Registered number:
00353341

FREMANTLEMEDIA GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY INFORMATION

Directors	Andrew Bott Nicola Louise Gray (resigned 11 April 2023) Jennifer Mullin Jens-Uwe Richter (resigned 2 December 2022) Andrea Scrosati Kate Louise Temple (resigned 2 December 2022) Matthew Edward Wilson
Company secretary	Emitia Ferguson (resigned 1 February 2022) Christopher Pirnie (resigned 21 November 2023)
Registered number	00353341
Registered office	1 Stephen Street London W1T 1AL
Independent auditor	KPMG LLP Chartered Accountants 15 Canada Square London United Kingdom E14 5GL

CONTENTS

FREMANTLEMEDIA GROUP LIMITED

CONTENTS

FREMANTLEMEDIA GROUP LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their strategic report of FremantleMedia Group Limited (the "Company") for the year ended 31 December 2022.

The Company is a private company and is incorporated and resident in the UK. The address of its registered office is 1 Stephen Street, London, W1T 1AL.

The Company is part of the Fremantle Group, itself a division of RTL Group, a global leader across broadcast, content and digital. Fremantle Group are one of the world's largest and most successful creators, producers and distributors of Entertainment, Drama & Film and Documentaries. Operating in 26 territories we are a proudly independent group of content creators. We produce and deliver high-quality multi-genre IP including some of the biggest entertainment formats, most watched international dramas, award winning films and hard-hitting documentaries, amplifying local stories on a global scale. From *Too Hot To Handle* to *Mosquito Coast*, *Game of Talents* to *The Hand of God*, *Farmer Wants A Wife* to *Got Talent*, *Family Feud* to *My Brilliant Friend* and *The Investigation* to *Arctic Drift*, our focus is simple – we create and deliver irresistible entertainment. We are also a world leader in digital and branded entertainment with more than 480 million fans across 1,600 social channels and over 40 billion views per year across all platforms.

The Company holds investments in companies of the Fremantle Group, including an investment in FremantleMedia Limited, whose principal activity is TV production, distribution and licensing. The Company also provides support services to operations of the Fremantle Group.

Business review

The Company's loss for the year ended 31 December 2022, as set out on page 14 of the financial statements, was £33.3 million (2021: £444.4 million profit), with a pre-tax loss of £39.5 million (2021: £440.6 million) for the year and turnover of £54.5 million (2021: £48.5 million). Dividends received of £0.3 million (2021: £382.5 million). Movement from profit in 2022 to a loss in 2021 largely attributable to a decrease in dividend income of £382.2 million.

Going forward the Company will continue to provide support services to operations of the Fremantle Group.

Principal risks and uncertainties on the wider inflationary environment

<u>Foreign currency risk</u>

The Company's operations occasionally expose it to the effects of changes in foreign currency exchange rates. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by hedging contracts written in a foreign currency.

<u>Credit risk</u>

The Company has implemented the RTL Group S.A. policy which requires that stringent credit checks are carried out before any sales are made.

<u>Liquidity risk</u>

The Company's cash position together with the short term funding arrangement with RTL Group S.A. is expected to satisfy any short-term liquidity requirement.

Cash flow risk

No assets or liabilities at the end of the year are deemed to carry a significant cash flow risk. The Company seeks to limit financial transactions that will give rise to such risk at a local level.

Wider inflationary environment

Increases in inflation can leave the Company exposed to increases in interest rates, affecting interest costs on our funding arrangement with RTL Group S.A.

Financial key performance indicators

As a Company providing support services, KPIs used to manage the Company are principally financial: revenue and EBITA, balance sheet metrics, cash conversion and return on invested capital.

Directors' statement of compliance with duty to promote the success of the Company

The Directors of FremantleMedia Group Limited are responsible for the governance of the Company and have continued to exercise its duties in accordance with section 172(1) of the Companies Act 2006 by having regard to the following:

i. the likely consequences of any decision in the long term.
ii. the interests of the Company's employees.
iii. the need to foster the Companies business relationships with suppliers, customers, and others.
iv. the impact of the Company's operations on the environment and the community.
v. the desirability of the company for maintaining high standards of business conduct and
vi. the need to act fairly.

The Directors consider, both individually and collectively, that they have successfully discharged their duty to promote the long-term success of the Company for the benefit of its members, having regard to the section 172 principles when considering and making decisions regarding the Company's positioning, development, and performance.

References in this statement to 'the Company' refers to FremantleMedia Group Limited and references to 'Fremantle' refer to the wider global Fremantle Group.

Long-term Strategy and Outlook

Fremantle is one of the largest and most successful creators, producers, and distributors of scripted and unscripted content. We reach audiences across the world via traditional TV, film and digital platforms. We are experts at working with creative talent from all over the world translating ideas into award-winning productions for every major market.

The Board hold regular board meetings to consider the Company's strategy and direction over the long term and quarterly risk and compliance meetings are also held to monitor, assess, and address exposure to risk.

With the Board's experience of the market in which the Company operates, the Directors are well-equipped to make the necessary key decisions to deliver our strategic priorities, mitigate risk and accelerate growth in line with the Company's aspirational strategy plan, commercial interests, and long-term vision.

Our People

Within Fremantle, our people are at the heart of everything we do. We aspire to be the place creatives call home. Our workforce is a family and part of a creative and inclusive community across an international network of production teams, companies, and labels.

Concern for employee safety and wellbeing has always been embedded throughout Fremantle's culture and remains a priority. Fremantle remains committed to ensuring a safe, working environment. We have the benefit of enhanced technological capabilities and have utilised the experiences gained during the pandemic to explore and adopt new working patterns that benefit both the business and employees. Fremantle recognises the importance of remaining cautious and being prepared in the event restrictions were reintroduced.

Fremantle continues to offer increased mental health and wellbeing support and mindfulness classes, across the global business. We take great pride in our focus on the training and support the development and retention of our workforce.

The Directors endeavour to ensure that open lines of communication are available throughout Fremantle at all levels, both in person and through use of technology.

Fremantle takes employee engagement very seriously and we carry out regular employee satisfaction surveys to assess the level of success of the work schemes and support in place, and to look to future working practices to benefit employees and Fremantle alike.

Fostering Business Relationships

Fremantle's business and its relationships with suppliers, customers and others is important to the Directors and the Company. Being a reputable and safe business to work with is a core value for Fremantle as a whole.

As part of their ongoing responsibilities, the Directors undertake a full review of governance procedures and authorities to strengthen the accountability and transparency that are principal foundations of the business. We pride ourselves on maintaining strong, honest, respectful, and flexible relationships with our consumers, investors and suppliers and they continue to remain a key focus.

Impact on our Community and Environment

Environmental, Social and Governance (ESG) criteria will continue as an important focal point for the Company and Fremantle as a whole. In line with parent company stakeholder commitments, Fremantle will primarily expand its own commitment to Corporate Responsibility in three strategic areas of Diversity, Equality, and Inclusion (DE&I), Environmental Responsibility and Social Responsibility:

Diversity, Equity & Inclusion

Fremantle aspires to tell stories that connect people around the world. To reflect and celebrate the world we live in and engage audiences, Fremantle recognises that they need people from all backgrounds, cultures and of all identities working in teams and on shows, and they remain committed to creating opportunities for talent by being inclusive in everything the Company does.

Environmental Responsibility

Fremantle recognises its responsibility to take care of our environment and aspire to lead the way in sustainable content production. Fremantle remains committed to its promise to play its role in tackling climate change.

Since 2018, we have been tracking our group carbon footprint using Bertelsmann's Green Screen Reporting Tool. We are in the process of operationalising carbon accounting processes for production to meet our reporting requirements under the EU Corporate Sustainability Reporting Directive. Simultaneously, we are working to decarbonise across all business areas and collaborating with suppliers and the wider industry on best practice.

Fremantle have the target to be carbon neutral by 2030 across all operations and production, including an absolute reduction of emissions by at least 50% from the 2018 baseline year.

Social Responsibility

Fremantle recognises its social responsibility and is especially committed to the locations where its companies operate, preferably sponsoring organisations and initiatives in which our employees are actively involved bringing a positive impact to our local community.

On screen, Fremantle invests in programming that challenges perceptions, educates and informs global audiences.

Business Conduct

We are fully committed to acting responsibly in all our business dealings and relationships. Entrepreneurial responsibility and integrity are essential elements of our corporate culture. We aspire to the highest ethical standards and to ensure comprehensive compliance with all relevant legislation and regulation by working together. Our relationships are based on mutual respect and trust. Fremantle has a zero-tolerance approach to non-compliance with legislation and regulation.

Good governance remains a major focus and the Directors look to ensure that there is continued adherence to legislation, regulation, and group policies to ensure all UK and overseas subsidiaries meet local legislative requirements and good governance practices through their own policies.

We have systems in place to identify and assess potential risk areas, which include steps to monitor and mitigate the risk of non-compliance within our supply chain and have an open whistleblowing procedure that offers protection to those who speak up.

An annual review takes place of policies, and the business continues to strengthen our Governance framework and governance, compliance, and risk management teams across the business.

This report was approved by the board and signed on its behalf by:

DocuSigned by:
Andrew Bott
D86631BD705C4B1...

Andrew Bott
Director
1 Stephen Street
London
W1T 1AL
Date: 31 January 2024

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the Company is to act as the holding company of members of the FremantleMedia group and to provide support services to those companies.

Results and dividends

The loss for the year, after taxation, amounted to £33,308 thousand *(2021 - £444,366 thousand profit)*.

Directors

The directors who served until the date of the report and up until the date of signing.

Andrew Bott
Nicola Louise Gray (resigned 11 April 2023)
Jennifer Mullin
Jens-Uwe Richter (resigned 2 December 2022)
Andrea Scrosati
Kate Louise Temple (resigned 2 December 2022)
Matthew Edward Wilson

Future developments

The Company will continue with its principal activity as a holding company of members of the FremantleMedia Group and the provision of support services to those companies.

Engagement with employees

The Company's policies related to engagement with employees are set out in the strategic report above.

Engagement with suppliers, customers and others

The Company's policies related to engagement with supplier, customers and others are set out in the strategic report above.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate given the following considerations.

Directors considered the operating nature of the entity, current global economic uncertainty and expectations for the future trading along with the outstanding inter-company payables and inter-company receivables for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds through funding from its parent RTL Group S.A. and repayment of outstanding balances from fellow subsidiaries to meet its liabilities as they fall due for that period.

Those forecasts are dependent on RTL Group S.A not seeking repayment of the amounts currently due to the group and providing additional financial support during that period. RTL Group S.A. has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Further details regarding the adoption of the going concern basis can be found in Note 2 to the financial statements.

Streamlined Energy and Carbon Reporting

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 have implemented the United Kingdoms ("UK") Government's policy on Streamlined Energy and Carbon Reporting ("SECR"). This new regulation, which came into effect for reporting periods beginning on or after 1 April 2019, require large unquoted companies that have consumed in the UK more than 40,000 kilowatt-hours ("kWh") of energy in the reporting period to include energy and carbon information within their Directors' Report. This is to increase awareness of energy costs within FremantleMedia Group Limited by disclosing energy usage data to allow the Directors to adopt energy efficient measures to ultimately reduce the impact that the organisation has on climate change.

Large companies, as defined in sections 465 and 466 of the Companies Act 2006, are companies that meet two or more of the following criteria:

- turnover in excess of GBP 36 million
- balance sheet assets greater than GBP 18 million
- 250 employees or more

Streamlined Energy & Carbon reporting disclosure for the period 1st January 2022 to 31st December 2022	Current Reporting Year 2022 UK and offshore	Comparison Reporting Year 2021 UK and offshore
Emissions from combustion of gas (Scope 1) / tCO2e	0.013	0.006
Emissions from combustion of fuel for transport purposes (Scope 1) / tCO2e	0.4	3.7
Emissions from business travel in rental cars or employee -owned vehicles where company is responsible for purchasing the fuel (Scope 3) / tCO2e	0.1	0.0
Emissions from purchased electricity (Scope 2, location-based) / tCO2e	1.85	1.76
Total gross emissions based on above / tCO2e	**2.35**	**5.5**
Energy consumption used to calculate emissions / kWh	**71,558**	**48,637**
Intensity ratio: tCO2e gross figure per £ million sales revenue	**0.162**	**0.113**
Emissions from purchased electricity (Scope 2, market-based) / tCO2e	0.0	0.0
Emissions from electricity related to extraction, production, and transportation of fuels consumed in the generation of electricity for which the company does not own or control (Scope 3) / tCO2e	0.48	0.5
Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control (Scope 3) / tCO2e	0.2	0.2
Emissions from extraction and production of purchased fuels for which the company does not own or control (Scope 3) / tCO2e	3.7	1.6
Total gross Scope 1, Scope 2 [location] & Scope 3 emissions / tCO2e	**6.7**	**7.7**
Outside of scopes / tCO2e	12.0	5.0

Methodology

As a large, unquoted organisation, FremantleMedia Group Limited is required to report its energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The data detailed in the table above represents emissions and energy use for which FremantleMedia Group Limited is responsible, including gas and electricity use on our sites and fuel used in vehicles on company business. Scope 1 emissions from combustion of gas also include emissions arising from the combustion of green gas, backed up by green gas certificates. Following best practice, we also report the outside of scope emissions related to the green gas consumption.

We have used the main requirements of the Greenhouse Gas Protocol Corporate Standard to calculate our emissions, along with the UK Government GHG Conversion Factors for Company Reporting 2022. Any estimates included in our totals are derived from actual data extrapolated to cover missing periods. Reporting of global emissions (excluding UK and offshore) is not mandatory for unquoted companies and they were not included in this carbon footprint.

As FremantleMedia Limited and FremantleMedia Group Limited share one site (1 & 2 Stephen Street, London), an allocation method based on floor area was used to apportion this site's emissions to each entity. Thus, 2% of emissions from Stephen Street were allocated to FremantleMedia Group Limited.

2021 emissions have been restated. This was required after clarifying that the proportion of biogas used was 100% at 1 & 2 Stephen Street and 2 Stephen Street electricity had been unaccounted for. Previously a conservative 25% biogas proportion had been used.

Energy Efficiency Actions

The Company continues to take its environmental responsibilities extremely seriously. As well as continued initiatives in the Stephen Street offices, including a reduction of office space, ongoing roll out and maintenance of LED lighting across operational office floors and isolation of cooling plant control allowing cooling to be turned off when not required, the Company set up a Global Sustainability Focus Group, and hired its first Global Sustainability Manager.

Post balance sheet events

On 20 January 2023, FremantleMedia Group Ltd acquired Artist Writers & Artisans Inc for a consideration of USD $3,000,000 (GBP £2,463,473)

On 17 March 2023, FremantleMedia Group Ltd acquired A Team Productions BV for a consideration of EUR €1,420,000 (GBP £1,242,330)

On 22 January 2024, FremantleMedia Group Ltd acquired 250 B shares in Boldprint Studios Ltd, representing 25% of the issued share capital, for a consideration of GBP £2,500,000.

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.

This report was approved by the board and signed on its behalf by:

DocuSigned by:
Andrew Bott
D66631BD705C4B1...
Andrew Bott
Director
1 Stephen Street
London
W1T 1AL
Date: 31 January 2024

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Strategic Report, Director 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- 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 AUDITORS' REPORT TO THE MEMBERS OF FREMANTLEMEDIA GROUP LIMITED

Qualified Opinion

We have audited the financial statements of FremantleMedia Group Limited ("the Company") for the year ended 31 December 2022 which comprise the Income Statement, the statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and

In our opinion, except for the matter described in the basis for qualified opinion section of our report, the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

As stated in Note 2.3 to the financial statements, group accounts as required by Companies Act 2006, have not been prepared.

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 qualified opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.

- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account recent revisions to guidance, our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries On this audit we do not believe there is a fraud risk related to revenue recognition because of the simple nature of revenue transactions.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and posted to unusual accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, and certain aspects of company legislation recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

The Qualified opinion section of our report explains the implications of the matter described in the Basis for qualified opinion on compliance with the requirements of the Companies Act 2006.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FREMANTLEMEDIA GROUP LIMITED

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 9, 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.

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 www.frc.org.uk/auditorsresponsibilities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FREMANTLEMEDIA GROUP LIMITED

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.

David Arnold

David Arnold (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
United Kingdom
E14 5GL
Date: 31 January 2024

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	*2021 £000*
Turnover	3	**54,531**	*48,524*
Cost of sales		**(46,199)**	*(42,095)*
Gross profit		**8,332**	*6,429*
Administrative expenses		**(46,833)**	*(28,966)*
Other operating income	4	**-**	*7*
Operating loss	5	**(38,501)**	*(22,530)*
Income from other fixed asset investments	9	**268**	*382,494*
Investment gains/losses		**-**	*81,613*
Interest receivable and similar income	10	**2,075**	*264*
Interest payable and similar expenses	11	**(3,386)**	*(1,306)*
Other finance income and expenses	12	**(3)**	*66*
(Loss)/Profit before tax		**(39,547)**	*440,601*
Tax on (Loss)/profit	13	**6,239**	*3,765*
(Loss)/Profit for the financial year		**(33,308)**	*444,366*

The notes on pages 20 to 59 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	*2021 £000*
(Loss)/Profit for the financial year		**(33,308)**	*444,366*
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Hedging Reserve		**(49)**	*(15)*
Hedging Reserve deferred tax		**12**	*4*
Actuarial gain/(loss) on pension scheme	27	**(2,760)**	*537*
Actuarial gain/(loss) on pension scheme deferred tax		**690**	*1,336*
		2,107	*1,862*
Total comprehensive income for the year		**(31,201)**	*446,228*

The notes on pages 20 to 59 form part of these financial statements.

FREMANTLEMEDIA GROUP LIMITED
REGISTERED NUMBER: 00353341

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £000		2021 £000
Fixed assets					
Intangible assets	15		269		63
Tangible assets	16		8,502		11,654
Investments	17		835,047		616,534
			843,818		628,251
Current assets					
Debtors: amounts falling due after more than one year	18	87,997		63,428	
Debtors: amounts falling due within one year	18	88,516		77,050	
Cash at bank and in hand	19	6,039		4,189	
		182,552		144,667	
Creditors: amounts falling due within one year	20	(203,922)		(180,314)	
Net current liabilities			(21,370)		(35,647)
Total assets less current liabilities			822,448		592,604
Creditors: amounts falling due after more than one year	21		(24,013)		(7,224)
			798.435		585,380
Provisions for liabilities					
Other provisions	25	(542)		(542)	
			(542)		(542)
Net assets excluding pension liability			797.893		584,838
Pension Asset/(Liability)	28		1,789		(955)
Net assets			799,682		583,883

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

	Note	2022 £000	*2021 £000*
Capital and reserves			
Called up share capital	26	**317,000**	*70,000*
Share premium account		**366,322**	*366,322*
Other reserves	27	**5,926**	*5,926*
Profit and loss account		**110,434**	*141,635*
Shareholder's funds		**799,682**	*583,883*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on by:

DocuSigned by:
Andrew Bott
D68831BD705C4B1...

Andrew Bott
Director
Date: 31 January 2024

The notes on pages 20 to 59 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2022	70,000	366,322	5,926	141,635	583,883
Comprehensive income for the year					
Loss for the year	-	-	-	(33,308)	(33,308)
Other comprehensive income	-	-	-	2,107	2,107
Total comprehensive income for the year	-	-	-	(31,201)	(31,201)
Transactions with owners					
Issue of shares	247,000	-	-	-	247,000
Total transactions with owners	247,000	-	-	-	247,000
At 31 December 2022	317,000	366,322	5,926	110,434	799,682

FREMANTLEMEDIA GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2022	70,000	366,322	5,926	141,635	583,883
Comprehensive income for the year					
Loss for the year	-	-	-	(33,308)	(33,308)
Other comprehensive income	-	-	-	2,107	2,107
Total comprehensive income for the year	-	-	-	(31,201)	(31,201)
Transactions with owners					
Issue of shares	247,000	-	-	-	247,000
Total transactions with owners	247,000	-	-	-	247,000
At 31 December 2022	**317,000**	**366,322**	**5,926**	**110,434**	**799,682**

FREMANTLEMEDIA GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2021	70,000	366,322	5,926	77,060	519,308
Comprehensive income for the year					
Profit for the year	-	-	-	444,366	444,366
Other comprehensive income	-	-	-	1,862	1,862
Total comprehensive income for the year	-	-	-	446,228	446,228
Transactions with owners					
Dividends: Equity capital	-	-	-	(381,653)	(381,653)
Total transactions with owners	-	-	-	(381,653)	(381,653)
At 31 December 2021	70,000	366,322	5,926	141,635	583,883

The notes on pages 20 to 59 form part of these financial statements

1. General information

The Company is a private company and is incorporated and resident in the UK. The address of its registered office is 1 Stephen Street, London, W1T 1AL.

The Company is a part of the Fremantle Group, which is a profit centre of RTL Group S.A.. The Fremantle Group is one of the largest creators, producers and distributors of award-winning content in the world. These well-known brands include Got Talent, Pop Idol, Family Feud, American Gods and The Price Is Right.

The Company holds investments in companies of the Fremantle Group, including an investment in FremantleMedia Limited, whose principal activity is TV production, distribution and licensing. The Company also provides support services to operations of the Fremantle Group.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("UK-adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the application of the Company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates, underlying assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and relevant under the circumstances.

Key accounting estimates and assumptions

(i) Impairment of Investments:

Investments in subsidiary companies are held at cost less accumulated impairment losses. The Company tests annually whether investments have suffered any impairment, with the carrying amount being written down for any impairment highlighted. The key estimates and assumptions for the Company in respect of the impairment of investments are the budgeted profits, projected cash flows and weighted average cost of capital used in order to determine whether any impairment is required. See note 16 for the carrying amount of investments and associated provision.

(ii) Share-based payments

Cash settled share-based payments are valued at fair value at grant date and subsequently re-measured at each reporting date. The determination of grant date fair value is based on forecasts of average adjusted EBITDA multiplied by an earnings multiple. The multiples are stated in the Shareholders Agreement. For further details see note 30.

2. Accounting policies (continued)

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management
- Disclosures in respect of the compensation of Key Management Personnel

As the consolidated financial statements of RTL Group S.A include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

2.3 Consolidation

The financial statements contain information about FremantleMedia Group Limited as an individual company and do not contain consolidated financial information as the parent of a UK group. Ordinarily, the Company is entitled to claim exemption from the preparation of consolidated financial statements under section 401 of the Companies Act 2006, due to it being included within the consolidated financial statements of its parent, RTL Group S.A., a company registered in Luxembourg. However, as those consolidated financial statements of RTL Group S.A. were not filed with the Registrar of Companies by the statutory filing deadline for this Company, the exemption does not apply for the year ended 31 December 2022. Accordingly, the Company is required under Companies Act 2006 to prepare consolidated financial statements. The Directors of the Company have elected not to prepare such consolidated financial statements on the grounds that:

- Doing so would take a significant amount of extra time, which would cause a further delay to the filing of these financial statements at Companies House, when these financial statements are already overdue for filing, despite the efforts of the Directors to avoid them being late;
- Had the financial statements been filed by the filing deadline, being a relatively short period of time before these financial statements were actually approved, then there would be no requirement for the Company to prepare consolidated financial statements, in any event;

2. Accounting policies (continued)

- Taking both factors into account, the Directors are of the view that preparing consolidated financial statements for the Company would not be in the best interests of the Company as a whole.

Accordingly, the auditors have issued a qualified audit opinion.

2.4 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company holds investments in companies of the Fremantle Group, including an investment in FremantleMedia Limited, whose principal activity is TV production, distribution and licensing. The Company also provides support services to operations of the Fremantle Group.

The company meets its day to day working capital requirements from cash pool arrangements together with operational cash flows and intercompany balances with the group headed by RTL Group S.A. ("RTL Group").

The directors have performed a going concern assessment which indicates that, in both the base and reasonably possible downsides, the company will require additional funds, through funding from its intermediate parent company, RTL Group S.A. ("RTL Group") to meet its liabilities as they fall due during, the going concern assessment period.

The directors have considered the operating nature of the entity, current global economic uncertainty and expectations for future trading along with outstanding intercompany payables and receivables for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its intermediate parent company, RTL Group S.A., and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts to meet its liabilities as they fall due for that period, .

RTL Group S.A. has indicated its intention to continue to make available such funds as are needed by the company and that it does not intend to seek repayment of the amounts currently due to the group, during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Given the dependency on the intermediate parent, the directors have also considered the work carried out by Group management in relation to the Group's going concern assessment focussing on cash flow, liquidity position and the ability of the Group to meet known and potential liabilities and concluded that having analysed the impact of current global economic uncertainty, the Group has sufficient headroom and will be able to provide support to the company.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

2. Accounting policies (continued)

Transactions and balances

Transactions in foreign currencies are translated to the Company's functional currencies 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.

2.6 Revenue

Turnover represents income net of value added tax, from the recharge of support and administration services to group companies within the Fremantle Group. Turnover is recognised based on the period to which the services relate.

Turnover is mostly generated from providing administration services in the United Kingdom, management fees and also generated from property sub-leasing and administration services in the United Kingdom.

Turnover is accounted for on an accrual basis. When services have been delivered but not billed by the balance sheet date, income is accrued. Where amounts are received in advance of delivery, income is deferred.

Management fees are charged three times during the year. Charges based on number of factors including time spent by staff and costs apportioned based on revenue received.

Administration services consist of Human Resources, Legal and Finance department recharges. Human Resources and Finance recharges are invoiced on a monthly basis on an agreed budget rate. Legal recharges are invoiced on a quarterly basis with charges based on time spent working for various territories.

2.7 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

2. Accounting policies (continued)

The lease liability is included in 'Creditors' on the Balance Sheet. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate.

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines, as applicable, in the Balance Sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.14.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

2.8 Government grants

The Company has received Government grants in relation to the Coronavirus Job Retention Scheme (CJRS) provided by the UK Government in response to COVID-19's impact on business. The Group has elected to account for these grants by off-setting the Government grants received against wages and salaries costs within administration expenses, rather than to account for these as other operating income. Total Government grants included as other operating income total £Nil (2021: £9,158).

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 101 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2. Accounting policies (continued)

2.12 Current and deferred 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 temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2.13 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Long-term leasehold property	- Over the period of the lease
Motor vehicles	- 3 to 5 years
Fixtures and fittings	- 5 years
Computer equipment	- 3 to 5 years
Other fixed assets	- 3 to 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date

2. Accounting policies (continued)

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss

2.15 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.18 Debtors

Debtors 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. 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.

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.20 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.22 Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an

2. Accounting policies (continued)

investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Investments associates and subsidiaries are accounted for using the equity method

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI - these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Interest rate benchmark reform

The Company has adopted the Phase 2 amendments and retrospectively applied them from 1 January. When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest benchmark reform, the Company updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- The change is necessary as a direct consequence of the reform; and
- The new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e., the basis immediately before the change.

When the changes were made to a financial asset or a financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Company applied the policies on accounting for modifications to the additional changes.

2. Accounting policies (continued)

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(iii) Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

2. Accounting policies (continued)

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

When the forecast transaction subsequently results in the recognition of a non-financial item (including a non-financial item that becomes a firm commitment for which fair value hedge accounting is applied – see below), the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial carrying amount of the non-financial asset or liability.

For all other hedged forecast transactions, the associated cumulative gain or loss is reclassified to the income statement in the same period or periods during which the hedged expected future cash flows affects profit or loss.

When the hedging instrument is sold, expires, is terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

Hedges directly affected by interest rate benchmark reform.

As a result of adopting the Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform, the following temporary exceptions have been applied retrospectively to hedging relationships that existed at 1 January 2021 or were designated thereafter and that are directly affected by interest rate benchmark reform.

For the purpose of hedge accounting, it has been assumed that:

- the benchmark interest rate is not altered as a result of interest rate benchmark reform; and
- the interest rate benchmark cash flows designed as a hedge will not be altered as a result of interest rate benchmark reform in relation to assessing whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur.

The Company will cease to apply these temporary exceptions prospectively to a specific hedged item or hedging instrument when:

- the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows; or
- the hedging relationship is discontinued (applies for hedging instruments only).

The Company has adopted the Phase 2 amendments and retrospectively applied them from 1 January. When the basis for determining the contractual cash flows of the hedged item or hedging instrument changes as a result of IBOR reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Company amends the hedge documentation of that hedging relationship to reflect the change(s) required by IBOR reform. For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged;

2. Accounting policies (continued)

• updating the description of the hedging instrument.

If changes are made in addition to those changes required by IBOR reform described above, then the Company first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in the discontinuation of the hedge accounting relationship, then the Company amends the formal hedge documentation for changes required by IBOR reform as mentioned above.

Fair value hedges

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the income statement. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves).

On the discontinuance of hedge accounting, any adjustment made to the carrying amount of the hedged item as a consequence of the fair value hedge relationship, is recognised in the income statement over the remaining life of the hedged item.

(iv) Impairment

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL Trade receivables and contract assets with significant financing component are measured using the general model described above.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

(v) Derecognition

Financial assets

The Company derecognises a financial asset when:
– the contractual rights to the cash flows from the financial asset expire; or
– it transfers the rights to receive the contractual cash flows in a transaction in which either:

– substantially all of the risks and rewards of ownership of the financial asset are transferred; or
– the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

2. Accounting policies (continued)

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

2.23 Share-based Payments

The fair value of the amount payable in respect of cash-settled share-based payments is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. The effects of changes in the estimated and actual outcome of service and non-market conditions are recognised in the cost of investment. Other remeasurements are recognised in profit or loss.

3. Turnover

An analysis of turnover by class of business is as follows:

	2022 £000	*2021* *£000*
Intercompany Staff recharges	**41,424**	*37,499*
Rental Income	**6,575**	*6,231*
Support service fees	**6,532**	*4,794*
	54,531	*48,524*

Analysis of turnover by country of destination:

	2022 £000	*2021* *£000*
United Kingdom	**54,259**	*48,473*
Rest of Europe	**109**	*-*
Rest of the world	**163**	*51*
	54,531	*48,524*

4. Other operating income

	2022 £000	*2021* *£000*
Profit on disposal of tangible assets	**-**	*7*
	-	*7*

5. Operating loss

The operating loss is stated after charging:

	2022 £000	2021 £000
Depreciation of tangible fixed assets	**(4,224)**	*(4,248)*
Amortisation of intangible assets	**(22)**	*(31)*
Share-based payment charge	**(3,619)**	-
Exchange differences gain/(loss)	**2,025**	*(641)*

6. Auditors' remuneration

	2022 £000	2021 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**42**	*42*

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2022 £000	2021 £000
Wages and salaries	**48,034**	*40,923*
Social security costs	**6,737**	*5,934*
Cost of defined contribution scheme	**3,180**	*2,839*
	57,951	*49,696*

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Administration	**73**	*64*
Production	**426**	*415*
Distribution	**83**	*78*
Exploitation of rights	**179**	*165*
	761	*722*

8. Directors' emoluments

	2022 £000	2021 £000
Directors' emoluments	**9,077**	*3,628*
Company contributions to defined contribution pension schemes	**59**	*26*
	9,136	*3,654*

During the year retirement benefits were accruing to 5 directors (*2021 – 4*) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £2,347,000 (*2021 - £1,525,000*).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounts to £NIL (*2021 - £NIL*).

9. Income from investments

	2022 £000	2021 £000
Dividends received	**268**	*382,494*
	268	*382,494*

The Company has taken advantage of the disclosure exemption relating to the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

10. Interest receivable

	2022 £000	2021 £000
Interest receivable from group companies	2,001	148
Other interest receivable	74	116
	2,075	264

11. Interest payable and similar expenses

	2022 £000	2021 £000
Bank interest payable	-	1
Loans from group undertakings	3,003	1,029
Finance leases	77	103
Other interest payable	306	173
	3,386	1,306

12. Other finance income and expenses

	2022 £000	2021 £000
Other finance income and expenses	(3)	66

13. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	(6,555)	(3,904)
Adjustments in respect of previous periods	169	(69)
	(6,386)	(3,973)
Foreign tax		
Foreign tax on dividends	99	-
	99	-
Total current tax	(6,287)	(3,973)
Deferred tax		
Origination and reversal of timing differences	(109)	369
Adjustments in respect to previous periods	157	(161)
Total deferred tax	48	208
Taxation on ordinary activities	(6,239)	(3,765)

13. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2021 - lower than)* the standard rate of corporation tax in the UK of 19% *(2021 - 19%)*. The differences are explained below:

	2022 £000	*2021* *£000*
Profit on ordinary activities before tax	**(39,547)**	*440,601*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**(7,514)**	*83,714*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**927**	*720*
Adjustments to tax charge in respect of prior periods	**169**	*(69)*
Non-taxable capital gain on disposal of shares	**-**	*(16,167)*
Deferred tax change in rate	**-**	*872*
Deferred tax prior year adjustments	**157**	*(161)*
Deferred tax at different rates	**(26)**	
Overseas tax on Dividends	**99**	*-*
Dividends	**(51)**	*(72,674)*
Total tax credit for the year	**(6,239)**	*(3,765)*

Factors that may affect future tax charges

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was introduced by Finance Act 2021. This will impact the company's future current and deferred tax charges accordingly.

14. Dividends

	2022 £000	*2021 £000*
Dividends paid	-	*381,653*
	-	*381,653*

15. Intangible assets

	Development expenditure £000	Computer software £000	Total £000
Cost			
At 1 January 2022	51	1,484	1,535
Additions	185	43	228
At 31 December 2022	236	1,527	1,763
Amortisation			
At 1 January 2022	-	1,472	1,472
Charge for the year on owned assets	-	22	22
At 31 December 2022	-	1,494	1,494
Net book value			
At 31 December 2022	236	33	269
At 31 December 2021	*51*	*12*	*63*

16. Tangible fixed assets

	Long-term leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Assets under construction £000	Total £000
Cost or valuation							
At 1 January 2022	17,773	270	7,095	4	173	8	25,323
Additions	-	150	1,140	160	36	-	1,486
Disposals	(414)	(138)	-	-	-	-	(552)
Transfers between classes	-	-	8	-	-	(8)	-
At 31 December 2022	17,359	282	8,243	164	209	-	26,257
Depreciation							
At 1 January 2022	10,810	229	2,491	4	135	-	13,669
Charge for the year on owned assets	14	42	1,757	17	16	-	1,846
Disposals	-	(138)	-	-	-	-	(138)
Charge for the year on right-of-use assets	2,378	-	-	-	-	-	2,378
At 31 December 2022	13,202	133	4,248	21	151	-	17,755
Net book value							
At 31 December 2022	4,157	149	3,995	143	58	-	8,502
At 31 December 2021	6,963	41	4,604	-	38	8	11,654

16. Tangible fixed assets (continued)

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance Sheet is as follows:

	2022 £000	*2021 £000*
Tangible fixed assets owned	**4,346**	*4,707*
Right-of-use tangible fixed assets	**4,156**	*6,947*
	8,502	*11,654*

Information about right-of-use assets is summarised below:

Net book value

	2022 £000	*2021 £000*
Property	**4,156**	*6,947*
	4,156	*6,947*

Depreciation charge for the year ended

	2022 £000	*2021 £000*
Property	**(2,378)**	*(2,556)*
	(2,378)	*(2,556)*

17. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2022	**683,347**
Additions	**218,513**
Disposals	**-**
At 31 December 2022	**901,860**
Impairment	
At 1 January 2022	**66,813**
Charge for the period	**-**
At 31 December 2022	**66,813**
Net book value	
At 31 December 2022	**835,047**
At 31 December 2021	*616,534*

17. Fixed asset investments (Continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
FremantleMedia Productions Asia PTE ltd	10 Collyer Quay #10-01 Ocean Financial Centre 049315 Singapore	TV Production	Ordinary	100%
FremantleMedia Belgium NV	J. B. Vandendrieschstraat 12 1082 St.- Agathe-Berchem B-1082 Bruxelles Belgium	TV Production	Ordinary	99.92%
FremantleMedia Canada No 2 Inc	Suite 1700 Park Place, 666 Burrard Street, V6C 2X8, Vancouver BC Canada	Investment	Common	100%
FremantleMedia Espana S.A.	Calle de la Coruña, 13 28020 Madrid Spain	TV Production	Ordinary	100%
FremantleMedia Hrvatska d.o.o	Petrovaradinska 1 10000 Zagreb	TV Production	Ordinary	100%

17. Fixed asset investment (Continued)

Fremantle Nordic Holdings Limited	1 Stephen Street W1T 1AL London, UK	Holding company	Ordinary	100%
FremantleMedia Portugal S.A.	Avenida da Quinta Grande n°53-5B Alfragide 2610-156 Amadora Portugal	TV Production	Ordinary	100%
FremantleMedia Limited	1 Stephen Street W1T 1AL London, UK	TV production, distribution, licensing	Ordinary	100 %
FremantleMedia Overseas Ltd	1 Stephen Street W1T 1AL London, UK	Investment	Ordinary	100 %
Fremantle (Shanghai) Culture Media Co Ltd	Room 545, 5th Floor, 2000 Pudong Avenue Shanghai China	TV Production	Ordinary	100 %
Quarto Piano SRL	Via Monte Zebio, 24 00195 Rome Italy	TV Production	Ordinary	100%
FremantleMedia Polska Sp. z.o.o	ul. Wolodyjowskiego 63, 02-724 Warsaw Poland	TV Production	Ordinary	100%
FremantleMedia Australia Holdings PTY ITD	110-112 Christie Street NSW 2065 St. Leonards Australia	TV Production	Ordinary	100%
PT Dunia Visitama Produksi	Jalan Barito 11 No.3 kebayoran Baru 12130 Jakarta Selatan Indonesia	TV Production	Ordinary	99.9%
Euston Films Limited	1 Stephen Street W1T 1AL London, UK	Dormant	Ordinary	100%

17. Fixed asset investment (Continued)

FremantleMedia Animation Ltd	1 Stephen Street W1T 1AL London, UK	Dormant	Ordinary	100%
Fremantle Group Pension Trustee Ltd	1 Stephen Street W1T 1AL London, UK	Dormant	Ordinary	100%
Talkback Productions Ltd	1 Stephen Street W1T 1AL London, UK	Dormant	Ordinary	100%
Thames Television Animation Limited	1 Stephen Street W1T 1AL London, UK	Dormant	Ordinary	100%
Thames Television Limited	1 Stephen Street W1T 1AL London, UK	Dormant	Ordinary	100%
Fremantle Productions SA	18 Neopoleos Street North Filothei 15123 Athens Greece	Dormant	Ordinary	100%
Wildstar Films Ltd	Embassy House Queens Avenue BS8 1SB Bristol, UK	TV Production	Ordinary	51%
72 Films Ltd	1st Floor No.1 Amwell Street EC1R 1UL London, UK	TV Production	Ordinary	55%
Silvio Productions Ltd	28 Shatz 6701764 Tel Aviv Israel	TV Production	Ordinary	51%

17. Fixed asset investment (Continued)

The following were investments in equity instruments:

FremantleMedia Brazil Producao de Televisiao Ltd	Rua Cerro Corá 585 Vila Madalena CEP 05061-150 São Paulo - SP Brazil	TV Production	Ordinary 0.0000076%
Fremantle India Television Productions PVT Limited	406 Morya Landmark 11 Plot B-17 Off New Link Road, Oshiwara Andheri (West) 400053 Mumbai, India	TV Production	Ordinary 0.000032%
FremantleMedia Mexico SA de CV	Periferio Sur 4249 piso 2, Col, Jardines en la Montana, Del. Tlalpan D.F.C.P. 14210 Mexico	TV Production	Ordinary 0.002%
Fremantle Productions Asia Ltd	Level 54, Hopewell Centre, 183 Queen's Road East n\a Hong Kong	TV Production	Ordinary 0.0000067%
FremantleMedia Services S DE RL DE CV	Periferio Sur 4249 piso 2, Col, Jardines en la Montana, Del. Tlalpan D.F.C.P. 14210 Mexico	Employing company	Ordinary 0.03%

On 26 October 2022 the Company received £247m via an additional subscription of shares from its sole shareholder, RTL Group GmbH. The company has used the funds to invest further in its subsidiaries FremantleMedia Italy Group SRL (£77,942,700), Fremantle Periodic Holdings Ltd (£40,703,410), and FremantleMedia Espana SA (£7,794,270) and reducing its cash pool borrowing from RTL Group S.A. (£120,559,620).

On 8 November 2022 the Company purchased 6,286 B shares in 72 Films Limited representing 55% of the issued share capital. This was acquired for initial consideration of £38,005,682 and additional contingent consideration of £14,169,496. As at the same date, the Company entered into a Share Purchase Agreement which included a 2027 Put Option and 2029 Put Option concerning the acquisition of the remaining 45% of the issued share capital. A total of £14,036,532 was recognised on acquisition as an increase to the cost of investment. See Note 30 Share-based payments for further details.

On 11 November 2022 the Company purchased 510 B shares in Wildstar Films Limited representing 51% of the issued share Capital. This was acquired for initial consideration of £10,985,232, deferred consideration of £750,000 and additional contingent consideration of £9,476,074. As at the same date, the Company entered into a Share Purchase Agreement which included a 2028 Put Option concerning the acquisition of the remaining 49% of the issued share capital. A total of £3,827,941 was recognised on acquisition as an increase to the cost of investment. See Note 30 Share-based payments for further details.

On 15 November 2022 the Company purchased 102,000 ordinary shares in Silvio Productions Limited for a consideration of 3,325,000 ILS (GBP £821,154), a holding of 51%.

18. Debtors

	2022 £000	*2021 £000*
Due after more than one year		
Amounts owed by group undertakings	**87,997**	*63,428*
	87,997	*63,428*

Amounts owed to group undertakings due after more than one year relate to an intercompany loan arrangement maturing on 22 December 2024, and shall automatically continue thereafter until terminated by either party. Accrued interest amounts fall due as accrued and therefore are disclosed within one year. Interest rates on gross undertakings are at LIBOR + 1%

	2022 £000	*2021 £000*
Due within one year		
Trade debtors	**506**	*155*
Amounts owed by group undertakings	**77,159**	*68,664*
Prepayments and accrued income	**1,634**	*1,661*
Tax recoverable	**7,610**	*4,212*
Deferred taxation	**1,607**	*2,358*
	88,516	*77,050*

Group undertakings represent cash pooling balances that are interest free. All amounts owed by group undertakings are repayable on demand.

19. Cash and cash equivalents

	2022 £000	*2021 £000*
Cash at bank and in hand	**6,039**	*4,189*
	6,039	*4,189*

20. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	163	909
Amounts owed to group undertakings	162,113	168,201
Contingent consideration of investments	24,396	-
Corporation tax	1,055	234
Lease liabilities	4,892	3,693
Accruals and deferred income	11,303	7,277
	203,922	180,314

Included in amounts owed to group undertakings are cash pooling balances of £21,785,697 that incurred interest between 0.69% and 3.93% during the year (2021: 0.52% and 0.68%) and a loan balance of £80,624,609 that incurred interest of 4.25% (2021: Nil). All other amounts owed to group undertakings are interest free. All amounts owed to group undertakings are repayable on demand.

21. Creditors: Amounts falling due after more than one year

	2022 £000	2021 £000
Lease liabilities	2,388	7,224
Share-based payment liability	21,625	-
	24,013	7,224

Share-based payment liability is in relation to share-based payments, for the acquisitions of 72 Films Limited & Wildstar Films Limited. Refer to note 30 Share-based payments.

22. Leases

Company as a lessee

Right of use assets owned by the company consist solely of long-term property leases for the operation of the business. A discount rate of 0.70% has been applied in the lease calculation. The leases relate to property at 1 Stephen Street, London, W1T 1AL and 10/11 Stephen Mews, London, W1T 1AQ.

	Long term leasehold property £000
Net book values	
Balance at 1 January 2021	9,503
Additions to right-of-use assets	-
Depreciation charge for the year	(2,556)
Balance at 31 December 2021	**6,947**
Balance at 1 January 2022	6,947
Derecognition of right-of-use assets	(413)
Depreciation charge for the year	(2,378)
Balance at 31 December 2022	**4,156**

Lease liabilities are due as follows:

	2022 £000	*2021 £000*
Not later than one year	**4,892**	*3,693*
Between one year and five years	**2,390**	*7,224*
	7,282	*10,917*

22. Leases (Continued)

Contractual undiscounted cash flows are due as follows:

	2022 £000	2021 £000
Not later than one year	**4,934**	*3,772*
Between one year and five years	**2,396**	*7,331*
	7,330	*11,103*

Total cash outflow for leases in the year £3,772,189 (2021 £3,772,189)

There is not considered any significant liquidity risk in relation to the lease liabilities.

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2022 £000	2021 £000
Interest expense on lease liabilities	**77**	*103*

Extension and termination options

Long term property leases include leases at 1 Stephen Street and 10/11 Stephen Mews. 1 Stephen Street lease has a lease end date of 28 September 2029 with a termination option date of 29 September 2024. 10/11 Stephen Mews has a lease end date of 27 May 2029 with a termination option date of 27 May 2024.

23. Financial instruments

	2022 £000	2021 £000
Financial assets		
Financial assets measured at amortised cost	**6,544**	*4,189*
Financial assets that are debt instruments measured at amortised cost	**165,157**	*132,247*
	171,701	*136,436*

Financial liabilities

	2022 £000	2021 £000
Financial liabilities measured at amortised cost	**197,975**	176,387
	197,975	176,387

24. Deferred taxation

	2022 £000
At beginning of year	**2,358**
Charged to profit or loss	**(48)**
Charged to other comprehensive income	**(703)**
At end of year	**1,607**

The deferred tax asset is made up as follows:

	2022 £000	*2021 £000*
Accelerated capital allowances	**426**	*384*
IFRS 16	**786**	*903*
Pensions	**(447)**	*239*
Deferred tax hedging reserve	**(7)**	*4*
Other short term timing differences	**849**	*828*
	1,607	*2,358*

25. Provisions

	Legal provision £000	Dilapidation provision £000	Total £000
At 1 January 2022	342	200	542
At 31 December 2022	**342**	**200**	**542**

Provisions consist of a legal provision of £342,000 and a dilapidations provision of £200,000 in relation to the 3rd floor lease at 1 Stephen Street.

26. Share capital

	2022 £000	*2021 £000*
Allotted, called up and fully paid		
1,268,000,003 *(2021 - 280,000,003)* Ordinary shares of £0.25 each	**317,000**	*70,000*

During the year, 988,000,000 ordinary shares were issued for £0.25 each. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company

27. Reserves

Other reserves

The Company has other reserves of £5,926,000 (2021 £5,926,000) made up of Capital reserves.

28. Pension Scheme

In 2013 the Fremantle Group operated an occupational pension plan ("the Plan") in the UK which had both a defined benefit and a defined contribution section. The Plan was closed to all further accrual of benefits during 2013. As a result of the closure of the Plan, employees who participated in the Plan were offered membership of a new defined contribution scheme: FremantleMedia Group Personal Pension Plan ("the New Plan"). For both the Plan and the New Plan ("the Plans") the Company is the principal employer and RTL Group Support Services Limited and FremantleMedia Limited are participating employers.

A full actuarial valuation of the Plan was carried out at 1 January 2022 and updated to 31 December 2022 by a qualified independent actuary under IAS19 and FRS101.

The Plan is funded with the assets being held separately from the assets of the Company. Contribution rates for each section are set for the Plan as a whole. All sections of the Plan were contracted out of the State Second Pension via the Reference Scheme Test.

On 19 March 2014, the group implemented a full buy-in of the defined benefit section liabilities with an insurance Company for a total premium of £47.4m (of which £38.3m was made up of the plan assets, £7.3m cash was paid in 2014, £1.8m was paid in 2015, and a further £1.3m in 2018). The cashflows provided by the insurance policy exactly match the defined benefit section obligations which are not covered by other insurance policies.

The information disclosed below is in respect of the whole of the plans for which the Company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown..

	2022	2021
	£000	£000
Defined benefit asset	-	-
Effect of net asset ceiling	-	-
Total defined benefit asset	1,789	-
Total defined benefit liability	-	(955)
Net asset/(liability) for defined benefit obligations (see following table)	**1,789**	(955)

28. Pension Scheme (Continued)

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability (asset)	
	2022	2021	**2022**	2021	**2022**	2021
Balance at 1 January	**108,990**	106,547	**108,035**	105,075	**955**	1,472
Included in profit or loss*						
Interest cost/(income)	**1,920**	1,471	**1,903**	1,451	**17**	20
Included in OCI*						
Actuarial loss (gain) arising from						
- Changes in demographic assumptions	**(201)**	(493)	-	-	**(201)**	(493)
- Change in financial assumptions	**(27,514)**	(1,709)	-	-	**(27,514)**	(1,709)
- Experience adjustment	**(4,090)**	6,082	-	-	**(4,090)**	6,082
Return on plan assets excluding interest income	-	-	**(29,044)**	4,417	**29,044**	(4,417)
Other						
Benefits paid	**(4,699)**	(2,908)	**(4,699)**	(2,908)	-	-
Balance at 31 December	**74,406**	108,990	**76,195**	108,035	**(1,789)**	955

Sensitivity analysis

The following are the principal actuarial assumptions at the reporting date.

	2022	**2021**
Discount rate	4.80%	1.80%
RPI Inflation	3.05%	3.15%
CPI Inflation		
Deferred revaluation	2.80%	2.20%
Pensioner	2.55%	2.30%
Future pension increases		
RPI min 4%	4.80%	4.25%
RPI min 5%	2.80%	3.10%

28. Pension Scheme (Continued)

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have changed as a result of the change noted.

	31 December 2022 *Increase in DBO (£000's)*
Discount rate -0.50%	2,956
Pension increases when in payment -0.50%	(1,887)
Average life expectancy +1 year	890

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 31st December 2022 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

The Plan is made up of 3 sections: Final Pay, Thames and Money Purchase. The Final Pay and Thames sections are Defined Benefit (DB) sections of the Plan.

The Money Purchase Section is a principally Defined Contribution (DC) section in which members hold their own individual pensions savings account, with a minimum benefit due at retirement known as the 'Reference Scheme Test' pension.

In respect of the DB sections of the Plan, the Trustee holds a buy-in policy with Pension Insurance Corporation, the value of which is intended to perfectly match the value of the pension benefits due to members of these sections

Defined contribution plans

The Company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £3,180,000 (2021 £2,839,000).

29. Post balance sheet events

On 20 January 2023, FremantleMedia Group Ltd acquired Artist Writers & Artisans Inc for a consideration of USD $3,000,000 (GBP £2,463,473).

On 17 March 2023, FremantleMedia Group Ltd acquired A Team Productions BV for a consideration of EUR €1,420,000 (GBP £1,242,330).

On 22 January 2024, FremantleMedia Group Ltd acquired 250 B shares in Boldprint Studios Ltd, representing 25% of the issued share capital, for a consideration of GBP £2,500,000.

30. Share-based payments

72 Films Limited

As part of the acquisition of 72 Films Limited the Company entered into a Share Purchase Agreement on 8 November 2022, which included a 2027 Put Option and 2029 Put Option concerning the acquisition of the remaining 45% of the issued share capital. The 2027 Put Option and 2029 Put Option have assumed exercise dates of August 2027 and August 2029, respectively.

The Company accounts for these put options as cash-settled share-based payments. It recognised, on acquisition, an increase in the cost of investment in that subsidiary equal to the fair value of the guaranteed portions of the 2027 Put Option and 2029 Put Option. If exercised, the Put Options include an amount which is guaranteed to be paid regardless of fulfilling set service conditions and an un-guaranteed amount which depends on fulfilling the set service conditions.

From the date of acquisition, the Company recognises the fair value of the non-guaranteed amount payable to the founders as a cost of investment, with a corresponding increase in liabilities, over the period in which the employees become entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. The effects of changes in the estimated and actual outcome of service and non-market conditions are recognised in the cost of investment. Other remeasurements of the grant-date fair value are recognised in profit or loss.

The exercise price of the 2027 Put Option and 2029 Put Option are determined on an equity value calculated as an adjusted average EBITDA multiple. The average EBITDA multiple must exceed a hurdle value and the multiple increases in line with performance.

The total grant date fair value was calculated as £42.57m. Of this amount, £14.04m was recognised as part of the Cost of Investment at the balance sheet date. The calculation was based on an estimated adjusted average EBITDA and agreed EBITDA multiples which depend on the level of EBITDA. Of the grant date fair value, £13.29m relating to the guaranteed portion is recognised immediately and £25.54m is spread over the vesting period.

As at 31 December 2022 the total fair value of the expected Put Option payments has been re-measured to £43.16m, as estimated adjusted average EBITDA is now forecast to be higher than originally expected, resulting in a debit to the income statement of £0.19m and a share based payment liability of £14.32m.

Wildstar Films Limited

As part of the acquisition of Wildstar Films Limited the Company entered into a Share Purchase Agreement on 11 November 2022, which included a 2028 Put Option concerning the acquisition of the remaining 49% of the issued share capital. The 2028 Put Option has an assumed exercise date of June 2028.

The Company accounts for this put option as a cash-settled share-based payment. It recognised, on acquisition, an increase in the cost of investment in that subsidiary equal to the fair value of the guaranteed portion of the 2028 Put Option. If exercised, the Put Option includes an amount which is guaranteed to be paid regardless of fulfilling set service conditions and an un-guaranteed amount which depends on fulfilling the set service conditions.

From the date of acquisition, the Company recognises the fair value of the non-guaranteed amount payable to the founders as a cost of investment, with a corresponding increase in liabilities, over the period in which the employees become entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. The effects of changes in the estimated and actual outcome of service and non-market conditions are recognised in the cost of investment. Other remeasurements of the grant-date fair value are recognised in profit or loss.

30. Share-based payments (Continued)

The exercise price of the 2028 Put Option is determined on an equity value calculated as an adjusted average EBITDA multiple. The average EBITDA multiple must exceed a hurdle value and the multiple increases in line with performance.

The total grant date fair value was calculated as £16.78m. Of this amount, £3.83m was recognised as part of the Cost of Investment at the balance sheet date. The calculation was based on an estimated adjusted average EBITDA and agreed EBITDA multiples which depend on the level of EBITDA. Of the grant date fair value, £3.46m relating to the guaranteed portion is recognised immediately and £12.38m is spread over the vesting period.

As at 31 December 2022 the total fair value of the expected Put Option payment has been re-measured to £29.48m, as estimated adjusted average EBITDA is now forecast to be higher than originally expected, resulting in a debit to the income statement of £3.43m and a share based payment liability of £7.30m.

31. Controlling party

The immediate parent undertaking is RTL Group Gmbh., a Company registered in Germany.

The smallest group to consolidate these financial statements is RTL Group S.A., a Company registered in Luxembourg. Copies of the RTL Group S.A. Annual Report can be obtained from the General Counsel at RTL Group S.A., 43 Boulevard Pierre Frieden, L-1543 Luxembourg.

The ultimate parent undertaking and controlling party is Bertelsmann SE & Co. KGaA, a Company registered in Germany, which is the largest group to consolidate these financial statements. Copies of the Bertelsmann SE & Co. KGaA financial statements can be obtained from the General Counsel at Bertelsmann SE& Co. KGaA, Carl-Bertlesmann-Straße 270, 33311 Gütersloh, Germany.