

Talkback Productions Limited

Registered Number: 1801230

**Directors' report and financial statements
for the year ended 31 December 2006**



Talkback Productions Limited

Directors' report for the year ended 31 December 2006

The directors present their report and the audited financial statements of the company for the year ended 31 December 2006

Principal activity

The company's principal activities were the production of television programmes and the exploitation of television and other ancillary rights. On 30 March 2004, the ongoing trade of the company was transferred to FremantleMedia Limited. In 2006, the activities of the company have continued to reduce.

Business review and future developments

The results of the company for the year ended 31 December 2006 are set out on page 4 of the financial statements. The results are in line with the expectations of the Directors.

Results and dividends

The company's profit for the financial year was £ 248,000 (2005 £304,000).

The directors do not recommend the payment of a dividend for the year (2005 £nil). The profit retained for the year was transferred to reserves.

Directors and their interests

The directors who held office during the year are given below:

SFH Tingay
D Oldfield

At no time during the year ended 31 December 2006 did any director have any interest which is required to be notified to the company under Section 324 of Companies Act 1985.

Talkback Productions Limited

Directors' report for the year ended 31 December 2006 (Continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditors

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

By Order of the Board



H L Farnaby
Secretary

1 Stephen Street
London
W1T 1AL

17 May 2007

Independent auditors' report to the members of Talkback Productions Limited

We have audited the financial statements of Talkback Productions Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

17 May 2007

Talkback Productions Limited

Profit and loss account for the year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Turnover	1	-	805
Cost of sales		-	(474)
Gross profit		-	331
Administrative expenses		(191)	(167)
Other operating income	1	284	-
Profit on ordinary activities before interest and taxation	4	93	164
Interest receivable and similar income	5	253	285
Interest payable and similar charges	6	(4)	(5)
Profit on ordinary activities before taxation	4	342	444
Tax on profit on ordinary activities	7	(94)	(140)
Retained profit for financial period	13	248	304

The above results were derived entirely from discontinued operations

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

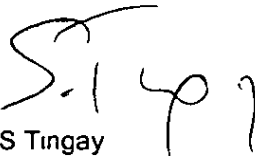
There is no difference between the result as reported and its historical cost equivalent

Talkback Productions Limited

Balance sheet as at 31 December 2006

	Note	2006 £'000	2005 £'000
Current assets			
Debtors	8	328	6,861
Cash at bank and in hand		7,535	1,063
		7,863	7,924
Creditors – Amounts falling due within one year	9	(1,209)	(1,494)
Net current assets		6,654	6,430
Total assets less current liabilities		6,654	6,430
Provisions for liabilities and charges	10	-	(24)
Net assets		6,654	6,406
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	6,654	6,406
Equity shareholder's funds	13	6,654	6,406

The financial statements on pages 4 to 10 were approved by the board of directors on 17 May 2007 and signed on its behalf by


S Tingay
Director

Talkback Productions Limited

Notes to the financial statements for the year ended 31 December 2006 (Continued)

1 Accounting policies

a) Basis of preparation

The financial statements are prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards in the United Kingdom

b) Turnover

Income from the production of television programmes is recognised on the basis of the proportion of the services which have been produced and delivered by the balance sheet date, net of value added tax and other sales taxes, and excluding trade discounts and anticipated returns, provided to external customers and associated undertakings

c) Leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term

d) Deferred 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.

e) Interest

Interest income is recognised on a time-proportion basis using the effective interest method

f) Cash and cash equivalents

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

g) Trade receivables and payables

Trade receivables and payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

h) Other operating income

Other operating income represented the release of surplus accruals made by the company in previous periods in respect of the production activities at that time. Following the transfer of the trade to FremantleMedia Limited these accruals have been reappraised by management and have been released to income as they are no longer required.

Talkback Productions Limited

Notes to the financial statements for the year ended 31 December 2006 (Continued)

2 Cash flow statement and related party disclosures

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

3 Directors' emoluments and employee costs

None of the directors received any fees or emoluments from the company during the year ended 31 December 2006 (2005: £nil) since their duties are incidental to their main duties to other subsidiary undertakings of the RTL Group. The company had no employees during the year ended 31 December 2006 (2005: nil).

4 Profit on ordinary activities before taxation

	2006 £'000	2005 £'000
Profit on ordinary activities before taxation is stated after charging		
Auditors' remuneration	2	10
Rental Income on operating lease rentals	(90)	-
Operating lease rentals – land and buildings	246	110

5 Interest receivable and similar income

	2006 £'000	2005 £'000
Interest receivable on current accounts	10	78
Interest receivable from group undertakings	243	207
	253	285

6 Interest payable and similar charges

	2006 £'000	2005 £'000
Interest payable on bank loans and overdrafts	4	5
	4	5

Talkback Productions Limited

Notes to the financial statements for the year ended 31 December 2006 (Continued)

7 Tax on profit on ordinary activities

	2006 £'000	2005 £'000
a) Analysis of charge in period		
Current tax		
UK group relief payable at 30% (2005 30%) on the profit for the year	94	140
Total current tax (note 7 (b))	94	140
	94	140

There are no deferred tax balances in either period

b) Factors affecting tax charge for period

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

	2006 £'000	2005 £'000
Profit on ordinary activities before tax	342	444
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%)	103	133
Effects of		
Prior year adjustment	(9)	-
Expenses not deductible for tax purposes	-	7
Current tax charge for period (note 7 (a))	94	140

8 Debtors

	2006 £'000	2005 £'000
Trade debtors	235	254
Amounts owed by group undertakings	61	6,474
Other debtors	32	103
Prepayments and accrued income	-	30
	328	6,861

Included in amounts owed by group undertakings in 2005, and for the period of up to 28 December 2006, are cash pooling balances which earned interest at between 3.90% and 6.00% (2005 3.40% and 5.75%) All other amounts owed by group undertakings are unsecured, interest free and repayable on demand

Talkback Productions Limited

Notes to the financial statements for the year ended 31 December 2006 (Continued)

9 Creditors - Amounts falling due within one year

	2006 £'000	2005 £'000
Trade creditors	23	2
Amounts owed to group undertakings	1	82
Taxation and social security	112	140
Other creditors	577	578
Accruals and deferred income	496	692
	1,209	1,494

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

10 Provisions for liabilities & charges

	Onerous operating leasehold £'000
At 1 January 2006	24
Utilised in the year	(24)
At 31 December 2006	-

11 Share capital

	2006 £	2005 £
Authorised		
150 (2005 150) ordinary shares of £1 each	150	150
Allotted and fully paid		
134 (2005 134) ordinary shares of £1 each	134	134

12 Reserves

	Profit and loss account £'000
At 1 January 2006	6,406
Retained profit for the financial year	248
At 31 December 2006	6,654

Talkback Productions Limited

Notes to the financial statements for the year ended 31 December 2006 (Continued)

13 Reconciliation of movements in shareholder's funds

	2006 £'000	2005 £'000
Profit for the year	248	304
Net addition to shareholder's funds	248	304
Equity shareholder's funds as at 1 January	6,406	6,102
Equity shareholder's funds as at 31 December	6,654	6,406

14 Operating lease obligations

At the year end the company was committed to making the following annual payments in respect of operating leases for which payments extend over a number of years

	Land and buildings	
	2006 £'000	2005 £'000
Annual commitments under operating leases		
Expiring		
Within one year	-	96
More than one year and less than five years	-	-
	-	96

At 31 December 2006 the company had not contracted for any capital commitments (31 December 2005 £Nil)

15 Bank arrangement

The company participates in an arrangement with Barclays Bank PLC whereby the company, Talkback Productions Limited, and nine other of the FremantleMedia group companies, operate a joint bank account with memorandum statements for each participant to aid reconciliation of the joint account. In order to comply with the terms and conditions of this banking facility, each party to this arrangement is jointly and severally liable for any overdraft or debt on the joint account.

16 Ultimate parent undertaking

The immediate parent undertaking is TalkbackTHAMES Limited, a company registered in England and Wales.

The smallest group to consolidate these accounts is RTL Group SA, a company registered in Luxembourg. 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.