

Thames Television Holdings Limited

Registered Number: 3140632

**Directors' report and financial statements
for the year ended 31 December 2002**



Thames Television Holdings Limited

Directors' report for the year ended 31 December 2002

The directors present their report and the audited financial statements of the company for the year ended 31 December 2002.

Principal activities

The company holds an investment in SelecTV Limited.

Review of business and future developments

The results of the company for the year ended 31 December 2002 are set out on page 4 of the financial statements. The results are in line with the expectations of the Directors.

The Directors do not expect any changes in the company's operations in the foreseeable future.

Results and dividends

The company's profit for the financial year was £Nil (2001: £Nil).

The Directors do not recommend the payment of a dividend (2001: £Nil).

Directors and their interests

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

SFH Tingay
CM Goss

At no time during the year ended 31 December 2002 did any directors have any interest which is required to be notified to the company under Section 324 of the Companies Act 1985.

Going concern

The company has net liabilities as at 31 December 2002. The financial statements have been prepared on a going concern basis as the RTL Group has indicated its intention to provide continuing financial support to the company.

Thames Television Holdings Limited

Directors' report for the year ended 31 December 2002 (continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 14 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. In accordance with section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to hold an annual general meeting.

By Order of the Board



H L Farnaby
Secretary

1 Stephen Street
London
W1T 1AL

27 March 2003

Independent auditors' report to the members of Thames Television Holdings Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

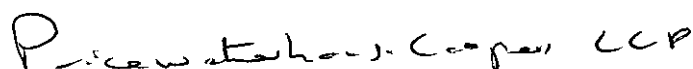
Basis of audit opinion

We conducted our audit in accordance with auditing standards 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 judgements 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 of the state of the company's affairs at 31 December 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

27 March 2003

Thames Television Holdings Limited

Profit and loss account for the year ended 31 December 2002

	<i>Note</i>	2002 £'000	2001 £'000
Profit /(Loss) on ordinary activities before taxation		-	-
<u>Tax on profit/(loss) on ordinary activities</u>		-	-
<u>Retained profit/(loss) for the financial year</u>	8	-	-

The above results were derived entirely from continuing operations.

The company had no recognised gains or losses during the year 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.

Thames Television Holdings Limited

Balance sheet as at 31 December 2002

	Note	2002 £'000	2001 £'000
Fixed assets			
Investments	5	13,689	13,689
Current assets			
Cash at bank and in hand		115	115
Creditors – Amounts falling due within one year	6	(21,316)	(21,316)
Net current liabilities		(21,201)	(21,201)
Net liabilities		(7,512)	(7,512)
Capital and reserves			
Called up share capital	7	-	-
Share premium account	8	17	17
Profit and loss account	8	(7,529)	(7,529)
Equity shareholders' funds	9	(7,512)	(7,512)

The financial statements on pages 4 to 9 were approved by the board of directors on 21 March 2003 and signed on its behalf by:


 CM Goss
 Director

Thames Television Holdings Limited

Notes to the accounts for the year ended 31 December 2002

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) Going concern

The company has net liabilities at as 31 December 2002. The financial statements have been prepared on a going concern basis as the RTL Group has indicated its intention to provide continuing financial support to the company.

c) Basis of consolidation

The company is a wholly owned subsidiary of RTL Group and is included in the financial statements of RTL Group which are publicly available. Consequently, the company has taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts. Therefore, these accounts include financial information about the company as an individual undertaking rather than as a group.

d) Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment.

2 Cashflow statement and related party disclosures

The company is a wholly owned subsidiary of RTL Group and is included in the consolidated financial statements of 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) 'Cash Flow Statements'. The company is also exempt under the terms of Financial Reporting Standard 8, 'Related Party Disclosures', from disclosing related party transactions with members of the RTL Group.

3 Profit/(loss) on ordinary activities before interest and taxation

Auditors' remuneration and certain administrative expenses were borne by a fellow group undertaking.

Thames Television Holdings Limited

Notes to the accounts for the year ended 31 December 2002 (Continued)

4 Directors emoluments and employee information

None of the directors received any fees or emoluments from the company during the year ended 31 December 2002 (2001: nil) since their duties are incidental to their main duties to other subsidiary undertakings of RTL Group. The company had no employees during the year ended 31 December 2002 (2001: Nil).

5 Fixed asset investments

	Subsidiaries £'000
Cost	
At 1 January and 31 December 2002	21,809
Provision	
1 January and at 31 December	(8,120)
Net book value	
At 1 January and 31 December 2002	13,689

The following is the principal subsidiary at 31 December 2002:

Name of Company	Country of incorporation	Holding	Percentage held %	Principal activity
SelecTV Limited	England	Ordinary Shares	100	Distribution of television programmes

In the opinion of the directors the value of the interest in the subsidiary undertaking is not less than the amount at which it is stated in the balance sheet.

6 Creditors - Amounts falling due within one year

	2002 £'000	2001 £'000
Amounts owed to group undertakings	21,223	21,223
Other creditors	93	93
	21,316	21,316

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

Thames Television Holdings Limited

Notes to the accounts for the year ended 31 December 2002 (Continued)

7 Called up share capital

	2002 £	2001 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted and fully paid		
100 ordinary shares of £1 each	100	100

8 Reconciliation of movement in reserves

	Share premium account £'000	Profit and loss account £'000
At 1 January 2002	17	(7,529)
At 31 December 2002	17	(7,529)

9 Reconciliation of movements in shareholders funds

	2002 £'000	2001 £'000
Opening shareholders' funds	(7,512)	(7,512)
Closing shareholders funds	(7,512)	(7,512)

10 Contingent liabilities

Bank guarantees

The company participates in an arrangement with HSBC Bank plc whereby the accounts of the company, Thames Television Limited, a fellow subsidiary undertaking, and nine other of the FremantleMedia group companies, "the guarantors", are combined, with cleared debit and credit balances being offset for interest calculation purposes. In order to comply with banking regulations, each guarantor to this arrangement has provided a multilateral guarantee in respect of the overdraft obligations (but no other debts due to the bank) of each of the other participants. The net balance under this arrangement at 31 December 2002 was £1,716,628 in funds (2001: £3,450,047 overdraft).

The maximum amount of this guarantee is limited to a net overdraft of £10,000,000.

Thames Television Holdings Limited

Notes to the accounts for the year ended 31 December 2002 (Continued)

11 Ultimate parent undertaking

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

The smallest group to consolidate these accounts is RTL Group, 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.