

Thames Television Holdings Limited

Registered Number: 3140632

**Directors' report and financial statements
for the year ended 31 December 2008**



Thames Television Holdings Limited

Directors' report for the year ended 31 December 2008

The directors present their report and the audited financial statements of the company for the year ended 31 December 2008.

Principal activities

The company's principal activity was that of an investment holding company.

The company reduced its activities during 2008 following the sale of its investment in SelecTV Limited.

Review of business and future developments

The results of the company for the year ended 31 December 2008 are set out on page 5 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 £ 17,847,376 (2007: £1,191).

The Directors do not recommend the payment of a dividend (2007: £nil). The profit for the year has been transferred to reserves.

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
R Grant

At no time during the year ended 31 December 2008 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 at 31 December 2008. The financial statements have been prepared on a going concern basis as the company has received confirmation from RTL Group S.A. of its intention to provide continuing financial support to the company for a period of not less than fifteen months from the date of approval of these financial statements.

Thames Television Holdings Limited

Directors' report for the year ended 31 December 2008 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

Statement of disclosure of information to auditors

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.

Independent 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

24 April 2009

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

We have audited the financial statements of Thames Television Holdings Limited for the year ended 31 December 2008 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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.

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

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 2008 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

24 April 2009

Thames Television Holdings Limited

Profit and loss account for the year ended 31 December 2008

	<i>Note</i>	2008 £'000	2007 £'000
Administrative expenses		(2)	(2)
Operating loss		(2)	(2)
Income from forgiveness of non-operating liabilities	8	17,450	-
Income from fixed asset investments		398	-
Profit/(loss) on ordinary activities before taxation	3	17,846	(2)
Tax credit on profit/(loss) on ordinary activities	5	1	1
Profit/(loss) for the financial year	11	17,847	(1)

The above results were derived entirely from continuing operations.

The company had no recognised gains or losses during either 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 material difference between the retained profit for the year stated above and its historical cost equivalent.

Thames Television Holdings Limited

Balance sheet as at 31 December 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Investments	6	-	-
Current assets			
Debtors	7	1	2
Cash at bank and in hand		117	118
		118	120
Creditors – Amounts falling due within one year	8	(3,477)	(21,326)
Net current liabilities		(3,359)	(21,206)
Total assets less current liabilities		(3,359)	(21,206)
Net liabilities		(3,359)	(21,206)
Capital and reserves			
Called up share capital	9	-	-
Share premium account	10	17	17
Profit and loss account	10	(3,376)	(21,223)
Total shareholders' deficit	11	(3,359)	(21,206)

The financial statements on pages 5 to 11 were approved by the Board of Directors on 24 April 2009 and signed on its behalf by:

S.T. 47
SFH Tingay
Director

Thames Television Holdings Limited

Notes to the accounts for the year ended 31 December 2008

1. Accounting policies

a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below.

b) Going concern

The company has net liabilities at 31 December 2008. The financial statements have been prepared on a going concern basis as the company has received confirmation from RTL Group S.A. of its intention to provide continuing financial support to the company for a period of not less than fifteen months from the date of approval of these financial statements.

c) Basis of consolidation

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 228 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 any permanent diminution in value.

e) Dividends received

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

f) Taxation

The charge for taxation is based on the profit or loss for the year.

g) Cash and cash equivalents

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

2. Cashflow statement and related party disclosures

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 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 transactions with members of the RTL Group S.A.

Thames Television Holdings Limited

Notes to the accounts for the year ended 31 December 2008 (Continued)

3. Profit/(loss) on ordinary activities before taxation

	2008 £'000	2007 £'000
Profit/(loss) on ordinary activities before interest and taxation is stated after charging:		
Auditors' remuneration – audit services	(2)	(2)

4. Directors' emoluments and employee information

None of the directors received any fees or emoluments from the company since their duties are incidental to their main duties to other subsidiary undertakings of RTL Group S.A. (2007: £nil). The company had no employees during the year ended 31 December 2008 (2007: nil).

5. Tax credit on profit/(loss) on ordinary activities

	2008 £'000	2007 £'000
a) Analysis of credit in the year		
Current tax credit:		
UK group relief receivable at 28.5% (2007: 30%) on the profit/(loss) for the year	(1)	(1)
Total current tax credit (note 5(b))	(1)	(1)

There was no deferred tax in either year.

b) Factors affecting the tax credit for the year

The tax for the year differs from the standard rate of corporation tax in the UK 28.5% (2007: 30%). The differences are explained below:

	2008 £'000	2007 £'000
Profit/(loss) on ordinary activities before tax	17,846	(2)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	5,086	(1)
Effects of:		
Untaxed income - UK dividend	(114)	-
Untaxed income - Other	(4,973)	
Current tax credit for the year (note 5(a))	(1)	(1)

The standard rate of Corporation Tax in the United Kingdom changed from 30% to 28% with effect from 1 April 2008. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 28.5% and will be taxed at 28% in the future.

Thames Television Holdings Limited

Notes to the accounts for the year ended 31 December 2008 (Continued)

6. Fixed asset investments

	Subsidiary undertakings £'000
Cost	
At 1 January 2008	21,809
Disposals	(21,809)
At 31 December 2008	-
Provision	
At 1 January 2008	21,809
Disposals	(21,809)
At 31 December 2008	-
Net book amount at 31 December 2007 and at 31 December 2008	-

The following was the principal subsidiary at 1 January 2008:

Name of Company	Country of incorporation	Holding	Percentage held %	Principal activity
SelectTV Limited	England	Ordinary Shares	100	Investment holding company

On 28 November 2008, the investment held in SelectTV Limited was transferred to FremantleMedia Group Limited at £1. The investment was fully impaired as at 1 January 2008.

7. Debtors

	2008 £'000	2007 £'000
Group relief receivable	1	2

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

Thames Television Holdings Limited

Notes to the accounts for the year ended 31 December 2008 (Continued)

8. Creditors - Amounts falling due within one year

	2008 £'000	2007 £'000
Amounts owed to group undertakings	3,380	21,229
Other creditors	97	97
	<u>3,477</u>	<u>21,326</u>

£17,449,999 of the loan payable to SelecTV Limited was forgiven by the company during the year. Included in amounts due to group undertakings are cash pooling and loan balances which incurred interest between 2.17% and 5.50% (2007: 4.39% and 8.23%) during the year. All other amounts due to group undertakings are unsecured and interest free. All amounts due to group undertakings are repayable on demand.

9. Called up share capital

	2008 £'000	2007 £'000
Authorised		
1000 (2007: 1000) ordinary shares of £1 each	<u>1</u>	<u>1</u>
Allotted and fully paid		
100 (2007: 100) ordinary shares of £1 each	<u>-</u>	<u>-</u>

10. Reconciliation of movements in reserves

	Share premium account £'000	Profit and loss account £'000
At 1 January 2008	17	(21,223)
Retained profit for the financial year (note 11)	<u>-</u>	<u>17,847</u>
At 31 December 2008	<u>17</u>	<u>(3,376)</u>

11. Reconciliation of movements in total shareholders' deficit

	2008 £'000	2007 £'000
Profit/(loss) for the financial year	17,847	(1)
Retained profit/(loss) for the year	<u>17,847</u>	<u>(1)</u>
Net reduction from/(increase) to total shareholders' deficit	<u>17,847</u>	<u>(1)</u>
Total shareholders' deficit as at 1 January	<u>(21,206)</u>	<u>(21,205)</u>
Total shareholders' deficit as at 31 December	<u>(3,359)</u>	<u>(21,206)</u>

Thames Television Holdings Limited

Notes to the accounts for the year ended 31 December 2008 (Continued)

12. Bank arrangement

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

All participants continue to have a joint and several liability for any overdraft or debt on the joint account.

13. 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 the RTL Group S.A. accounts 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 AG, a company registered in Germany, which is the largest group to consolidate these accounts. Copies of the Bertelsmann AG accounts can be obtained from the General Counsel at Bertelsmann AG, Carl-Bertlesmann-Straße 270, 33311 Gütersloh, Germany.