 £000
<i>By Activity</i>		
Broadcasting	5,706	8,061
Programme Sales	125	137
	<u>5,831</u>	<u>8,198</u>
<i>By geographical market</i>		
Europe	4,699	6,687
Asia	(23)	254
Africa	539	470
Middle East	616	787
	<u>5,831</u>	<u>8,198</u>

**Notes (continued)**

**3 Administration expenses and auditor's remuneration**

*Included in profit/loss are the following:*

	2015 £000	2014 £000
Amortisation - programme licences	759	1,512
	<u>759</u>	<u>1,512</u>

The cost of auditor's remuneration of £13,054 for the year ended 31 December 2015 (2014: £12,861) has been borne by Zonemedia Management Limited, a fellow subsidiary of AMC Networks Inc.

**4 Income from fixed asset investments**

	2015 £000	2014 £000
Dividends received	-	499
	<u>-</u>	<u>499</u>

**5 Interest payable and similar charges**

	2015 £000	2014 £000
Foreign exchange loss	(222)	(119)
	<u>(222)</u>	<u>(119)</u>

**Notes (continued)**

**6 Staff numbers and costs**

No staff are employed by the Company, the cost of staff services is covered by a Management Service agreement with Zonemedia Management Limited, which was a fellow subsidiary of AMC Networks Inc throughout the year.

**7 Directors' remuneration**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Directors' remuneration	47	74
Amounts receivable under long term incentive schemes	15	22
Company contributions to money purchase pension plans	<u>3</u>	<u>2</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £23,952 (2014 : £45,542), and company pension contributions of £1,192 (2014: £112) were made to a money purchase scheme on his behalf.

	<b>Number of directors</b>	
	<b>2015</b>	<b>2014</b>
<i>Retirement benefits are accruing to the following number of directors under:</i>		
Money purchase schemes	<u>3</u>	<u>4</u>

The number of directors in respect of whose qualifying services shares were received or receivable under long term incentive schemes was:	<u>3</u>	<u>4</u>
---	----------	----------

**8 Key Management Personnel Compensation**

Total compensation of key management personnel (including the directors) in the year amounted to £161,465 (2014: £206,828).

**Notes (continued)**

**9 Taxation**

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

	Year ended 31 December 2015 £000	Year ended 31 December 2014 £000
<i>Current tax</i>		
Current tax on income for the period	119	272
<b>Total tax charge</b>	<u>119</u>	<u>272</u>
<i>Deferred tax</i>		
Change in tax rate	<u>1</u>	<u>(1)</u>
<b>Total tax charge</b>	<u>120</u>	<u>271</u>

The current tax charge for the year is lower than the standard rate of corporation tax in the UK at 20.25%, which is a blended rate of 21% and 20% effective from 1 April 2015. The differences are explained below:

*Analysis of current tax recognised in profit and loss*

	Year ended 31 December 2015 £000	Year ended 31 December 2014 £000
(Loss)/profit on ordinary activities before tax	<u>(497)</u>	<u>2,870</u>
Current tax at 20.25% (2014: 21.5%)	(101)	617
<i>Effects of:</i>		
Permanent timing differences	(51)	(107)
Fixed asset timing differences	-	2
Group relief for no payment	152	(249)
Irrecoverable taxes	118	9
Reduction in tax rate on deferred tax balances	1	(1)
<b>Total expense included in loss</b>	<u>120</u>	<u>271</u>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015.

An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

**Notes (continued)**

**10 Investments**

	<b>2015</b>
	<b>£000</b>
<i>Cost</i>	
At 1 January 2015	1,546
Additions	<u>-</u>
Balance at 31 December 2015	<u><u>1,546</u></u>
<i>Provisions</i>	
At 1 January 2015	-
Impairment	<u>-</u>
Balance at 31 December 2015	<u><u>-</u></u>
<i>Net book value</i>	
At 31 December 2014	<u>1,546</u>
At 31 December 2015	<u><u>1,546</u></u>

Investment comprise

<i>Subsidiary Undertakings</i>	<i>Activity</i>	<i>County of registration</i>	<i>Equity shareholding%</i>	<i>Ownership</i>
Polsat JimJam Limited	Television broadcasting	England & Wales	50%	Direct

**11 Debtors**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	955	1,372
Amounts owed by other entities under common control	16,501	15,441
Amounts owed by group undertakings	-	7
Taxation and social security	37	25
Deferred tax asset (see note 12)	8	9
Prepayments and accrued income	<u>341</u>	<u>813</u>
	<u><u>17,843</u></u>	<u><u>17,667</u></u>



**Notes (continued)**

**12 Deferred tax**

	<b>Asset 2015 £000</b>	<b>2014 £000</b>
Depreciation in excess of capital allowance	<u>8</u>	<u>9</u>

**13 Creditors: amounts falling due within one year**

	<b>2015 £000</b>	<b>2014 £000</b>
Trade creditors	88	176
Amounts owed to group undertakings	3,123	1,242
Taxation and social security	1	1
Accruals and deferred income	1,466	1,983
	<u>4,678</u>	<u>3,402</u>

**14 Creditors: amounts falling due after one year**

	<b>2015 £000</b>	<b>2014 £000</b>
Amounts owed to related undertakings	-	2,292
	<u>-</u>	<u>2,292</u>

**Notes (continued)**

**15 Related party transactions**

*Other related party transactions*

	Sales to		Administrative expenses incurred from	
	2015 £000	2014 £000	2015 £000	2014 £000
Entities with control, joint control or significant influence	17	156	912	943
	<u>17</u>	<u>156</u>	<u>912</u>	<u>943</u>
	Receivables outstanding		Creditors outstanding	
	2015 £000	2014 £000	2015 £000	2014 £000
Entities with control, joint control or significant influence	16,501	15,448	3,123	3,534
	<u>16,501</u>	<u>15,448</u>	<u>3,123</u>	<u>3,534</u>

**16 Share capital**

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

**17 Ultimate parent company and parent company of larger group**

The ultimate parent of JimJam Television Limited at 31 December 2015 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**

There are no post balance sheet events to disclose.