

**The Jim Henson Company Limited**

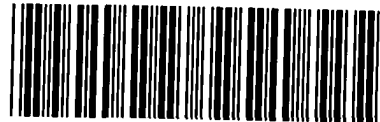
**Report and Financial Statements**

**Year Ended**

**31 December 2016**

**Company No 1349591**

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# **The Jim Henson Company Limited**

## **Annual report and financial statements for the year ended 31 December 2016**

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### **Directors**

B Henson  
L Henson  
L Don  
R Goemans

### **Registered office**

Pipers Dene, Parkwood Road, Tatsfield, Surrey, TN16 2LT

### **Company Secretary**

C Lytton

### **Company number**

1349591

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
The Portland Building  
25 High Street  
Crawley  
RH10 1BG

## **The Jim Henson Company Limited**

### **Report of the directors for the year ended 31 December 2016**

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The directors present their report together with the audited financial statements for the year ended 31 December 2016.

#### **Directors**

The directors of the company during the year and up to the date of signing these financial statements were:

B Henson  
L Henson  
L Don  
R Goemans

None of the directors had any interest in the shares of the company.

#### **Directors' responsibilities**

The directors are responsible for preparing the Report of the directors' 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A small entities, have been followed, subject to any material departure disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**The Jim Henson Company Limited**

**Report of the directors for the year ended 31 December 2016 (Continued)**

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**Independent Auditors**

Following the resignation of BDO LLP, PricewaterhouseCoopers LLP were appointed as auditors to the company. PricewaterhouseCoopers LLP have indicated their willingness to continue in office and arrangements have been put in place for them to be deemed re-appointed in the absence of an Annual General Meeting.

In preparing this directors report advantage has been taken of the small companies' exemption.

**On behalf of the Board**



**R Goemans  
Director**

Date 06/02/18

# ***Independent auditors' report to the members of The Jim Henson Company Limited***

## **Report on the financial statements**

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### **Our opinion**

In our opinion, The Jim Henson Company Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
  - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
  - have been prepared in accordance with the requirements of the Companies Act 2006.
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### **What we have audited**

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- Statement of financial position as at 31 December 2016;
- Statement of income and retained earnings for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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## **Opinions on other matters prescribed by the Companies Act 2006**

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In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the directors has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Report of the directors. We have nothing to report in this respect.

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## **Other matters on which we are required to report by exception**

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### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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## Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

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## Responsibilities for the financial statements and the audit

### Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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### What an audit of financial statements involves

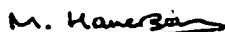
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Report of the directors, we consider whether this report includes the disclosures required by applicable legal requirements.



Matthew Haverson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Gatwick  
6 February 2018

**The Jim Henson Company Limited**

**Statement of income and retained earnings for the year ended 31 December 2016**

	Note	2016 £	2015 £
Turnover		121,441	113,869
Administrative expenses		(16,438)	(220,234)
<b>Operating profit/(loss) and profit/(loss) before taxation</b>	6	105,003	(106,365)
Taxation on profit/(loss) on ordinary activities	7	(2,744)	(3,723)
<b>Profit/(loss) for the financial year</b>		102,259	(110,088)
Retained earnings at 1 January		171,688	281,776
Retained earnings at 31 December		273,947	171,688

All amounts relate to continuing activities.

The notes on pages 9 to 15 form part of these financial statements.

**The Jim Henson Company Limited**

**Statement of financial position at 31 December 2016**  
**Company Number 1349591**

	Note	2016 £	2016 £	2015 £	2015 £
<b>Fixed assets</b>					
Investment in subsidiary undertakings	8		100		100
<b>Current assets</b>					
Debtors	9	1,124,572		725,657	
Cash at bank and in hand	10	312,194		421,249	
		<u>1,436,766</u>		<u>1,146,906</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(574,107)</u>		<u>(386,504)</u>	
<b>Net current assets</b>			<u>862,659</u>		<u>760,402</u>
<b>Total assets less current liabilities</b>			<u>862,759</u>		<u>760,502</u>
<b>Creditors: amounts falling due after more than one year</b>	12		-		(2)
<b>Net assets</b>			<u>862,759</u>		<u>760,500</u>
<b>Capital and reserves</b>					
Called up share capital	15		363,812		363,812
Other reserves			225,000		225,000
Profit and loss account			273,947		171,688
<b>Shareholders' funds</b>			<u>862,759</u>		<u>760,500</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small company's regime.

The financial statements were approved and authorised by the Board on 06/02/18

Signed on behalf of the board of directors



**R Goemans**  
**Director**

The notes on pages 9 to 15 form part of these financial statements.

## **The Jim Henson Company Limited**

### **Notes forming part of the financial statements for the year ended 31 December 2016**

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#### **1. Statutory Information**

The Jim Henson Company Limited is a private company, limited by shares, domiciled in England and Wales, registration number 1349591. The registered office is Pipersdene, Parkwood Road, Tatsfield, Surrey, TN16 2LT.

#### **2. Compliance with Accounting Standards**

The financial statements have been prepared in accordance with the provisions of FRS 102 Section 1A small entities.

#### **3. Accounting Policies**

The financial statements have been prepared under the historical cost convention. The preparation of financial statements in compliance with FRS 102 Section 1A small entities requires the use of certain critical accounting estimates. It also requires management to exercise their judgement in applying the accounting policies.

The principal accounting policies adopted in the preparation of the financial statements are set out below:

##### *Going concern*

The directors have considered the expected future performance and position of the company for a period of 12 months post the date of approval of the financial statements. On the basis of that information, in particular that they are not aware of any reason why the amounts due from group companies will not be recovered or the agency agreements with certain group companies will not be continued for the foreseeable future (and have sought and received confirmation from the ultimate parent company of their willingness to support the company if required), the directors consider that the company is a going concern and have prepared the financial statements on that basis.

##### *Consolidated statements*

The company is a wholly owned subsidiary of The Jim Henson Company Inc. It is included in the consolidated financial statements of The Jim Henson Inc which are publically available. Therefore the company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the company's separate financial statements.

##### *Exemptions for qualifying entities under FRS 102*

FRS 102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of the following exemptions:

- a) Under FRS 102 paragraph 1.1.2(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Jim Henson Company Inc, includes the company's cash flows in its own consolidated financial statements.

## **The Jim Henson Company Limited**

### **Notes forming part of the financial statements for the year ended 31 December 2016 (Continued)**

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#### **3. Accounting Policies (continued)**

##### *Turnover*

Turnover represents commission income, exclusive of value added tax, acting as agent for a fellow group undertaking for the invoicing and collection of monies in connection with the merchandising and distribution of television rights. Turnover is recognised in the profit and loss account on material delivery or when made available to the broadcaster, provided a valid customer arrangement has been entered into and collection is reasonably assured.

##### *Financial liabilities*

Financial liabilities are classified according to the substance of the financial instruments' contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

##### *Sale and leaseback*

When a sale and leaseback transaction results in a finance lease no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a liability and subsequently measured at amortised cost using the effective interest method.

##### *Current and deferred taxation*

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

##### *Foreign exchange*

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange at the date of the transaction. Balances at the year-end denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

**The Jim Henson Company Limited**

**Notes forming part of the financial statements for the year ended 31 December 2016**  
*(Continued)*

**4 Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the directors have made the following judgement:

- Determine whether there are indicators of impairment of the trade debtors and amounts due from group undertakings. Factors taken into consideration in reaching such a decision include expected future cash proceeds taking into account the financial position and wellbeing of the group and customers in question.

**5 Employees**

	2016 Number	2015 Number
The average number of employees, including directors, during the year were;		
Average number of employees	2	2

**6 Operating profit/(loss) and profit/(loss) before taxation**

	2016 £	2015 £
Operating profit/(loss) is arrived at after charging;		
Auditor's remuneration	5,088	6,058
Foreign exchange (gain)/loss	(106,898)	46,230
Staff costs	76,964	71,818

**7 Taxation on profit/(loss) on ordinary activities**

	2016 £	2015 £
<i>Current tax</i>		
Overseas corporation tax in the current year	2,744	3,723
Total current tax and tax on ordinary activities	2,744	3,723

**The Jim Henson Company Limited**

**Notes forming part of the financial statements for the year ended 31 December 2016**  
*(Continued)*

**7 Taxation on profit/(loss) on ordinary activities (continued)**

The current tax assessed for the year is different to the standard rate of corporation tax in the UK. The differences are explained below:

	2016 £	2015 £
Profit/(loss) before taxation	105,003	(106,365)
Profit/(loss) at the standard rate of corporation tax in the UK of 22% (2015 – 22%)	23,101	(23,400)
Effects of:		
Transfer to unutilised losses	-	23,400
Utilisation of losses	(23,101)	-
Foreign taxation	2,744	3,723
Total tax charge on ordinary activities	2,744	3,723

**8 Investment in subsidiary undertakings**

	Investment in subsidiary undertaking £
<i>Cost and net book value</i>	
Shares in group undertakings at 1 January 2016 and 31 December 2016	100

The Jim Henson Company Limited owns 100% of the issued and fully paid 100 ordinary £1 shares of Jim Henson Productions Limited, a company registered in England and whose address is Pipers Dene, Parkwood Road, Tatsfield, Surrey TN16 2LT. Jim Henson Productions Limited did not trade during the current or preceding year and as at 31 December 2016 had net assets of £658 (2015: £658).

**The Jim Henson Company Limited**

**Notes forming part of the financial statements for the year ended 31 December 2016**  
**(Continued)**

**9 Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	-	345,369
Trade debtors	1,124,572	380,288
	<u>1,124,572</u>	<u>725,657</u>

Amounts owed by group undertakings include £nil (2015 - £2) in relation to Jim Henson Company Inc falling due after more than one year in.

**10 Cash at bank and in hand**

At 31 December 2016, cash balances with banks include £Nil (2015 - £193,401) of cash deposits which are subject to a legal assignment in favour of a third party.

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	491,326	121,274
Finance leases	-	188,150
VAT payable	11,543	539
Other creditors	61,238	61,290
Accruals and deferred income	10,000	15,251
	<u>574,107</u>	<u>386,504</u>

Amounts owed to group undertakings are trading in nature and non-interest bearing.

**12 Creditors: amounts falling due after more than one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Loan from group undertakings	-	2
	<u>-</u>	<u>2</u>

**The Jim Henson Company Limited**

**Notes forming part of the financial statements for the year ended 31 December 2016**  
*(Continued)*

**12 Creditors: amounts falling due after more than one year (continued)**

The amount recorded as a finance lease is payable in annual instalments over a 15 year term ending in 2016 at a fixed interest rate of 5.125%.

**13 Loans and other borrowings**

Future minimum lease payments under finance leases are as follows:

	2016 £	2015 £
Within one year	-	195,149
In more than one year, but not more than five years	-	-
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Total gross payments	-	195,149
Less finance charges included in above	-	(7,001)
	<hr/>	<hr/>
	-	188,148
	<hr/>	<hr/>

**14 Deferred taxation**

The company has not recognised any deferred tax assets in respect of unutilised losses of £1,180,441 (2015: £1,203,542). The directors do not expect sufficient taxable profits to arise to utilise these losses in the foreseeable future.

**15 Called up share capital**

	2016 £	2015 £
<i>Authorised, allotted and fully paid</i> Ordinary shares of £1 each	363,812	363,812
	<hr/>	<hr/>

**16 Ultimate holding company**

The company's ultimate parent undertaking is The Jim Henson Company Inc, a company incorporated in the United States of America which is the smallest group in which the results of the company are consolidated.

The Jim Henson Company Inc.'s principal place of business is 1416 North LaBrea Avenue, Hollywood, California, 90028, USA.

**The Jim Henson Company Limited**

**Notes forming part of the financial statements for the year ended 31 December 2016**  
**(Continued)**

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**17 Related party disclosure**

The company has taken advantage of the exemption permitted by FRS 102 paragraph 33.1A from the requirement to disclose related party transactions entered into between two or more wholly owned members of a group.