

# **RTL Group Support Services Limited (formerly RTL Group Systems Limited)**

**Registered Number: 00889123**

**Directors' report and financial statements  
for the year ended 31 December 2010**

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# **RTL Group Support Services Limited (formerly RTL Group Systems Limited)**

**Registered Number: 00889123**

## **Directors' report for the year ended 31 December 2010**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2010

### **Principal activity**

The principal activity of the company throughout the year was the provision of information technology system support to members of the RTL Group. During the year the company also began to provide tax advisory and compliance services to members of the Bertelsmann and RTL Group. The company also holds a media related investment.

### **Change of name**

On 3 September 2010 the name of the company was changed from RTL Group Systems Limited to RTL Group Support Services Limited.

### **Review of business and future developments**

The results of the company for the year ended 31 December 2010 are set out on page 5 of the financial statements. The results are in line with the expectations of the directors and 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 £4,000 (2009 loss: £3,000).

The directors do not recommend the payment of a dividend for the year (2009: £nil). The profit for the year has been transferred to reserves.

### **Directors**

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

R Grant (Resigned 30 July 2010)

V Pascaud

K-M Beisheim (Appointed 30 July 2010)

### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

# **RTL Group Support Services Limited (formerly RTL Group Systems Limited)**

Registered Number: 00889123

## **Directors' report for the year ended 31 December 2010 (continued)**

### **Statement of directors' responsibilities (continued)**

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **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.

### **Small company exemption**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the Board



HL Farnaby  
**Company Secretary**  
16 March 2011

## **RTL Group Support Services Limited (formerly RTL Group Systems Limited)**

### **Independent auditors' report to the members of RTL Group Support Services Limited**

We have audited the financial statements of RTL Group Support Services Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities set out in the directors' report the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving 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.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **RTL Group Support Services Limited (formerly RTL Group Systems Limited)**

### **Independent auditors' report to the members of RTL Group Support Services Limited (continued)**

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures or directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the directors' report in accordance with the small company regime



Mark Hughes (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

18 March 2011

## RTL Group Support Services Limited (formerly RTL Group Systems Limited)

### Profit and loss account for the year ended 31 December 2010

	<i>Note</i>	<b>2010 £'000</b>	<b>2009 £'000</b>
<b>Turnover</b>		552	488
<b>Administrative expenses</b>		(549)	(463)
<b>Operating profit</b>	<b>4</b>	<b>3</b>	<b>25</b>
<b>Interest receivable and similar income</b>	<b>7</b>	<b>1</b>	<b>-</b>
<b>Profit on ordinary activities before taxation</b>		<b>4</b>	<b>25</b>
<b>Tax charge on profit on ordinary activities</b>	<b>8</b>	<b>-</b>	<b>(28)</b>
<b>Profit/(loss) for the financial year</b>	<b>15</b>	<b>4</b>	<b>(3)</b>

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 loss for the year stated above and its historical cost equivalent

# RTL Group Support Services Limited (formerly RTL Group Systems Limited)

Registered number: 00889123

## Balance sheet as at 31 December 2010

	Note	2010 £'000	2009 £'000
<b>Fixed assets</b>			
Tangible assets	9	24	-
Investments	10	-	-
		24	-
<b>Current assets</b>			
Debtors	11	369	189
Cash at bank and in hand		845	585
		1,214	774
<b>Creditors – amounts falling due within one year</b>	12	(809)	(349)
<b>Net current assets</b>		405	425
<b>Total assets less current liabilities</b>		429	425
<b>Net assets</b>		429	425
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Profit and loss account	14	429	425
<b>Total shareholders' funds</b>	15	429	425

The financial statements on pages 5 to 13 were approved by the board of directors on 17<sup>th</sup> March 2011 and signed on its behalf by



V Pascaud  
Director

# **RTL Group Support Services Limited (formerly RTL Group Systems Limited)**

## **Notes to the financial statements for the year ended 31 December 2010**

### **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 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below and have been applied consistently, throughout the financial year.

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 400 of the Companies Act 2006 not to prepare group financial statements.

#### **b) Turnover**

Services income is generated from the provision of information technology support to companies within the RTL Group in addition to the provision of tax advisory and compliance services to companies within the Bertelsmann and RTL Group. Turnover is calculated based on daily time sheets for work completed on behalf of various group companies at arm's length charge rates.

All turnover is 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. Deferred tax is calculated on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

#### **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 of value.

#### **e) Tangible fixed assets**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bring the asset to its working condition for its intended use. The cost of tangible fixed assets is depreciated over their estimated economic lives in equal amounts over the periods indicated below.

Motor vehicles

4 years



# **RTL Group Support Services Limited (formerly RTL Group Systems Limited)**

## **Notes to the financial statements for the year ended 31 December 2010 (continued)**

### **1 Accounting policies (continued)**

#### **f) 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.

#### **g) Pension costs**

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 Support Services Limited participates in both the defined contribution and defined benefit sections 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 servicing the scheme in respect of the accounting period.

#### **h) Interest**

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

#### **i) Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks.

### **2 Cashflow statement**

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 'Cash Flow Statements' (Revised 1996).

### **3 Related party disclosures**

The company is exempt under the terms of Financial Reporting Standard 8, 'Related Party Disclosures', from disclosing transactions with members of the RTL Group.

### **4 Operating profit**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit is stated after charging		
Depreciation	3	-
Foreign exchange losses	-	3
Employee costs (note 5)	330	186

The auditors' remuneration in the current year of £2,439 (2009: £2,500) has been borne by FremantleMedia Group Limited, another group company.

# RTL Group Support Services Limited (formerly RTL Group Systems Limited)

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 5 Employee information

	2010 £'000	2009 £'000
<b>Employee costs</b>		
Wages and salaries	266	154
Other pension costs	36	18
Social security costs	28	14
	<u>330</u>	<u>186</u>
	<b>2010 No.</b>	<b>2009 No</b>

The average number of employees during the year was as follows

Services	4	3
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### 6 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 2010 (2009 £nil)

### 7 Interest receivable and similar income

	2010 £'000	2009 £'000
Bank interest	1	-

### 8 Tax on the profit for the year

	2010 £'000	2009 £'000
<b>a) Analysis of charge in the year</b>		
<b>Current tax charge</b>		
UK group relief receivable on profits for the year	-	-
Adjustments in respect of previous years	-	-
Total current tax charge (note 8(b))	-	-
Deferred tax (note 8(c))	-	28
Tax charge on profit on ordinary activities	-	28

# RTL Group Support Services Limited (formerly RTL Group Systems Limited)

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 8 Tax on profit on ordinary activities (continued)

#### b) Factors affecting the tax (credit)/charge for the year

The tax for the year is lower than (2009 lower than) the standard rate of corporation tax in the UK for the year ended 31 December 2010 of 28% (2009 28%). The differences are explained below

	2010 £'000	2009 £'000
Profit on ordinary activities before tax	4	25
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	1	7
<b>Effects of</b>		
Tax losses utilised	(1)	(7)
Current tax credit (note 8(a))	-	-

During the year, as a result of the change in the UK main corporation tax rate from 28% to 27% that was substantively enacted on 20 July 2010 and that will be effective from 1 April 2011, the relevant deferred tax balances have been re-measured

Further reductions to the UK corporation tax rate were announced in the June 2010 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 24% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements

#### c) Deferred tax asset

	2010 £'000	2010 £'000	2009 £'000	2009 £'000
	Recognised	Unrecognised	Recognised	Unrecognised
Tax losses carried forward	14	364	14	345
Capital losses	-	34	-	34
	14	398	14	379

	2010 £'000	2009 £'000
At 1 January	(14)	(42)
Deferred tax in profit and loss account for the year (note 8 (a))	-	28
At 31 December	(14)	(14)

A deferred tax asset has been recognised in respect of tax losses carried forward that are expected to be utilised in the foreseeable future. No deferred tax asset is recognised for losses where future recovery is uncertain.

# RTL Group Support Services Limited (formerly RTL Group Systems Limited)

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 9 Tangible fixed assets

	Motor Vehicles £'000	Total £'000
<b>Cost</b>		
At 1 January 2010	-	-
Additions	27	27
<b>At 31 December 2010</b>	<b>27</b>	<b>27</b>
<b>Accumulated depreciation</b>		
At 1 January 2010	-	-
Charge for the year	3	3
<b>At 31 December 2010</b>	<b>3</b>	<b>3</b>
<b>Net book amount</b>		
<b>At 31 December 2010</b>	<b>24</b>	<b>24</b>
At 31 December 2009	-	-

### 10 Fixed asset investments

	Subsidiary undertakings £'000
<b>Cost</b>	
At 1 January and 31 December 2010	1,000
<b>Provision</b>	
At 1 January and 31 December 2010	1,000
<b>Net book amount</b>	
<b>At 31 December 2009 and 31 December 2010</b>	<b>-</b>

The subsidiary undertakings in which the company had an interest at 31 December 2010 were as follows

	Country of registration	Principal Activity	Percentage of ordinary shares held
<b>Principal subsidiaries</b>			
Paradigm (Worldwide) Limited	UK	Non-trading	50%

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

# RTL Group Support Services Limited (formerly RTL Group Systems Limited)

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 11 Debtors

	2010 £'000	2009 £'000
Amounts owed by group undertakings	355	175
Deferred taxation (note 8 (c))	14	14
	<b>369</b>	<b>189</b>

All amounts owed by group undertakings are unsecured, interest free and are repayable on demand

### 12 Creditors - amounts falling due within one year

	2010 £'000	2009 £'000
Trade creditors	68	1
Amounts owed to group undertakings	686	332
Accruals	55	16
	<b>809</b>	<b>349</b>

All amounts owed to group undertakings are unsecured, and interest free and are repayable on demand

### 13 Called up share capital

	2010 £	2009 £
<b>Authorised</b>		
3,090,001 (2009 3,090,001) ordinary shares of £1 each	3,090,001	3,090,001
<b>Allotted, called up and fully paid</b>		
1 (2009 1) ordinary share of £1 each	1	1

### 14 Reserves

	Profit and loss account £'000
At 1 January 2010	425
Profit for the financial year	4
<b>At 31 December 2010</b>	<b>429</b>

# RTL Group Support Services Limited (formerly RTL Group Systems Limited)

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 15 Reconciliation of movements in total shareholders' funds

	2010 £'000	2009 £'000
Profit/(loss) for the year	4	(3)
Retained profit/(loss) for the financial year	4	(3)
<b>Net reduction to shareholders' funds</b>	<b>4</b>	<b>(3)</b>
Total shareholders' funds at 1 January	425	428
<b>Total shareholders' funds at 31 December</b>	<b>429</b>	<b>425</b>

### 16 Pension scheme

The FremantleMedia group operates an occupational pension plan in the UK which has both a defined benefit and a defined contribution section. The Principal Employer is FremantleMedia Group Limited. FremantleMedia Limited, RTL Group Support Services Limited and TalkbackTHAMES UK Limited are participating employers.

A full actuarial valuation was carried out at 1 January 2008 and updated to 31 December 2010 by a qualified independent actuary.

RTL Group Support Services Limited participated in both the defined benefit and the defined contribution sections of the Plan.

The Plan is funded with the assets being held by the Trustees 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 are contracted out of the State Second Pension via the Reference Scheme Test.

Although the company participates in both the defined benefit and defined contribution section, the company is unable to identify its share of the underlying assets and liabilities and hence accounts for its participation as defined contribution under the multi-employer rules of Financial Reporting Standard 17.

The last formal actuarial valuation on 1 January 2008 gave a deficit of £1,299,000. This will be funded by FremantleMedia Group Limited.

The company's profit and loss charge under Financial Reporting Standard 17 for the year ending 31 December 2010, representing its contributions payable was £22,000 (2009: £12,000).

### 17 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-Bertelsmann-Straße 270, 33311 Gütersloh, Germany.