

RTL Group Systems Limited

Registered Number: 889123

**Directors' report and financial statements
for the year ended 31 December 2008**

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RTL Group Systems Limited

Directors' report for the year ended 31 December 2008

The directors present their report and the audited financial statements of the company for the year ended 31 December 2008.

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.

Review of business and future developments

The results of the company for the year ended 31 December 2008 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 £122,000 (2007: £49,000)

The directors do not recommend the payment of a dividend for the year (2007: £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:-

R Grant
V Pascaud

At no time during the year ended 31 December 2008 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

Directors' report for the year ended 31 December 2008 (Continued)

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

Statement of disclosure of information to auditors

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

15 May 2009

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

We have audited the financial statements of RTL Group Systems Limited for the year ended 31 December 2008 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 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 (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 2008 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

18 May 2009

RTL Group Systems Limited

Profit and loss account for the year ended 31 December 2008

	<i>Note</i>	2008 £'000	2007 £'000
Turnover		580	502
Administrative expenses		(526)	(443)
Profit on ordinary activities before interest and taxation	3	54	59
Interest receivable and similar income	6	29	28
Interest payable and similar charges	7	(23)	(20)
Profit on ordinary activities before taxation		60	67
Tax credit/(charge) on profit on ordinary activities	8	62	(18)
Profit for the financial year	14	122	49

The above results were derived entirely from continuing operations.

The company had no recognised gains or losses during either 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 retained profit for the year stated above and its historical cost equivalent.

RTL Group Systems Limited

Balance sheet as at 31 December 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Investments	9	-	-
Current assets			
Debtors	10	410	524
Cash at bank and in hand		95	7
		505	531
Creditors – amounts falling due within one year	11	(77)	(225)
Net current assets		428	306
Total assets less current liabilities		428	306
Net assets		428	306
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account	13	428	306
Total shareholders' funds	14	428	306

The financial statements on pages 5 to 13 were approved by the board of directors on 15 May 2009 and signed on its behalf by:



R Grant
Director

RTL Group Systems Limited

Notes to the financial statements for the year ended 31 December 2008

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 in the United Kingdom. The principal accounting policies are set out below and have been applied consistently.

The company is a wholly owned subsidiary of RTL Group S.A. and is included in the financial statements of RTL Group S.A. 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

Fixed asset investments are stated 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 only participates in the defined contribution section of the plan. The Assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

RTL Group Systems Limited

Notes to the financial statements for the year ended 31 December 2008

(Continued)

1 Accounting Policies (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 S.A. and is included in the consolidated financial statements of RTL Group S.A. 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 transactions with members of the RTL Group.

3 Profit on ordinary activities before interest and taxation

	2008	2007
	£'000	£'000
Profit on ordinary activities before interest and taxation is stated after charging:		
Auditors' remuneration – audit services	4	3
Employee costs (note 4)	205	110

4 Employee information

	2008	2007
	£'000	£'000
Employee costs		
Wages and salaries	175	97
Pensions	13	5
Social security costs	17	8
	205	110

RTL Group Systems Limited

Notes to the financial statements for the year ended 31 December 2008

(Continued)

4 Employee information (Continued)

	2008 No.	2007 No.
The average number of employees during the year was as follows:		
Services	3	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 2008 (2007: £nil).

6 Interest receivable and similar income

	2008 £'000	2007 £'000
Bank interest	2	3
Interest receivable from group undertakings	27	25
	29	28

7 Interest payable and similar charges

	2008 £'000	2007 £'000
Interest payable to group undertakings	23	20

8 Tax on profit on ordinary activities

	2008 £'000	2007 £'000
a) Analysis of charge in the year		
Current tax charge:		
UK group relief payable at 28.5% (2007: 30%) on the profit for the year	-	20
Adjustments in respect of previous years	(20)	(2)
Total current tax charge (note 8(b))	(20)	18
Deferred Tax (note 8(c))	(42)	-
Tax (credit)/charge on profit ordinary activities	(62)	18

RTL Group Systems Limited

Notes to the financial statements for the year ended 31 December 2008

(Continued)

8 Tax on profit on ordinary activities (Continued)

b) Factors affecting the tax charge for the year

The tax charge for the year differs from the standard rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are explained below:

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	60	67
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	17	20
Effects of:		
Tax losses utilised	(17)	-
Adjustments in respect of previous periods	(20)	(2)
Current tax (credit)/charge for the year (note 8(a))	(20)	18

c) Deferred tax asset

	2008 £'000 Provided	2008 £'000 Unprovided	2007 £'000 Provided	2007 £'000 Unprovided
Tax losses carried forward	42	352	-	436
Capital losses	-	34	-	34
	42	386	-	470

	2008 £'000	2007 £'000
Asset as at 1 January	-	-
Deferred tax in profit and loss account for period (note 8 (a))	(42)	-
Liability/(asset) as at 31 December	(42)	-

d) Factors affecting current and future tax charges

The standard rate of Corporation Tax in the United Kingdom changed from 30% to 28% with effect from 1 April 2008. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 28.5% and will be taxed at 28% in the future.

RTL Group Systems Limited

Notes to the financial statements for the year ended 31 December 2008

(Continued)

9 Fixed asset investments

	Subsidiary undertakings £'000
Cost	
At 1 January and 31 December 2008	1,000
Provision	
At 1 January and 31 December 2008	1,000
Net book amount	
At 31 December 2007 and 31 December 2008	-

The subsidiary undertakings in which the company had an interest at 31 December 2008 were as follows:

	Country of registration	Principal Activity	Percentage of ordinary shares held
Principal subsidiaries:			
Paradigm (Worldwide) Limited.	UK	Non-trading	50%

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

10 Debtors

	2008 £'000	2007 £'000
Amounts owed by group undertakings	368	524
Deferred taxation (note 8 (c))	42	-
	410	524

Included in amounts owed by group undertakings for 2008 were cash pooling balances earning interest between 2.17% and 5.50% (2007: 4.39% and 8.23%) 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

Notes to the financial statements for the year ended 31 December 2008

(Continued)

11 Creditors - amounts falling due within one year

	2008 £'000	2007 £'000
Trade creditors	9	16
Amounts owed to group undertakings	31	177
Group relief payable	-	18
Accruals	37	14
	<u>77</u>	<u>225</u>

Included in amounts owed to group undertakings for 2008 were cash pooling balances earning interest between 2.17% and 5.50% (2007: 4.39% and 8.23%) 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

	2008 £	2007 £
Authorised:		
3,090,001 (2007: 3,090,001) ordinary shares of £1 each	3,090,001	3,090,001
Allotted, called up and fully paid:		
1 (2007: 1) ordinary share of £1 each	1	1

13 Reconciliation of movement in reserves

	Profit and loss account £'000
At 1 January 2008	306
Retained profit for the financial year (note 14)	122
At 31 December 2008	428

14 Reconciliation of movements in total shareholders' funds

	2008 £'000	2007 £'000
Profit for the year	122	49
Retained profit for the financial year	122	49
Net addition to shareholders' funds	122	49
Total shareholders' funds at 1 January	306	257
Total shareholders' funds at 31 December	428	306

RTL Group Systems Limited

Notes to the financial statements for the year ended 31 December 2008

(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 pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £13,000 (2007: £5,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

16 Ultimate parent undertaking

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

The smallest group to consolidate these accounts is RTL Group S.A.. 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-Bertlesmann-Straße 270, 33311 Gütersloh, Germany.