

RTL Group Support Services Limited

Registered Number: 00889123

**Directors' report and financial statements for the
year ended 31 December 2018**



RTL Group Support Services Limited

Registered Number: 00889123

Directors' report for the year ended 31 December 2018

The directors present their report and the audited financial statements of RTL Group Support Services Limited (the "Company") for the year ended 31 December 2018.

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. The Company is registered in England and limited by shares.

Principal activities

The principal activity of the Company throughout the year was the provision of 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 2018, as set out on page 8 of the financial statements, was £39,000 (2017 profit: £51,000), with a profit before taxation of £47,000 (2017 profit: £93,000) for the financial year and revenue of £1,442,000 (2017: £2,275,000). The Company's net assets reported for the year ended 31 December 2018 were £1,570,000 (2017: £1,531,000).

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. The Company continues to provide journalist support and information technology system support to members of the RTL Group.

Key performance indicators

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

Profit for the financial year: £39,000 (2017 profit: £51,000).

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.

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.

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Directors' report for the year ended 31 December 2018 (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.

Other risks

The Directors have considered the risk from Brexit to be low as although there is uncertainty regarding the terms under which the UK may leave the European Union, this will not affect the Company's principle activities.

Dividends

The directors do not recommend the payment of a dividend for the year (2017: £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

Directors' report for the year ended 31 December 2018
(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 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 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.

Directors' confirmations

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.

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Directors' report for the year ended 31 December 2018 (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



K-M Beisheim
Director

08.08.2019

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

Report on the audit of the financial statements

Opinion

In our opinion, RTL Group Support Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the statement of profit and loss and other comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

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

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

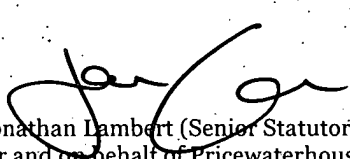
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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.



Jonathan Lambert (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
6 September 2019

RTL Group Support Services Limited
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Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Revenue	4	1,461	2,275
Administrative expenses		(1,396)	(2,183)
Operating profit	6	65	92
Finance income	9	1	1
Profit before taxation		66	93
Tax on profit	10	(12)	(42)
Profit for the financial year		54	51
Total Comprehensive Income for the year		54	51

The notes to the financial statements are on pages 11 to 22 and form an integral part to these financial statements.

The above results were derived entirely from continuing operations.

RTL Group Support Services Limited
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Statement of Financial Position as at 31 December 2018

	Note	2018 £'000	2017 £'000
Current assets			
Trade and other receivables	11	274	745
Cash at bank and in hand		1,404	1,113
		1,678	1,858
Creditors – amounts falling due within one year	12	(93)	(327)
Net current assets		1,585	1,531
Total assets less current liabilities		1,585	1,531
Net Assets		1,585	1,531
Equity			
Ordinary share capital	13	-	-
Retained earnings		1,585	1,531
Total shareholders' funds		1,585	1,531

The financial statements on pages 8 to 22 were approved by the board of directors on 08.08.2019 and signed on its behalf by:



K-M Belsheim
Director

RTL Group Support Services Limited

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Statement of Changes in Equity for the year ended 31 December 2018

	Ordinary share capital £'000	Retained earnings £'000	Total shareholders' funds £'000
Balance as at 1 January 2017	-	1,480	1,480
Profit for the financial year	-	51	51
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	51	51
Total transactions with owners, recognised directly in equity	-	-	-
Balance as at 31 December 2017	-	1,531	1,531
Balance as at 1 January 2018	-	1,531	1,531
Profit for the financial year	-	54	54
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	54	54
Total transactions with owners, recognised directly in equity	-	-	-
Balance as at 31 December 2018	-	1,585	1,585

RTL Group Support Services Limited

Notes to the Financial Statements for the year ended 31 December 2018 (continued)

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.

RTL Group Support Services Limited

Notes to the Financial Statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

b) New Accounting Standards

IFRS 9 and IFRS 15 are new accounting standards that are effective for the year ended 31 December 2018; and neither has had a material impact on the Company.

c) 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.

d) Revenue

Services income is generated from the provision of information technology support to companies within the RTL Group S.A. and journalist support services to members of Bertelsmann SE & Co.KGaA. Revenue is calculated based on cost incurred to provide the services with a mark-up applied. In 2017 the company also provided tax advisory and compliance service to members of Bertelsmann SE & Co KGaA.

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.

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 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.

f) Taxation

The tax 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 2018 (continued)

1 Accounting policies (continued)

g) 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. 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.

h) Cash at bank and in hand

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

i) Ordinary share capital

Ordinary shares are classified as equity.

i) Finance Income

Finance income is recognised on an accruals basis.

k) 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 2018 (continued)

2 Critical accounting estimates and judgements

a) Pension costs

During 2018, the Company participated in the FremantleMedia Group Personal Pension Plan, a defined contribution scheme. FremantleMedia 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 2018.

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 RTL Group S.A 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 2018 (continued)

4 Revenue

a) Analysis of revenue by geography:

	2018 £'000	2017 £'000
United Kingdom	1,461	2,275
	1,461	2,275

This revenue is solely generated from providing services.

5 Related party disclosures

The Company entered into related party transactions with members of RTL Group S.A., the smallest group in which these financial statements consolidate. In 2017 only 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 year in respect of debts due from related parties, and no provision was required for doubtful debts due from such parties.

The services related to journalistic support, tax advisory (2017 only) and compliance services.

RTL Group Support Services Limited

Notes to the financial statements for the year ended 31 December 2018 (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		Operating lease commitments to related party	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Arvato Financial Solutions Limited	1	3	-	-	-	-	-	-
Bertelsmann SE & Co. KGaA	-	31	-	-	-	-	-	-
Bertelsmann UK Limited	-	33	-	-	-	-	-	-
Bertelsmann UK Services Limited	-	0	-	-	-	-	-	-
Dorling Kindersley Limited	-	5	-	-	-	-	-	-
Prinovis UK Limited	-	4	-	-	-	-	-	-
The Random House Group Limited	-	50	-	-	-	-	-	-
Penguin Random House Limited	-	31	-	-	-	-	-	-
BMG Rights Management (UK) Limited	-	61	-	-	-	-	-	-
BMG Rights Management GmbH Corporate	-	26	-	12	-	-	-	-
Broadcasting Center Europe S.A.	18	26	-	-	78	78	-	-
InfoNetwork GmbH	72	187	-	-	-	-	-	-
RTL Group S.A.	-	38	-	-	-	-	-	-
CLT-UFA S.A.	40	121	-	-	-	-	-	-
FremantleMedia Group Limited	36	79	11	10	-	-	62	-
FremantleMedia Limited	-	23	5	120	-	-	-	-
	167	718	16	142	78	78	62	-

RTL Group Support Services Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

5 Related party disclosures (continued)

	Revenue generated from related party		Expenditure for related party	
Name of Related Party	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Arvato Limited – Arvato CRM UK	-	13	-	-
Arvato Financial Solutions Limited	-	11	-	-
Bertelsmann SE & Co. KGaA	-	145	1	-
Bertelsmann UK Limited	-	118	-	-
Prinovis UK Limited	-	12	-	-
The Random House Group Limited	-	158	-	-
Penguin Random House Limited	-	48	-	-
BMG Rights Management (UK) Limited	-	116	-	-
BMG Rights Management GmbH Corporate	-	44	-	-
Broadcasting Center Europe S.A.	101	98	-	-
InfoNetwork GmbH	1,088	999	-	-
RTL Group S.A.	30	132	-	-
CLT-UFA S.A.	164	194	-	-
FremantleMedia Group Limited	48	146	105	51
FremantleMedia Limited	-	30	11	13
Dorling Kindersley Limited	-	11	-	-
RTL Adconnect UK Limited	30	-	-	-
	1,461	2,275	117	64

6 Operating (loss)/profit

	2018 £'000	2017 £'000
Operating (loss)/profit is stated after charging:		
Operating lease rentals – property	91	136
Employee costs (note 7)	530	1,137

The auditors' remuneration in the current year was £4,323 (2017: £4,323).

RTL Group Support Services Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

7 Employee information

	2018	2017
	£'000	£'000
Employee costs		
Wages and salaries	490	952
Social security costs	26	106
Other pension costs	14	79
	<u>530</u>	<u>1,137</u>

	2018	2017
	Number	Number
The average monthly number of employees during the year was as follows:		
Services	<u>5</u>	<u>11</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 2018 (2017: £nil).

9 Finance income

	2018	2017
	£'000	£'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 2018 (continued)

10 Tax on profit

a) Analysis of charge in the year

	2018 £'000	2017 £'000
Current tax charge:		
UK Corporation – current year	6	7
Total current tax charge (note 10(b))	6	7
Deferred tax (note 10(d))	6	35
Tax on profit	12	42

The standard rate of corporation tax in the United Kingdom changed from 20% to 19% with effect from 1 April 2017. Accordingly the Company's profit are taxed at an effective rate of 19% (2017 19.25%)

b) Factors affecting the tax charge for the year

The current tax charge differs from the standard rate of corporation tax in the UK of 19% (2017: 19.25%).

The differences are explained below:

	2018 £'000	2017 £'000
Profit before taxation	66	93
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017: 19.25%)	13	18
Effects of:		
Expenses non-deductible	-	1
Decrease in recognised tax losses	-	20
Change in tax rate	(1)	3
Total tax on profit (note 10(a))	12	42

RTL Group Support Services Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

10 Tax on profit (continued)

c) Deferred tax asset

	2018 £'000	2018 £'000	2017 £'000	2017 £'000
	Recognised	Unrecognised	Recognised	Unrecognised
Tax losses carried forward	10	113	16	113
Capital losses	-	197	-	197
	10	310	16	310

d) Movement in deferred tax asset

	Tax Losses £'000
At 1 January 2017	51
(Charged) to the income statement	(35)
At 31 December 2017	16
(Charged) to the income statement	(6)
At 31 December 2018	10

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 17% (2017: 17%).

The tax rate is 19% with effect from 1 April 2017 and will fall to 17% with effect from 1 April 2020. Accordingly deferred tax has been provided at 17% (2017: 17%).

RTL Group Support Services Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

11 Trade and other receivables

	2018 £'000	2017 £'000
Amounts owed by group undertakings (note 5)	167	718
Prepayments and accrued income	97	11
Deferred taxation (note 10 (c))	10	16
	274	745

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

	2018 £'000	2017 £'000
Trade creditors	22	54
Amounts owed to group undertakings (note 5)	16	142
Accruals and deferred income	55	131
	93	327

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

13 Ordinary share capital

Called up shares of £1 each

	2018 Number	2018 £
Allotted and fully paid:		
At 1 January 2018	1	1
Issued during the year	-	-
At 31 December 2018	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 2018 (continued)

14 Commitments under operating leases

At 31 December 2018, future minimum rentals payable under non-cancellable operating leases are as follows:

	2018 Land & Buildings £'000	2017 Land & Buildings £'000
Less than one year	171	91
More than one year and less than five	109	182

15 Pension scheme

The Company participates in FremantleMedia Group Limited's defined benefit and defined contribution plans. FremantleMedia 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 2018 the total pension scheme plan was in surplus (2017: deficit).

No additional contributions from the Company have been requested.

16 Ultimate parent undertaking

The immediate parent undertaking is RTL Group Services Belgium 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.