

RTL Group Support Services Limited

Registered Number: 00889123

**Directors' report and financial statements for the
year ended 31 December 2016**



RTL Group Support Services Limited

Registered Number: 00889123

Directors' report for the year ended 31 December 2016

The directors present their report and the audited financial statements of RTL Group Support Services Limited (the "Company") for the year ended 31 December 2016.

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

Principal activities

The principal activity of the Company throughout the year was the provision of tax advisory, compliance and journalist support services to members of Bertelsmann SE & Co.KGaA, the ultimate controlling party, and RTL Group S.A. ("RTL Group"), the smallest group in which these financial statements consolidate. The Company has also provided information technology system support to members of the RTL Group and has assisted those members in the evaluation of global business development and overall strategic objectives.

Review of business and future developments

The Company's profit for the financial year ended 31 December 2016, as set out on page 7 of the financial statements, was £94,000 (2015: £223,000), with a profit on ordinary activities before taxation of £132,000 (2015: £202,000) for the financial year and revenue of £2,581,000 (2015: £2,683,000). The Company's net assets reported for the year ended 31 December 2016 were £1,480,000 (2015: £1,386,000).

Revenue has fallen due to the decrease in the provision of services to group companies. This has resulted in a decrease to profit on ordinary activities before taxation.

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.

Key performance indicators

The Company's key performance indicator is considered to be as follows:

Profit for the financial year: £94,000 (2015: £223,000).

Going Concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The Company does not use derivative financial instruments for speculative purposes.

RTL Group Support Services Limited

Registered Number: 00889123

Directors' report for the year ended 31 December 2016 (continued)

Cash flow risk

The Company's activities expose it to the financial risk of changes in interest rates, but the directors do not believe there is a material exposure to losses arising from these potential changes to warrant the use of hedging.

Credit risk

The Company's principal financial assets are cash and receivables. The Company's credit risk is primarily attributable to its receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Company has no significant concentration of credit risk, with exposure spread primarily among related group parties.

Liquidity risk

Cash is held as cash at bank and in hand in order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments.

Dividends

The directors do not recommend the payment of a dividend for the year (2015: £nil). The profit for the financial year has been transferred to equity.

Directors

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

V Pascaud

K-M Beisheim

RTL Group Support Services Limited

Registered Number: 00889123

Directors' report for the year ended 31 December 2016 (continued)

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

RTL Group Support Services Limited

Registered Number: 00889123

Directors' report for the year ended 31 December 2016 (continued)

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.

In accordance with section 414B of Companies Act 2006, The Company has applied the small companies' exemption in relation to the need to produce a strategic report.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at a meeting of the Board of Directors.

By order of the board



Director

21 September 2017
Vincent Pascaud
Senior Vice President
Group IT
RTL Group

RTL Group Support Services Limited

Registered Number: 00889123

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

Report on the financial statements

Our opinion

In our opinion, RTL Group Support Services Limited's financial statements (the "financial statements"):

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

What we have audited

The financial statements, included within the Directors' report and financial statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Statement of Profit and Loss and Other Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

RTL Group Support Services Limited

Registered Number: 00889123

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

Entitlement to exemptions

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

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

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

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

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

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



David Snell (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors.
London
21 September 2017

RTL Group Support Services Limited

Registered Number: 00889123

**Statement of Profit and Loss and Other Comprehensive Income
for the year ended 31 December 2016**

	<i>Note</i>	2016 £'000	2015 £'000
Revenue	4	2,581	2,683
Administrative expenses		(2,450)	(2,482)
Operating profit	6	131	201
Finance Income	9	1	1
Gain on disposal of fixed assets		-	-
Profit on ordinary activities before taxation		132	202
Tax on profit on ordinary activities	10	(38)	21
Profit for the financial year		94	223
Total Comprehensive Income for the year		94	223

The notes to the financial statements are on pages 10 to 21 and form an integral part to these financial statements.

The above results were derived entirely from continuing operations.

RTL Group Support Services Limited

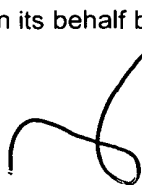
Registered Number: 00889123

Statement of Financial Position as at 31 December 2016

	<i>Note</i>	2016 £'000	2015 £'000
Current assets			
Trade and other receivables	11	571	1,021
Cash at bank and in hand		1,197	727
		1,768	1,748
Creditors – amounts falling due within one year	12	(288)	(362)
Net current assets		1,480	1,386
Total assets less current liabilities		1,480	1,386
Net assets		1,480	1,386
Equity			
Ordinary share capital	13	-	-
Retained earnings		1,480	1,386
Total shareholders' funds		1,480	1,386

The financial statements on pages 7 to 21 were approved by the board of directors on and signed on its behalf by:

V Pascaud
Director



RTL Group Support Services Limited

Registered Number: 00889123

Vincent Pascaud
Senior Vice President
Group IT
RTL Group

21/9/17.

RTL Group Support Services Limited

Registered number: 00889123

Statement of Changes in Equity for the year ended 31 December 2016

	Ordinary share capital £'000	Retained earnings £'000	Total shareholders' funds £'000
Balance as at 1 January 2015 (as previously reported)	-	1,163	1,163
Profit for the financial year	-	223	223
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	223	223
Total transactions with owners, recognised directly in equity	-	-	-
Balance as at 31 December 2015	-	1,386	1,386
Balance as at 1 January 2016	-	1,386	1,386
Profit for the financial year	-	94	94
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	94	94
Total transactions with owners, recognised directly in equity	-	-	-
Balance as at 31 December 2016	-	1,480	1,480

RTL Group Support Services Limited

Notes to the Financial Statements for the year ended 31 December 2016

1 Accounting policies

a) Basis of preparation

These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The principal accounting policies are set out below and have been consistently applied throughout the financial year.

The Company meets its day-to-day working capital requirements through its cash reserves. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1 (reconciliation for number of shares in issue); and
 - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment (reconciliation of carrying amount components of fixed assets during the year);
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 40A-D (requirements for a third statement of financial position);
 - 111 (cash flow statement information); and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- 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.

There were no adjustments arising from the transition of previously reported UK GAAP to FRS 101.

RTL Group Support Services Limited

Notes to the Financial Statements for the year ended 31 December 2016 (continued)

1 Accounting policies (continued)

b) Consolidated financial statements

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements as it 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.

c) Revenue

Services income is generated from the provision of information technology support to companies within the RTL Group S.A. in addition to the provision of tax advisory and compliance services to companies within the Bertelsmann SE & Co. KGaA group. Revenue is calculated based on cost incurred to provide the services with a mark-up applied.

All revenue represents income net of value added tax. This is recognised in line with the periods in which the services relate. Revenue is accounted for on an accruals basis.

d) 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 statement of profit and loss.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

e) Taxation

The tax (credit)/expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

RTL Group Support Services Limited

Notes to the Financial Statements for the year ended 31 December 2016 (continued)

1 Accounting policies (continued)

f) Deferred taxation

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

g) Cash at bank and in hand

Cash at bank and in hand includes cash in hand and deposits held at call with banks.

h) Ordinary share capital

Ordinary shares are classified as equity.

i) Finance Income

Finance income is recognised on an accruals basis.

j) Employee benefits

Other employee benefits include holiday pay accrual, a car allowance scheme and other benefits in kind. The costs associated with these benefits are recognised when an employee has rendered services in exchange for the contributions due by the employer.

RTL Group Support Services Limited

Notes to the Financial Statements for the year ended 31 December 2016 (continued)

2 Critical accounting estimates and judgements

a) Pension costs

During 2016, the Company participated in the Fremantle Media Group Personal Pension Plan, a defined contribution scheme. Fremantle Media Group Limited is a wholly owned subsidiary of RTL Group S.A. FremantleMedia Group Limited is the sponsoring entity of the Plan.

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.

The Company's profit and loss charge represents its participation for the year to 31 December 2016.

b) Impairment of receivables

The Company makes an estimate of the recoverable value of receivables and reviews them for impairment on an annual basis. When assessing the impairment of receivables, management considers the position of the counterparty within the Bertelsmann SE & Co. KGaA group and makes appropriate enquiries to consider the recoverability of amounts owed by group undertakings.

c) Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

3 Cash flow 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 FRS 101.

RTL Group Support Services Limited

Notes to the Financial Statements for the year ended 31 December 2016 (continued)

4 Revenue

a) Analysis of revenue by geography:

	2016 £'000	2015 £'000
United Kingdom	2,581	2,683
	2,581	2,683

This revenue is solely generated from providing services.

5 Related party disclosures

The Company entered into related party transactions with RTL Group S.A. and members of RTL Group S.A., the smallest group in which these financial statements consolidate. The Company also entered into related party transactions with Bertelsmann SE & Co. KGaA, the ultimate controlling party, and members of the Bertelsmann SE & Co. KGaA group, which are not wholly owned by RTL Group S.A.

These transactions are disclosed below.

There were no amounts written off in the period in respect of debts due from related parties, and no provision was required for doubtful debts due from such parties.

The services related to provision of tax advisory and compliance services.

RTL Group Support Services Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

5 Related party disclosures (continued)

Name Of Related Party	Amounts receivable from related party		Amounts payable to related party		Other commitments received from related party	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Arvato Limited	4	9	-	-	-	-
Arvato Finance Services Limited	-	-	-	-	-	-
Arvato Financial Solutions Limited	3	5	-	-	-	-
Bertelsmann SE & Co. KGaA	45	27	-	-	-	-
Bertelsmann UK Limited	18	35	-	-	-	-
Bertelsmann, Inc.	5	26	-	-	-	-
Dorling Kindersley Limited	16	13	-	-	-	-
Sonopress (UK) Limited	-	-	-	-	-	-
Prinovis UK Limited	3	1	-	-	-	-
The Random House Group Limited	6	4	-	-	-	-
Penguin Books Limited	7	12	-	-	-	-
Penguin Random House Limited	67	103	-	-	-	-
BMG Rights Management (UK) Limited	78	20	-	-	-	-
BMG Rights Management GmbH	-	11	-	-	-	-
BMG Rights Management GmbH Corporate	12	-	-	-	-	-
Broadcasting Center Europe S.A.	13	10	-	-	78	96
InfoNetwork GmbH	80	222	-	-	-	-
RTL Group S.A.	42	84	-	-	-	-
CLT-UFA S.A.	37	26	-	-	-	-
FremantleMedia Group Limited	50	38	8	10	-	-
FremantleMedia Limited	21	11	102	129	-	-
Arvato Limited – Arvato CRM UK	3	-	-	-	-	-
Gruner + Jahr Limited	1	-	-	-	-	-
RTL Group Deutschland GmbH	-	259	-	-	-	-
	511	916	110	139	78	96

RTL Group Support Services Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

5 Related party disclosures (continued)

Name Of Related Party	Revenue generated from related party		Expenditure for related party	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Arvato Limited	-	-	1	1
Arvato Finance Services Limited	-	-	-	-
Arvato Financial Solutions Limited	10	7	-	-
Arvato Limited – Arvato CRM UK	11	-	1	-
Bertelsmann SE & Co. KGaA	134	147	1	2
Bertelsmann UK Limited	58	70	-	-
Bertelsmann, Inc.	5	65	-	-
Sonopress (UK) Limited	-	-	-	-
Prinovis UK Limited	6	2	-	-
The Random House Group Limited	22	46	-	-
Penguin Books Limited	31	25	-	-
Penguin Random House Limited	135	120	-	-
BMG Rights Management (UK) Limited	114	71	-	-
BMG Rights Management GmbH	-	46	-	-
BMG Rights Management GmbH Corporate	33	-	-	-
Broadcasting Center Europe S.A.	91	68	-	1
InfoNetwork GmbH	1,036	1,105	-	-
RTL Group S.A.	146	312	7	8
CLT-UFA S.A.	155	124	-	-
FremantleMedia Group Limited	135	147	84	101
FremantleMedia Limited	82	26	17	19
RTL Group Deutschland GmbH	347	259	-	-
CLT-UFA UK Television Limited	-	-	-	-
Gruner + Jahr Limited	5	2	-	-
Oliver Smith & Partners Limited	-	14	-	-
Dorling Kindersley Limited	25	-	-	-
	2,581	2,656	111	132

6 Operating profit

	2016 £'000	2015 £'000
Operating profit is stated after charging:		
Operating lease rentals – property	148	171
Employee costs (note 7)	1,498	1,506

The auditors' remuneration in the current year was £4,187 (2015: £4,200).

RTL Group Support Services Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

7 Employee information

	2016 £'000	2015 £'000
Employee costs		
Wages and salaries	1,274	1,288
Social security costs	127	119
Other pension costs	97	99
	<u>1,498</u>	<u>1,506</u>

	2016 Number	2015 Number
The average monthly number of employees during the year was as follows:		
Services	<u>12</u>	<u>12</u>

8 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 2016 (2015: £nil).

9 Finance income

	2016 £'000	2015 £'000
Bank interest	<u>1</u>	<u>1</u>

RTL Group Support Services Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

10 Tax on profit on ordinary activities

a) Analysis of (charge)/credit in the year

The current tax charge differs from the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

The differences are explained below:

	2016 £'000	2015 £'000
Current tax (charge)/ credit:		
UK group relief receivable on the loss for the financial year	-	-
Total current tax credit (note 10(b))	-	-
Deferred tax (note 10(c))	(38)	21
Tax on profit on ordinary activities	(38)	21

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

The current tax charge differs from the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

The differences are explained below:

	2016 £'000	2015 £'000
Profit on ordinary activities before taxation	132	202
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 20.25%)	26	41
Effects of:		
Unrecognised tax losses utilised	(26)	(41)
Recognition of tax losses	-	21
Re-evaluation of recognised losses	(38)	-
Total tax on profit on ordinary activities (note 10(a))	(38)	21

RTL Group Support Services Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

10 Tax on profit on ordinary activities (continued)

c) Deferred tax asset

	2016 £'000	2016 £'000	2015 £'000	2015 £'000
	Recognised	Unrecognised	Recognised	Unrecognised
Tax losses carried forward	51	104	89	92
Capital losses	-	221	-	221
	51	325	89	313

d) Movement in deferred tax asset

	Tax Losses £'000
At 1 January 2016	89
(Charged)/credited to the income statement	(38)
At 31 December 2016	51

A deferred tax asset has been recognised in respect of the losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The standard rate of deferred tax used is 19% (2015: 19%).

The standard rate of corporation tax in the United Kingdom changed from 21% to 20% with effect from 1 April 2015. Accordingly the Company's profits are taxed at an effective rate of 20%.

During 2016 changes to the UK corporation tax rate were enacted. The tax rate will reduce to 19% with effect from 1 April 2017 and to 17% from 1 April 2020.

RTL Group Support Services Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

11 Trade and other receivables

	2016 £'000	2015 £'000
Amounts owed by group undertakings (note 5)	511	916
Prepayments and accrued income	9	16
Deferred taxation (note 10 (c))	51	89
	<u>571</u>	<u>1,021</u>

All amounts owed by group undertakings are unsecured, interest free and are repayable on demand. No impairment for doubtful debts was required.

12 Creditors - amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	41	56
Amounts owed to group undertakings (note 5)	110	139
Accruals and deferred income	137	167
	<u>288</u>	<u>362</u>

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

13 Ordinary share capital

Ordinary shares of £1 each

	2016 Number	2016 £
Allotted and fully paid:		
At 1 January 2016	1	1
Issued during the year	-	-
At 31 December 2016	1	1

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

RTL Group Support Services Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

14 Commitments under operating leases

At 31 December 2016, the Company had annual commitments under non-cancellable operating leases expiring as follows:

	2016 Land & Buildings £'000	2015 Land & Buildings £'000
Less than one year	70	70
More than one year and less than five	-	70

Lease as Lessee

The Company leases offices under an operating lease for a period of 1 year. The lease is subject to an annual rent review based on the increase calculated by reference to the percentage increase in the Headline Rate for the Retail Price Index.

15 Pension scheme

The Company participates in FremantleMedia Group Limited's defined benefit and defined contribution plans. Fremantle Media Group Limited is a wholly owned subsidiary of RTL Group S.A.

Although the Company participates in both the defined benefit and defined contribution plan, the Company is unable to identify its share of the underlying assets and liabilities and hence accounts for its participation as defined contribution.

At the year ended 31 December 2016 the plan was in deficit (2015: surplus).

No additional contributions from the Company have been requested.

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 financial statements is RTL Group S.A. Copies of the RTL Group S.A. financial statements can be obtained from the General Counsel at RTL Group S.A., 45 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-Bertelsmann-Straße 270, 33311 Gütersloh, Germany.