

RTL Group Systems Limited

(formerly RTL Group Limited)

Registered Number: 889123

**Directors' report and financial statements
for the year ended 31 December 2007**

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RTL Group Systems Limited (formerly RTL Group Limited)

Directors' report for the year ended 31 December 2007

The directors present their report and the audited financial statements of the company for the year ended 31 December 2007

Principal activity

The principal activity of the company during the year was provision of information technology system support. The company also holds media related investments

Change of name

The name of the company was changed from IP Intermediation (UK) Limited to RTL Group Limited on 10 January 2007. This was subsequently changed to RTL Group Systems Limited on 22 May 2007

Review of business and future developments

The results of the company for the year ended 31 December 2007 are set out on page 5 of the financial statements

The directors do not anticipate any significant changes to the company's operations for the foreseeable future

Results and dividends

The company's profit for the financial year was £49,000 (2006 £4,000)

The directors do not recommend the payment of a dividend for the year (2006 £Nil). The profit for the year has been transferred to reserves

- Directors and their interests -

The directors who held office during the year and up to the date of this report are outlined below -

AJ Hill	(resigned on 13 April 2007)
R Grant	
SFH Tingay	(resigned on 30 April 2007)
V Pascaud	(appointed on 30 April 2007)

At no time during the year ended 31 December 2007 did any director have any interest which is required to be notified to the company under Section 324 of the Companies Act 1985

RTL Group Systems Limited (formerly RTL Group Limited)

Directors' report for the year ended 31 December 2007 (Continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2007 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. In accordance with the Companies Act 1985, the company has elected to dispense with the obligation to hold an annual general meeting and the requirement to reappoint annually the registered auditors of the company.

By Order of the Board - - - - -



H L Farnaby
Secretary

1 Stephen Street
London
W1T 1AL

21 August 2008

Independent auditors' report to the members of RTL Group Systems Limited (formerly RTL Group Limited)

We have audited the financial statements of RTL Group Systems Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The Directors' Responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We also report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of RTL Group Systems Limited (formerly RTL Group Limited) (Continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

21 August 2008

RTL Group Systems Limited (formerly RTL Group Limited)

Profit and loss account for the year ended 31 December 2007

	<i>Note</i>	2007 £'000	2006 £'000
Turnover		502	-
Administrative expenses		(443)	(5)
Profit/(loss) on ordinary activities before interest and taxation	3	59	(5)
Interest receivable and similar income	6	28	9
Interest payable and similar charges	7	(20)	-
Profit on ordinary activities before taxation		67	4
Tax on profit on ordinary activities	8	(18)	-
Profit for the financial year	14	49	4

The above results were derived entirely from continuing operations

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

There is no material difference between the result as reported and its historical cost equivalent

RTL Group Systems Limited (formerly RTL Group Limited)

Balance sheet as at 31 December 2007

	Note	2007 £'000	2006 £'000
Fixed assets			
Investments	9	-	-
Current assets			
Debtors	10	524	157
Cash at bank and in hand		7	103
		531	260
Creditors – amounts falling due within one year	11	(225)	(3)
Net current assets		306	257
Net assets		306	257
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account	13	306	257
Equity shareholder's funds	14	306	257

The financial statements on pages 5 to 13 were approved by the board of directors on 21 August 2008 and signed on its behalf by



R Grant
Director

RTL Group Systems Limited (formerly RTL Group Limited)

Notes to the financial statements for the year ended 31 December 2007

1 Accounting policies

a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

The company is a wholly owned subsidiary of RTL Group SA and is included in the financial statements of RTL Group SA which are publicly available. Consequently the company has taken advantage of the exemption provided by section 228 of the Companies Act 1985 not to prepare group accounts. Therefore these accounts include financial information about the company as an individual undertaking rather than as a group.

b) Revenue recognition

Services income is generated from the recharge of administration services to UK companies within the FremantleMedia Group.

All revenues are accounted for on an accruals basis.

c) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision is made for deferred taxation resulting from timing differences computed for taxation purposes and profits stated in the financial statements to the extent that there is an obligation to pay more tax in the future as a result of the reversal of those timing differences. Deferred tax assets are recognised to the extent that they are expected to be recoverable.

d) Fixed asset investments

Investments are held at cost less provision for any permanent diminution in value. Their value is reviewed annually by the Directors, and provision is made, where appropriate for any permanent diminution in value.

e) Foreign currencies

Transactions denominated in foreign currencies during the period are translated at rates ruling at the dates of the transactions. At the balance sheet date all monetary assets and liabilities denominated in foreign currencies are translated at period end rates. Exchange gains and losses are taken to the profit and loss account.

f) Pension costs

With effect from 1 July 2007, the company, along with FremantleMedia Group Limited, FremantleMedia Limited and TalkbackTHAMES UK Limited, has participated in the Fremantle Group Pension Plan ("the Plan"). The Plan has both defined benefit and defined contribution schemes.

RTL Group Systems Limited (formerly RTL Group Limited)

Notes to the financial statements for the year ended 31 December 2007

(Continued)

g) Interest

Interest receivable and payable is recognised on a time proportion basis using the effective interest method

h) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks. Bank overdrafts are shown within current liabilities on the balance sheet.

i) Trade debtors and payables

Trade debtors, net of provision for doubtful debt, and payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 Cashflow and related party disclosures

The company is a wholly owned subsidiary of RTL Group SA and is included in the consolidated financial statements of RTL Group SA which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8, Related Party Disclosures, from disclosing related party transactions with members of the RTL Group.

3 Profit on ordinary activities before interest and taxation

	2007 £'000	2006 £'000
This is stated after charging		
Auditors' remuneration – audit services	3	3
Employee costs (note 4)	110	-

RTL Group Systems Limited (formerly RTL Group Limited)

Notes to the financial statements for the year ended 31 December 2007

(Continued)

4 Employee information

	2007 £'000	2006 £'000
Employee costs		
Wages and salaries	97	-
Pensions	5	-
Social security costs	8	-
	110	-
	2007 No	2006 No
The average number of employees during the year was made up as follows		
Services	2	-
	2	-

5 Directors' emoluments

None of the directors received any fees or emoluments in respect of their services to the company during the year ended 31 December 2007 (2006 £nil)

6 Interest receivable and similar income

	2007 £'000	2006 £'000
Bank Interest	3	2
Interest receivable from group undertakings	25	7
	28	9

7 Interest payable and similar charges

	2007 £'000	2006 £'000
Interest payable to group undertakings	20	-
	20	-

RTL Group Systems Limited (formerly RTL Group Limited)

Notes to the financial statements for the year ended 31 December 2007

(Continued)

8 Tax on profit on ordinary activities

	2007 £'000	2006 £'000
a) Analysis of charge in period		
Current tax		
UK group relief payable at 30% (2006 30%) on the profit for the year	20	-
Adjustments in respect of previous years	(2)	-
Total current tax (note 8(b))	18	-

There are no deferred tax balances in either period

b) Factors affecting the tax charge for period

The tax charge for the period differs from the standard rate of corporation tax in the UK of 30% (2006 30%) The differences are explained below

	2007 £'000	2006 £'000
Profit on ordinary activities before tax	67	4
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	20	1
Effects of		
Tax losses utilised	-	(1)
Adjustments in respect of previous periods	(2)	-
Current tax charge for period (note 8(a))	18	-

No provision for potential deferred tax assets has been made because full recovery is uncertain The full potential deferred tax asset is disclosed at the effective rate of corporation tax of 28%

	2007 £'000	2006 £'000
Tax losses carried forward	436	469
Capital losses	34	36
	470	505

c) Factors affecting the tax charge for future periods

The rate of United Kingdom corporation tax will reduce from 30% to 28% with effect from 1 April 2008 There are no other factors noted that may affect the future tax charge

RTL Group Systems Limited (formerly RTL Group Limited)

Notes to the financial statements for the year ended 31 December 2007

9 Fixed asset investments

	Subsidiary undertakings £'000
Cost	
At 1 January and 31 December 2007	1,000
Provision	
At 1 January and 31 December 2007	1,000
Net book value	
At 1 January and 31 December 2007	-

The subsidiary undertakings in which the company had an interest at 31 December 2007 were as follows

	Country of registration	Principal Activity	Percentage of ordinary shares held
Principal subsidiaries			
Dominfast Investments Ltd	UK	Dormant	100%
Paradigm (Worldwide) Ltd	UK	Non-trading	50%

The investment of £1m in Paradigm (Worldwide) Ltd was fully written down in 2000

10 Debtors

	2007 £'000	2006 £'000
Amounts owed by group undertakings	524	157
	524	157

Included in amounts owed by group undertakings for 2007 were cash pooling balances earning interest between 4.39% and 8.23% (2006: 3.90% and 6.00%) during the year. All other amounts owed by group undertakings are unsecured, and interest free. All amounts owed by group undertakings are repayable on demand.

RTL Group Systems Limited (formerly RTL Group Limited)

Notes to the financial statements for the year ended 31 December 2007

(Continued)

11 Creditors - amounts falling due within one year

	2007 £'000	2006 £'000
Trade creditors	16	-
Amounts owed to group undertakings	177	-
Group relief payable	18	-
Accruals	14	3
	<u>225</u>	<u>3</u>

Included in amounts owed to group undertakings for 2007 were cash pooling balances earning interest between 4.39% and 8.23% (2006: 3.90% and 6.00%) during the year. All other amounts owed to group undertakings are unsecured, and interest free. All amounts owed by group undertakings are repayable on demand.

12 Called up share capital

	2007 £	2006 £
Authorised		
3,090,001 (2006: 3,090,001) ordinary shares of £1 each	3,090,001	3,090,001
Allotted, called up and fully paid		
1 (2006: 1) ordinary share of £1 each	1	1

13 Reconciliation of movement in reserves

	Profit and loss account £'000
At 1 January 2007	257
Retained profit for the financial year (see note 14)	49
At 31 December 2007	306

14 Reconciliation of movements in equity shareholders' funds

	2007 £'000	2006 £'000
Profit for the year	49	4
Retained profit for the financial year	49	4
Net addition to shareholder's funds	49	4
Equity shareholder's funds at 1 January	257	253
Equity shareholder's funds at 31 December	306	257

RTL Group Systems Limited (formerly RTL Group Limited)

Notes to the financial statements for the year ended 31 December 2007

(Continued)

15 Pension

RTL Group Systems Limited and its employees have participated in the Fremantle Group Pension Plan ("the Plan") with effect from 1 July 2007. With effect from this date the company has elected to account for pension costs in accordance with FRS17 "Retirement Benefits". RTL Group Systems Limited and its employees participate in the defined contribution sections of the Plan. The company's profit & loss charge under FRS17 represents its contributions payable to the defined contributions sections.

16 Ultimate parent undertaking

The immediate parent undertaking is Audio Média Investments SA, a company registered in Belgium.

The smallest group to consolidate these accounts is RTL Group SA. Copies of the RTL Group accounts can be obtained from the General Counsel at RTL Group, 45 Boulevard Pierre Frieden, L-1543 Luxembourg.

The ultimate parent undertaking and controlling party is Bertelsmann AG, a company registered in Germany, which is the largest group to consolidate these accounts. Copies of the Bertelsmann AG accounts can be obtained from the General Counsel at Bertelsmann AG, Carl-Bertelsmann-Straße 270, 33311 Gütersloh, Germany.