

FremantleMedia Overseas Limited

Registered Number: 02786185

**Directors' report and financial statements
for the year ended 31 December 2017**



FremantleMedia Overseas Limited

Registered number: 02786185

Directors' report for year ended 31 December 2017

The directors present their report and the unaudited financial statements of FremantleMedia Overseas Limited (the "Company") for the year ended 31 December 2017.

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.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

J Moreton
A Bott

The directors do not recommend the payment of a final dividend (2016: £nil). The profit for the financial year has been transferred to reserves.

Principal activity

The principal activity of the company is the holding of overseas investments for members of the Bertelsmann SE & Co.KGaA, FremantleMedia Group Limited and RTL Group S.A. ("RTL Group"). Bertelsmann SE & Co.KGaA is the ultimate controlling party and RTL Group S.A. ("RTL Group") is the smallest group in which these financial statements consolidate.

Review of business and future developments

The Company's profit for the year ended 31 December 2017 as set out on page 4 of the financial statements, was £121,000 (2016: £322,000) with a pre-tax profit of £120,000 (2016: £638,000) for the year and administrative gains of £11,000 (2016: £29,000). The Company's net assets reported for the year ended 31 December 2017 as set out on page 5 was £47,861,000 (2016: £50,688,000).

The results are in line with the expectations of the directors and the directors do not expect any changes in the Company's operations in the foreseeable future.

Principal risks and uncertainties

From the perspective of the Company, its principal risks and uncertainties are integrated with those of FremantleMedia Group Limited and are not managed separately. The main risks pertaining to this entity are the external and market risks relating to legal issues, strategic direction and the cyclical development of the economy. The FremantleMedia Group Limited financial statements should be referred to for further details.

Key performance indicators ("KPIs")

From the perspective of the Company, its KPIs are integrated with those of FremantleMedia Group Limited and are not managed separately. The directors therefore consider that it is not relevant to provide analysis by KPIs in these financial statements. The FremantleMedia Group Limited financial statements should be referred to for further details.

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Directors' report for year ended 31 December 2017 (continued)

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.

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 prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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 these 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;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements

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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Audit requirements

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 audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

FremantleMedia Overseas Limited

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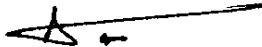
Directors' report for year ended 31 December 2017 (continued)

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.

By order of the board



Andrew Bott
Director

22nd May 2018

FremantleMedia Overseas Limited

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Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 December 2017

	<i>Note</i>	2017 £'000	2016 £'000
Administrative gains		11	29
Administrative expenses		(32)	(58)
Operating gains/(losses)	4	(21)	(29)
Income from other fixed asset investments		141	667
Write-off of investments in group undertakings		-	-
(Loss)/profit on ordinary activities before interest and taxation		120	638
Interest receivable and similar income		-	-
Interest payable and similar charges		-	-
(Loss)/profit on ordinary activities before taxation		120	638
Tax (expense)/credit on (loss)/profit on ordinary activities	6	1	(316)
(Loss)/profit for the financial year		121	322
Other comprehensive income for the year:			
Other comprehensive income for the year, net of tax		(2,948)	1,801
Total Comprehensive Income for the year		(2,827)	2,123

The notes to the financial statements are on pages 7 to 13 and form an integral part to these financial statements.

The above results were derived entirely from continuing operations.

There is no material difference between the retained profit for the financial year stated above and its historical cost equivalent.

FremantleMedia Overseas Limited

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Balance Sheet as at 31 December 2017

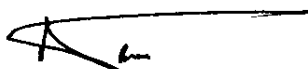
	<i>Note</i>	2017 £'000	2016 £'000
Fixed assets			
Investments	7	46,913	49,861
		46,913	49,861
Current assets			
Debtors	8	5	355
Cash at bank and in hand		943	472
		948	827
Net current assets		948	827
Total assets less current liabilities		47,861	50,688
Net assets		47,861	50,688
Capital and reserves			
Called up share capital	9	-	-
Share premium account		20,875	20,875
Profit and loss account		26,986	29,813
Total shareholders' funds		47,861	50,688

For the year ending 31 December 2017 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the Board of Directors on 22 May 2017 and signed on its behalf by:



Andrew Bott
Director

FremantleMedia Overseas Limited

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Statement of Changes in Equity as at 31 December 2017

	Note	Share Premium	Called-up share capital	Retained earnings	Total
		£'000	£'000	£'000	£'000
Balance as at 1 January 2016		-	-	75,738	75,738
Profit for the year		-	-	322	322
Other comprehensive income for the year:					
Fair value increase on financial instruments		-	-	1,801	1,801
Total comprehensive income for the year		-	-	2,123	2,123
Proceeds from shares issued		-	-	-	-
Dividends		-	-	-	-
Balance as at 31 December 2016		20,875	-	29,813	50,688
Balance as at 1 January 2017		20,875	-	29,813	50,688
Profit for the year		-	-	121	121
Other comprehensive income for the year:					
Fair value decrease on financial instruments	7	-	-	(2,948)	(2,948)
Total comprehensive income for the year		-	-	(2,827)	(2,827)
Proceeds from shares issued		-	-	-	-
Dividends		-	-	-	-
Total transactions with owners, recognised directly in equity		-	-	-	-
Balance as at 31 December 2017		20,875	-	26,986	47,861

FremantleMedia Overseas Limited

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Notes to the financial statements for the year ended 31 December 2017

1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

The financial statements of FremantleMedia Overseas Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

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 the notes.

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

– Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined).

– Paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations

– 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;

(ii) paragraph 73(e) of IAS 16 Property, plant and equipment;

(iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)

– 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)

FremantleMedia Overseas Limited

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Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Summary of significant accounting policies (continued)

a) Basis of preparation (continued)

–The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
– Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets' (disclosures when the recoverable amount is fair value less costs of disposal, assumptions involved in estimating recoverable amounts of cash generating units containing goodwill or intangible assets with indefinite useful lives and management's approach to determining these amounts).

b) Consolidated financial statements

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 accounts.

c) Foreign currencies

Transactions denominated in foreign currencies during the financial year 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 financial year end rates. Exchange gains and losses are taken to the profit and loss account.

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.

d) Taxation

The tax expense for the period comprises of current 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.

FremantleMedia Overseas Limited

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Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Summary of significant accounting policies (continued)

e) Interest

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

f) Dividends income

Dividends receivable are recognised as income in the profit and loss account in the financial year in which they are approved by the payee's shareholders.

g) Dividends distribution

Dividend distributions to the company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

h) Share capital

Ordinary shares are classified as equity.

i) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. In the Statement of Financial position, bank overdrafts are shown within borrowings in current liabilities.

j) Fixed Asset Investments

Fixed asset investments, including investments in subsidiary and associated undertakings, are stated at fair value with any changes to fair value recognised in the income statement.

k) Post balance sheet events

These are detailed in note 11 of the financial statements.

2 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.

FremantleMedia Overseas Limited

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Notes to the financial statements for the year ended 31 December 2017 (continued)

3 Related party disclosures

The company has taken advantage of the exemption from the terms under FRS 101 'Related Party Disclosures' from disclosing 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.

4 Operating loss

Operating loss is stated after charging:

	2017 £'000	2016 £'000
Foreign exchange gains/(losses)	(21)	(29)

5 Directors' emoluments and employee information

None of the directors received any fees or emoluments in respect of their service to the Company during the year ended 31 December 2017 (2016: £nil). The Company had no employees during the year ended 31 December 2017 (2016: £nil).

FremantleMedia Overseas Limited

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Notes to the financial statements for the year ended 31 December 2017 (continued)

6 Tax on profit on ordinary activities

	2017	2016
	£'000	£'000
a) Analysis of tax charge in the year		
Current tax charge:		
UK group relief payable/(receivable) at 19.25% (2016: 20%) on losses/profit for the financial year	(4)	9
Adjustments in respect of previous years	3	307
Total current tax charge/(credit) (note 6(b))	(1)	316

There were no deferred tax balances in either year.

The tax assessed for the year differs from the standard effective rate of corporation tax in the UK for the year ended 31 December 2017 of 19.25% (2016: 20%). The differences are explained below:

b) Factors affecting the tax charge for the year

	2017	2016
	£'000	£'000
Profit on ordinary activities before tax	120	638
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.25% (2016: 20%)	23	128
Effects of:		
Expenses not deductible for tax purposes	-	14
Income exempt from tax	(27)	(133)
Prior year adjustment	3	307
Current tax charge/(credit) for the year (note 6(a))	(1)	316

The current year tax credit represents amounts receivable from fellow UK subsidiaries of the Bertelsmann group in respect of current year tax losses surrendered in the UK.

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Notes to the financial statements for the year ended 31 December 2017 (continued)

7 Fixed asset investments

	Group Undertakings Restated
	£'000
Cost	
At 1 January 2017	49,861
Additions	-
Fair value decrease on investments	(2,948)
Disposals	-
At 31 December 2017	46,913
Impairment	
At 1 January 2017	-
Additions	-
Disposals	-
At 31 December 2017	-
Net book amount	
At 31 December 2017	46,913
At 31 December 2016	49,861

Details of the Company's subsidiary and investment holdings at 31 December 2017 are as follows:

Name of subsidiary undertaking	Percentage of ordinary shares held	Country of incorporation	Principal Activity
Fremantle Productions North America Inc	100%	USA	TV Production
Beyond International Limited	19.48%	Australia	TV Production

The year-end of Beyond International Limited is 30 June, the financial years of all other subsidiary and associated undertakings are co-terminus with that of FremantleMedia Overseas Limited.

The total fixed asset investment ascribable to listed company investments is £3,838,881 (2016: £3,838,881), which at year end had a market value of £4,753,305 (2016: £7,701,587). The directors believe that the carrying value of the investments is supported by their underlying net assets.

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Notes to the financial statements for the year ended 31 December 2017 (continued)

8 Debtors

	2017 £'000	2016 £'000
Amounts owed by group undertakings	5	355
	<u>5</u>	<u>355</u>

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

9 Called up share capital

Ordinary shares of £1 each

	2017 Number	2016 £
Allotted and fully paid:		
At 1 January 2017	2	2
Issued during the year	-	-
At 31 December 2017	<u>2</u>	<u>2</u>

10 Bank arrangement

The Company participates in an arrangement with Barclays Bank Plc whereby the Company and other FremantleMedia group companies, operate a zero balancing cash pooling arrangement, with each entity having its own legal ownership of its bank account.

11 Ultimate parent undertaking

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

The smallest group to consolidate these accounts is RTL Group S.A., a company registered in Luxembourg. Copies of RTL Group S.A. accounts can be obtained from the General Counsel at RTL Group S.A., 43 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.

12 Post balance sheet event

On 1 January 2018 there was a share issue of 1 new ordinary share costing £1 with nominal value of £1. The number of ordinary shares is therefore now 3 in total – this share issue does not change the nature of control of FremantleMedia Group Limited (the immediate parent).