

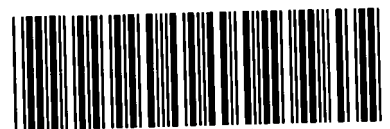
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00353341

FREMANTLE MEDIA GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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FREMANTLE MEDIA GROUP LIMITED

COMPANY INFORMATION

Directors	Andrew Bott Nicola Louise Gray Jennifer Mullin Jens-Uwe Richter (appointed 7 June 2021) Andrea Scrosati Kate Louise Temple (appointed 7 June 2021) Matthew Edward Wilson (appointed 2 August 2021)
Company secretary	Christopher Pirnie (appointed 1 February 2022)
Registered number	00353341
Registered office	1 Stephen Street London W1T 1AL
Independent auditor	KPMG LLP Chartered Accountants 15 Canada Square London United Kingdom E14 5GL

FREMANTLE MEDIA GROUP LIMITED

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FREMANTLEMEDIA GROUP LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Introduction

The directors present their strategic report of FremantleMedia Group Limited (the "Company") for the year ended 31 December 2021.

The Company is a private company and is incorporated and resident in the UK. The address of its registered office is 1 Stephen Street, London, W1T 1AL.

The Company is part of the Fremantle Group, itself a division of RTL Group, a global leader across broadcast, content and digital. Fremantle Group are one of the world's largest and most successful creators, producers and distributors of Entertainment, Drama & Film and Documentaries. Operating in 26 territories we are a proudly independent group of content creators. We produce and deliver high-quality multi-genre IP including some of the biggest entertainment formats, most watched international dramas, award winning films and hard-hitting documentaries, amplifying local stories on a global scale. From *Too Hot To Handle* to *Mosquito Coast*, *Game of Talents* to *The Hand of God*, *Farmer Wants A Wife* to *Got Talent*, *Family Feud* to *My Brilliant Friend* and *The Investigation* to *Arctic Drift*, our focus is simple – we create and deliver irresistible entertainment. We are also a world leader in digital and branded entertainment with more than 480 million fans across 1,600 social channels and over 40 billion views per year across all platforms.

The Company holds investments in companies of the Fremantle Group, including an investment in FremantleMedia Limited, whose principal activity is TV production, distribution and licensing. The Company also provides support services to operations of the Fremantle Group.

Business review

The Company's profit for the year ended 31 December 2021, as set out on page 14 of the financial statements, was £444.4 million (2020: £7.2 million), with a pre-tax profit of £440.6million (2020: £4.9 million) for the year and turnover of £48.5 million (2020: £47.8 million). Dividends received of £382.5 million (2020: £25.5 million)

Going forward the Company will continue to provide support services to operations of the Fremantle Group.

Principal risks and uncertainties

Foreign currency risk

The Company's operations occasionally expose it to the effects of changes in foreign currency exchange rates. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by hedging contracts written in a foreign currency.

Credit risk

The Company has implemented the RTL Group S.A. policy which requires that stringent credit checks are carried out before any sales are made.

Liquidity risk

The Company's cash position together with the short term funding arrangement with RTL Group S.A. is expected to satisfy any short-term liquidity requirement.

Cash flow risk

No assets or liabilities at the end of the year are deemed to carry a significant cash flow risk. The Company seeks to limit financial transactions that will give rise to such risk at a local level.

FREMANTLEMEDIA GROUP LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Financial key performance indicators

As a Company providing support services, KPIs used to manage the Company are principally financial: revenue and EBITA, balance sheet metrics, cash conversion and return on invested capital.

Directors' statement of compliance with duty to promote the success of the Company

The Directors of FremantleMedia Group Limited are responsible for the governance of the Company and have continued to exercise its duties in accordance with section 172(1) of the Companies Act 2006 by having regard to the following:

- (i) the likely consequences of any decision in the long term.
- (ii) the interests of the Company's employees.
- (iii) the need to foster the Companies business relationships with suppliers, customers and others.
- (iv) the impact of the Company's operations on the environment and the community.
- (v) the desirability of the company for maintaining high standards of business conduct and
- (vi) the need to act fairly.

The Directors consider, both individually and collectively, that they have successfully discharged their duty to promote the long-term success of the Company for the benefit of its members, having regard to the section 172 principles when considering and making decisions regarding the Company's positioning, development, and performance.

References in this statement to 'the Company' refers to FremantleMedia Group Limited and references to 'Fremantle' refer to the wider global Fremantle Group.

Long-term Strategy and Outlook

Fremantle is one of the largest and most successful creators, producers, and distributors of scripted and unscripted content. We reach audiences across the world via traditional TV, film and digital platforms. We are experts at working with creative talent from all over the world translating ideas into award-winning productions for every major market.

The Board hold regular board meetings to consider the Company's strategy and direction over the long term and monthly risk and compliance meetings are also held to monitor, assess, and address exposure to risk.

With the Board's vast experience of the market in which the Company operates, the Directors are well-equipped to make the necessary key decisions to deliver our strategic priorities, mitigate risk and accelerate growth in line with the Company's aspirational strategy plan, commercial interests, and long-term vision.

Our People

Within Fremantle, our people are at the heart of everything we do. We aspire to be the place creatives call home. Our workforce is a family and part of a creative and inclusive community across an international network of production teams, companies, and labels.

Concern for employee safety and wellbeing has always been embedded throughout Fremantle's culture and remains a priority. Whilst all COVID-19 restrictions have now been removed, Fremantle remains committed to ensuring a safe, working environment. We have the benefit of enhanced technological capabilities and have utilised the experiences gained during the pandemic to explore and adopt new working patterns that benefit both the business and employees. Fremantle recognises the importance of remaining cautious and being prepared in the event restrictions were reintroduced.

FREMANTLE MEDIA GROUP LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Fremantle continues to offer increased mental health and wellbeing support, including online exercise and mindfulness classes, across the global business. We take great pride in our focus on the training and support the development and retention of our workforce.

The Directors endeavour to ensure that open lines of communication are available throughout Fremantle at all levels. "Workplace" is our social platform helping our staff to connect and collaborate online, globally. Employees can sign up to groups, post updates and read company announcements via the website, or the mobile app.

Fremantle takes employee engagement very seriously and we carry out regular employee satisfaction surveys to assess the level of success of the work schemes and support in place, and to look to future working practices to benefit employees and Fremantle alike.

Fostering Business Relationships

Fremantle's business and its relationships with suppliers, customers and others is important to the Directors and the Company. Being a reputable and safe business to work with is a core value for Fremantle as a whole.

As part of their ongoing responsibilities, the Directors undertake a full review of governance procedures and authorities to strengthen the accountability and transparency that are principal foundations of the business. We pride ourselves on maintaining strong, honest, respectful and flexible relationships with our consumers, investors and suppliers and they continue to remain a key focus.

Impact on our Community and Environment

Environmental, Social and Governance (ESG) criteria will continue as an important focal point for the Company and Fremantle as a whole. In line with parent company stakeholder commitments, Fremantle will primarily expand its own commitment to Corporate Responsibility in three strategic areas of Diversity, Equality and Inclusion (DE&I), Environmental Responsibility and Social Responsibility:

Diversity, Equity & Inclusion

Fremantle aspires to tell stories that connect people around the world. To reflect and celebrate the world we live in and engage audiences, Fremantle recognises that they need people from all backgrounds and cultures working in teams and on shows, and they remain committed to creating opportunities for talent by being inclusive in everything the Company does.

Environmental Responsibility

Fremantle recognises its responsibility to take care of our environment and aspire to lead the way in sustainable content production. Despite the challenges of COVID-19, Fremantle remained committed to its promise to tackle climate change.

We measure our current environmental impact using the BAFTA's albert carbon calculator tool and set ambitious targets to reduce the carbon footprint of our productions, which has already been in use on UK productions for ten years, across global production territories.

Fremantle are committed to making all employee and site related emissions carbon neutral by the end of 2025.

Social Responsibility

Fremantle recognises its social responsibility and is especially committed to the locations where its companies operate, preferably sponsoring organisations and initiatives in which our employees are actively involved bringing a positive impact to our local community.

On screen, Fremantle invests in programming that challenges perceptions, educates and informs global audiences.

FREMANTLE MEDIA GROUP LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Business Conduct

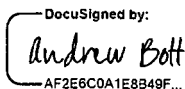
We are fully committed to acting responsibly in all our business dealings and relationships. Entrepreneurial responsibility and integrity are essential elements of our corporate culture. We aspire to the highest ethical standards and to ensure comprehensive compliance with all relevant legislation and regulation by working together. Our relationships are based on mutual respect and trust. Fremantle has a zero-tolerance approach to non-compliance with legislation and regulation.

Good governance remains a major focus and the Directors look to ensure that there is continued adherence to legislation, regulation, and group policies to ensure all UK and overseas subsidiaries meet local legislative requirements and good governance practices through their own policies.

We have systems in place to identify and assess potential risk areas, which include steps to monitor and mitigate the risk of non-compliance within our supply chain and have an open whistleblowing procedure that offers protection to those who speak up.

An annual review takes place of policies, and the business continues to strengthen our Governance framework and governance, compliance and risk management teams across the business.

This report was approved by the board and signed on its behalf by:

DocuSigned by:

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Andrew Bott

Director

Date: 01 December 2022

FREMANTLE MEDIA GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of the Company is to act as the holding company of members of the FremantleMedia group and to provide support services to those companies.

Results and dividends

The profit for the year, after taxation, amounted to £444,366 thousand (2020 - £7,170 thousand).

Directors

The directors who served until the date of the report

Andrew Bott
Nicola Louise Gray
Jennifer Mullin
Jens-Uwe Richter (appointed 7 June 2021)
Andrea Scrosati
Kate Louise Temple (appointed 7 June 2021)
Matthew Edward Wilson (appointed 2 August 2021)

Future developments

The Company will continue with its principal activity as a holding company of members of the FremantleMedia Group and the provision of support services to those companies.

Engagement with employees

The Company's policies related to engagement with employees are set out in the strategic report above.

Engagement with suppliers, customers and others

The Company's policies related to engagement with supplier, customers and others are set out in the strategic report above.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate given the following considerations.

FREMANTLEMEDIA GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Directors considered the operating nature of the entity, current global economic uncertainty and expectations for the future trading along with the outstanding inter-company payables and inter-company receivables for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds through funding from its parent RTL Group S.A. and repayment of outstanding balances from fellow subsidiaries to meet its liabilities as they fall due for that period.

Those forecasts are dependent on RTL Group S.A not seeking repayment of the amounts currently due to the group and providing additional financial support during that period. RTL Group S.A. has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Further details regarding the adoption of the going concern basis can be found in Note 2 to the financial statements

Streamlined Energy and Carbon Reporting

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 have implemented the United Kingdoms ("UK") Government's policy on Streamlined Energy and Carbon Reporting ("SECR"). This new regulation, which came into effect for reporting periods beginning on or after 1 April 2019, require large unquoted companies that have consumed in the UK more than 40,000 kilowatt-hours ("kWh") of energy in the reporting period to include energy and carbon information within their Directors' Report. This is to increase awareness of energy costs within FremantleMedia Group Limited by disclosing energy usage data to allow the Directors to adopt energy efficient measures to ultimately reduce the impact that the organisation has on climate change.

Large companies, as defined in sections 465 and 466 of the Companies Act 2006, are companies that meet two or more of the following criteria:

- turnover in excess of GBP 36 million
- balance sheet assets greater than GBP 18 million
- 250 employees or more

FREMANTLE MEDIA GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Streamlined Energy & Carbon reporting disclosure for the period 1 st January 2021 to 31 st December 2021	Current Reporting Year 2021	Comparison Reporting Year 2020
	UK and offshore	UK and offshore
Emissions from combustion of gas (Scope 1) / tCO ₂ e	4.3	4.7
Emissions from combustion of fuel for transport purposes (Scope 1) / tCO ₂ e	3.7	3.4
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) / tCO ₂ e	-	-
Emissions from purchased electricity (Scope 2, location-based) / tCO ₂ e	1.6	2.1
Total gross emissions based on above / tCO₂e	9.6	10.2
Energy consumption used to calculate emissions / kWh	47,988	48,750
Intensity ratio: tCO₂e gross figure per £ million sales revenue	0.20	0.22
Emissions from purchased electricity (Scope 2, market-based) / tCO ₂ e	0.0	0.0
Emissions from electricity related to extraction, production, and transportation of fuels consumed in the generation of electricity for which the company does not own or control (Scope 3) / tCO ₂ e	0.5	0.3
Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control (Scope 3) / tCO ₂ e	0.1	0.2
Emissions from extraction and production of purchased fuels for which the company does not own or control (Scope 3) / tCO ₂ e	1.8	1.5
Total gross Scope 1, Scope 2 [location] & Scope 3 emissions / tCO₂e	12.0	12.2
Outside of scopes / tCO ₂ e	0.4	-

Methodology

As a large, unquoted organisation, FremantleMedia Group Limited is required to report its energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The data detailed in the table above represents emissions and energy use for which FremantleMedia Group Limited is responsible, including gas and electricity use on our sites and fuel used in vehicles on company business. Scope 1 emissions from combustion of gas also include emissions arising from the combustion of green gas, backed up by green gas certificates. Following best practice, we also report the outside of scope emissions related to the green gas consumption.

We have used the main requirements of the Greenhouse Gas Protocol Corporate Standard to calculate our emissions, along with the UK Government GHG Conversion Factors for Company Reporting 2021. Any estimates included in our totals are derived from actual data extrapolated to cover missing periods. Reporting of global emissions (excluding UK and offshore) is not mandatory for unquoted companies and they were not included in this carbon footprint.

As FremantleMedia Limited and FremantleMedia Group Limited share one site (Stephen Street, London), an allocation method based on floor area was used to apportion this site's emissions to each entity. Thus, 2% of emissions from Stephen Street were allocated to FremantleMedia Group Limited.

FREMANTLEMEDIA GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Energy Efficiency Actions

The Company implemented various measures during 2021 in order to improve energy efficiency. These included censored Hand dryers for toilets, censored urinals, toilets and taps, censored lights, auto off on IT equipment after period of non-use and an increase in electrical/hybrid vehicles in the Company's car fleet.

At the start of 2020, the Company's parent, RTL Group, decided to become carbon neutral by 2030.

RTL Group, of which Fremantle is part, will reach this goal in two steps. By 2025, the Group will be carbon neutral with regards to company-related CO2 emissions. Here, the focus will be on switching to green electricity, reducing business travel and offsetting the remaining emissions. By 2030, the Group will reach full carbon neutrality with regards to the emissions from the production of its programmes and products.

As part of its aims to reduce carbon emissions, Fremantle collaborated with Bafta's Albert to launch a carbon calculator and certification toolkit for the TV industry in January 2021. The toolkit is an authority on environmental sustainability, allowing carbon emissions caused by content productions to be calculated and, above all, provides a controlled way of reducing them.

Post balance sheet events

On 26 October 2022 the Company received £247m via an additional subscription of shares from its sole shareholder, RTL GmbH. The Company has used the funds to invest further in its subsidiaries and repay certain debt balances.

On 8 November 2022 the Company purchased 6,286 B shares in 72 Films Limited for a consideration of £38,005,682, a holding of 55%.

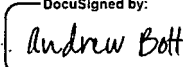
On 11 November 2022 the Company purchased 510 B shares in Wildstar Films Limited for a consideration of £10,985,232, a holding of 51%.

On 15 November 2022 the Company purchased 102,000 ordinary shares in Silvio Productions Limited for a consideration of 3,325,000 ILS (GBP £646,244), a holding of 51%.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board and signed on its behalf by:

DocuSigned by:

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Andrew Bott
Director
1 Stephen Street
London
W1T 1AL

Date: 01 December 2022

FREMANTLEMEDIA GROUP LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 judgments and accounting 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;
- 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 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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

FREMANTLEMEDIA GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FREMANTLEMEDIA GROUP LIMITED

Opinion

We have audited the financial statements of Fremantlemedia Group Limited ("the Company") for the year ended 31 December 2021, which comprise the Income Statement, the Statement of Comprehensive Income, the Balance sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Other matter - prior period financial statements

We note that the prior period financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

Going Concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

FREMANTLE MEDIA GROUP LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FREMANTLE MEDIA GROUP LIMITED
(CONTINUED)**

Fraud and breaches of laws and regulations – ability to detect*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account recent revisions to guidance, our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the simple nature of revenue transactions.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing noncompliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

FREMANTLE MEDIA GROUP LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FREMANTLE MEDIA GROUP LIMITED
(CONTINUED)**

Strategic report and Directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and accordingly we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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/auditors responsibilities.

FREMANTLEMEDIA GROUP LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FREMANTLEMEDIA GROUP LIMITED
(CONTINUED)**

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Arnold (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 01 December 2022

FREMANTLE MEDIA GROUP LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	Unaudited 2020 £000
Turnover	3	48,524	47,773
Cost of sales		(42,095)	(40,364)
Gross profit		6,429	7,409
Administrative expenses		(28,966)	(24,935)
Other operating income	4	7	26
Operating loss	5	(22,530)	(17,500)
Income from other fixed asset investments	9	382,494	25,555
Investment gains/losses	16	81,613	(521)
Interest receivable and similar income	10	264	58
Interest payable and similar expenses	11	(1,306)	(2,642)
Other finance income		66	(39)
Profit before tax		440,601	4,911
Tax on profit	12	3,765	2,259
Profit for the financial year		444,366	7,170

The notes on pages 20 to 57 form part of these financial statements.

FREMANTLE MEDIA GROUP LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	Unaudited 2020 £000
Profit for the financial year		444,366	7,170
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Hedging Reserve		(11)	66
Actuarial gain/(loss) on pension scheme	27	1,873	(1,554)
		1,862	(1,488)
Total comprehensive income for the year		<u>446,228</u>	<u>5,682</u>

The notes on pages 20 to 57 form part of these financial statements.

FREMANTLEMEDIA GROUP LIMITED
REGISTERED NUMBER: 00353341

BALANCE SHEET
AS AT 31 DECEMBER 2021

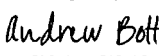
	Note	2021 £000	Unaudited 2020 £000
Fixed assets			
Intangible assets	14	63	94
Tangible assets	15	11,654	14,954
Investments	16	616,534	642,403
		<u>628,251</u>	<u>657,451</u>
Current assets			
Debtors: amounts falling due after more than one year	17	63,428	
Debtors: amounts falling due within one year	17	77,050	54,851
Cash at bank and in hand	18	4,189	4,487
		<u>144,667</u>	<u>59,338</u>
Creditors: amounts falling due within one year	19	(180,314)	(184,533)
Net current liabilities		<u>(35,647)</u>	<u>(125,195)</u>
Total assets less current liabilities		<u>592,604</u>	<u>532,256</u>
Creditors: amounts falling due after more than one year	20	(7,224)	(10,934)
		<u>585,380</u>	<u>521,322</u>
Provisions for liabilities			
Other provisions	24	(542)	(542)
		<u>(542)</u>	<u>(542)</u>
Net assets excluding pension liability		<u>584,838</u>	<u>520,780</u>
Pension Liability	27	(955)	(1,472)
Net assets		<u><u>583,883</u></u>	<u><u>519,308</u></u>

FREMANTLE MEDIA GROUP LIMITED
REGISTERED NUMBER: 00353341

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Capital and reserves			
Called up share capital	25	70,000	70,000
Share premium account		366,322	366,322
Other reserves	26	5,926	5,926
Profit and loss account		141,635	77,060
Shareholder's funds		<u>583,883</u>	<u>519,308</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on by:

DocuSigned by:

 AF2E6C0A1E8B49F...

Andrew Bott
 Director
 Date: 01 December 2022

The notes on pages 20 to 57 form part of these financial statements.

FREMANTLE MEDIA GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2021	70,000	366,322	5,926	77,060	519,308
Comprehensive income for the year					
Profit for the year	-	-	-	444,366	444,366
Other comprehensive income	-	-	-	1,862	1,862
Total comprehensive income for the year	-	-	-	446,228	446,228
Transactions with owners					
Dividends: Equity capital	-	-	-	(381,653)	(381,653)
Total transactions with owners	-	-	-	(381,653)	(381,653)
At 31 December 2021	70,000	366,322	5,926	141,635	583,883

FREMANTLE MEDIA GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2020	70,000	366,322	5,926	71,378	513,626
Comprehensive income for the year					
Profit for the year	-	-	-	7,170	7,170
Other comprehensive income	-	-	-	(1,488)	(1,488)
Total comprehensive income for the year	-	-	-	5,682	5,682
Transactions with owners					
Total transactions with owners	-	-	-	-	-
At 31 December 2020	70,000	366,322	5,926	77,060	519,308

The notes on pages 20 to 57 form part of these financial statements.

FREMANTLEMEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

The Company is a private company and is incorporated and resident in the UK. The address of its registered office is 1 Stephen Street, London, W1T 1AL.

The Company is a part of the Fremantle Group, which is a profit centre of RTL Group S.A.. The Fremantle Group is one of the largest creators, producers and distributors of award-winning content in the world. These well-known brands include Got Talent, Pop Idol, Family Feud, American Gods and The Price Is Right.

The Company holds investments in companies of the Fremantle Group, including an investment in FremantleMedia Limited, whose principal activity is TV production, distribution and licensing. The Company also provides support services to operations of the Fremantle Group.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("UK-adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the application of the Company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates, underlying assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and relevant under the circumstances.

Key accounting estimates and assumptions**(i) Impairment of Investments:**

Investments in subsidiary companies are held at cost less accumulated impairment losses. The Company tests annually whether investments have suffered any impairment, with the carrying amount being written down for any impairment highlighted. The key estimates and assumptions for the Company in respect of the impairment of investments are the budgeted profits, projected cash flows and weighted average cost of capital used in order to determine whether any impairment is required. See note 16 for the carrying amount of investments and associated provision.

The following principal accounting policies have been applied:

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (Continued)
2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- 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
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management

Disclosures in respect of the compensation of Key Management Personnel

As the consolidated financial statements of Bertelsmann SE & Co.KGaA include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its parent undertaking established under the law of a non UK state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

2.4 Going concern

The directors have considered the operating nature of the entity, current global economic uncertainty and expectations for future trading for a period of 12 months from the date of approval of these financial statements. It indicates that, taking account of reasonably possible downsides, the company will have sufficient funds through funding from its parent RTL Group S.A. to realise its assets and settle its liabilities in the ordinary course of business for that period.

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (Continued)

This is dependent upon RTL Group S.A. providing the required funding through this period through the cash pooling arrangement. RTL Group S.A. has indicated its intention to continue to make available such funds as are needed by the company. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Given the dependency on the Parent, the directors have also considered the work carried out by Group management in relation to the Group's going concern assessment focussing on cash flow, liquidity position and the ability of the Group to meet known and potential liabilities and concluded that having analysed the impact of COVID 19 and current global economic uncertainty, the Group has sufficient headroom and will be able to provide support to the company.

2.5 Foreign currency translation
Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

2.5 Revenue

Turnover represents income net of value added tax, from the recharge of support and administration services to group companies within the Fremantle Group. Turnover is recognised based on the period to which the services relate.

Turnover is mostly generated from providing administration services in the United Kingdom, management fees and also generated from property sub-leasing and administration services in the United Kingdom.

Turnover is accounted for on an accrual basis. When services have been delivered but not billed by the balance sheet date, income is accrued. Where amounts are received in advance of delivery, income is deferred.

Management fees are charged three times during the year. Charges based on number of factors including time spent by staff and costs apportioned based on revenue received.

Administration services consist of Human Resources, Legal and Finance department recharges. Human Resources and Finance recharges are invoiced on a monthly basis on an agreed budget rate. Legal recharges are invoiced on a quarterly basis with charges based on time spent working for various territories.

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (Continued)**2.6 Leases****The Company as a lessee**

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in 'Creditors' on the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting Policies (Continued)

The right-of-use assets are included in the 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines, as applicable, in the Balance Sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.14.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

2.7 Government grants

The Company has received Government grants in relation to the Coronavirus Job Retention Scheme (CJRS) provided by the UK Government in response to COVID-19's impact on business. The Group has elected to account for these grants by off-setting the Government grants received against wages and salaries costs within administration expenses, rather than to account for these as other operating income. Total Government grants included as other operating income total £9,158 (2020: £129,174).

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Pensions
Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (Continued)

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 101 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets-acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

FREMANTLEMEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (Continued)
2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Long-term leasehold property	- Over the period of the lease
Motor vehicles	- 3 to 5 years
Fixtures and fittings	- 5 years
Computer equipment	- 3 to 5 years
Other fixed assets	- 3 to 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss

2.14 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (Continued)

2.16 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.17 Debtors

Debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.19 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)
2.21 Financial instruments
(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement
Financial assets
(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Investments associates and subsidiaries are accounted for using the equity method

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)
2.21 Financial instruments (continued)
(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI - these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Interest rate benchmark reform

The Company has adopted the Phase 2 amendments and retrospectively applied them from 1 January. When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest benchmark reform, the Company updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- The change is necessary as a direct consequence of the reform; and
- The new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e., the basis immediately before the change.

When the changes were made to a financial asset or a financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Company applied the policies on accounting for modifications to the additional changes.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)
2.21 Financial instruments (continued)

- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(iii) Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)
2.21 Financial instruments (continued)

When the forecast transaction subsequently results in the recognition of a non-financial item (including a non-financial item that becomes a firm commitment for which fair value hedge accounting is applied – see below), the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial carrying amount of the non-financial asset or liability.

For all other hedged forecast transactions, the associated cumulative gain or loss is reclassified to the income statement in the same period or periods during which the hedged expected future cash flows affects profit or loss.

When the hedging instrument is sold, expires, is terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

Hedges directly affected by interest rate benchmark reform

As a result of adopting the Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform, the following temporary exceptions have been applied retrospectively to hedging relationships that existed at 1 January 2021 or were designated thereafter and that are directly affected by interest rate benchmark reform.

For the purpose of hedge accounting, it has been assumed that:

- the benchmark interest rate is not altered as a result of interest rate benchmark reform; and
- the interest rate benchmark cash flows designed as a hedge will not be altered as a result of interest rate benchmark reform in relation to assessing whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur.

The Company will cease to apply these temporary exceptions prospectively to a specific hedged item or hedging instrument when:

- the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows; or
- the hedging relationship is discontinued (applies for hedging instruments only).

The Company has adopted the Phase 2 amendments and retrospectively applied them from 1 January. When the basis for determining the contractual cash flows of the hedged item or hedging instrument changes as a result of IBOR reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Company amends the hedge documentation of that hedging relationship to reflect the change(s) required by IBOR reform. For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedging instrument.

If changes are made in addition to those changes required by IBOR reform described above, then the Company first considers whether those additional changes result in the discontinuation of the hedge

FREMANTLEMEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)
2.21 Financial instruments (continued)

accounting relationship. If the additional changes do not result in the discontinuation of the hedge accounting relationship, then the Company amends the formal hedge documentation for changes required by IBOR reform as mentioned above.

Fair value hedges

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the income statement. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves).

On the discontinuance of hedge accounting, any adjustment made to the carrying amount of the hedged item as a consequence of the fair value hedge relationship, is recognised in the income statement over the remaining life of the hedged item.

(iv) Impairment

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL. Trade receivables and contract assets with significant financing component are measured using the general model described above.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

(v) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.21 Financial instruments (continued)**

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Turnover

An analysis of turnover by class of business is as follows:

	2021 £000	2020 £000
Intercompany Staff recharges	37,499	36,438
Rental Income	6,231	6,916
Support service fees	4,794	4,419
	<u>48,524</u>	<u>47,773</u>

Analysis of turnover by country of destination:

	2021 £000	2020 £000
United Kingdom	48,473	47,637
Rest of Europe	-	11
Rest of the world	51	125
	<u>48,524</u>	<u>47,773</u>

4. Other operating income

	2021 £000	2020 £000
Profit on disposal of tangible assets	7	26
	<u>7</u>	<u>26</u>

FREMANTLEMEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Operating loss

The operating loss is stated after charging:

	2021	2020
	£000	£000
Depreciation of tangible fixed assets	(4,248)	(3,223)
Amortisation of intangible assets	(31)	(31)
Exchange differences (loss) / gain	<u>(641)</u>	<u>183</u>

6. Auditors' remuneration

	2021	2020
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>42</u>	<u>-</u>

FREMANTLEMEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £000	2020 £000
Wages and salaries	40,923	37,400
Social security costs	5,934	5,012
Cost of defined contribution scheme	2,839	2,729
	<u>49,696</u>	<u>45,141</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Administration	64	65
Production	415	395
Distribution	78	59
Exploitation of rights	165	183
Format Licensing	-	2
	<u>722</u>	<u>704</u>


FREMANTLE MEDIA GROUP LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**
8. Directors' emoluments

	2021 £000	2020 £000
Directors' emoluments	3,628	1,987
Company contributions to defined contribution pension schemes	26	19
	<u>3,654</u>	<u>2,006</u>

During the year retirement benefits were accruing to 4 directors (2020 – 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,525,000 (2020 – £497,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounts to £NIL (2020 – £NIL).

9. Income from investments

	2021 £000	2020 £000
Dividends received	(382,494)	(25,555)
	<u>(382,494)</u>	<u>(25,555)</u>

The Company has taken advantage of the disclosure exemption relating to 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.

FREMANTLEMEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Interest receivable

	2021	2020
	£000	£000
Interest receivable from group companies	148	1
Other interest receivable	116	57
	<u>264</u>	<u>58</u>

11. Interest payable and similar expenses

	2021	2020
	£000	£000
Bank interest payable	1	2
Loans from group undertakings	1,029	1,786
Finance leases	103	854
Other interest payable	173	-
	<u>1,306</u>	<u>2,642</u>

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	(3,904)	(4,037)
Adjustments in respect of previous periods	(69)	(64)
	<u>(3,973)</u>	<u>(4,101)</u>
Foreign tax		
Foreign tax on income for the year	-	750
	-	750
Total current tax	<u>(3,973)</u>	<u>(3,351)</u>
Deferred tax		
Origination and reversal of timing differences	369	739
Adjustments in respect of previous periods	(161)	353
Total deferred tax	<u>208</u>	<u>1,092</u>
Taxation on ordinary activities	<u>(3,765)</u>	<u>(2,259)</u>

FREMANTLEMEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - *lower than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	<u>440,601</u>	<u>4,911</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	83,714	933
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	720	308
Adjustments to tax charge in respect of prior periods	(69)	(64)
Non taxable capital gain on disposal of shares	(16,167)	-
Deferred tax change in rate	872	316
Deferred tax prior year adjustments	(161)	353
Overseas tax	-	1
Overseas tax on Dividends	-	749
Dividends	(72,674)	(4,855)
Total tax charge for the year	<u>(3,765)</u>	<u>(2,259)</u>

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax asset at balance sheet date has been calculated based on these rates (2020: 19%).

FREMANTLE MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Dividends

	2021 £000	2020 £000
Dividends paid	381,653	-
	<u>381,653</u>	<u>-</u>

14. Intangible assets

	Development expenditure £000	Computer software £000	Total £000
Cost			
At 1 January 2021	51	1,484	1,535
At 31 December 2021	<u>51</u>	<u>1,484</u>	<u>1,535</u>
Amortisation			
At 1 January 2021	-	1,441	1,441
Charge for the year on owned assets	-	31	31
At 31 December 2021	<u>-</u>	<u>1,472</u>	<u>1,472</u>
Net book value			
At 31 December 2021	<u>51</u>	<u>12</u>	<u>63</u>
At 31 December 2020	<u>51</u>	<u>43</u>	<u>94</u>

FREMANTLE MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. Tangible fixed assets

	Long-term leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Assets under construction £000	Total £000
Cost or valuation							
At 1 January 2021	17,773	320	1,003	4	130	5,145	24,375
Additions	-	-	21	-	43	981	1,045
Disposals	-	(50)	(47)	-	-	-	(97)
Transfers between classes	-	-	6,118	-	-	(6,118)	-
At 31 December 2021	17,773	270	7,095	4	173	8	25,323
Depreciation							
At 1 January 2021	8,137	202	953	4	125	-	9,421
Charge for the year on owned assets	117	27	1,538	-	10	-	1,692
Charge for the year on right-of-use assets	2,556	-	-	-	-	-	2,556
At 31 December 2021	10,810	229	2,491	4	135	-	13,669
Net book value							
At 31 December 2021	<u>6,963</u>	<u>41</u>	<u>4,604</u>	<u>-</u>	<u>38</u>	<u>8</u>	<u>11,654</u>
At 31 December 2020	<u>9,636</u>	<u>118</u>	<u>50</u>	<u>-</u>	<u>5</u>	<u>5,145</u>	<u>14,954</u>

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Tangible fixed assets (continued)

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance Sheet is as follows:

	2021 £000	2020 £000
Tangible fixed assets owned	4,707	5,450
Right-of-use tangible fixed assets	6,947	9,504
	<u>11,654</u>	<u>14,954</u>

Information about right-of-use assets is summarised below:

Net book value

	2021 £000	2020 £000
Property	6,947	9,504
	<u>6,947</u>	<u>9,504</u>

Depreciation charge for the year ended

	2021 £000	2020 £000
Property	(2,556)	(2,949)
	<u>(2,556)</u>	<u>(2,949)</u>

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2021	705,736
Additions	3,480
Disposals	(25,869)
At 31 December 2021	<u>683,347</u>
Impairment	
At 1 January 2021	63,333
Charge for the period	3,480
At 31 December 2021	<u>66,813</u>
Net book value	
At 31 December 2021	<u><u>616,534</u></u>
At 31 December 2020	<u><u>642,403</u></u>

FREMANTLEMEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Fixed asset investments (Continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
FremantleMedia Productions Asia PTE Ltd	10 Collyer Quay #10-01 Ocean Financial Centre 049315 Singapore	TV Production	Ordinary	100%
FremantleMedia Belgium NV	J. B. Vandendrieschstraat 12 1082 St.- Agathe-Berchem B-1082 Bruxelles Belgium	TV Production	Ordinary	99.92%
FremantleMedia Canada No 2 Inc	Suite 1700 Park Place, 666 Burrard Street, V6C 2X8, Vancouver BC Canada	Investment	Common	100%
FremantleMedia Espana S.A.	Calle de la Coruña, 13 28020 Madrid Spain	TV Production	Ordinary	100%
FremantleMedia Hrvatska d.o.o	Petrovaradinska 1 10000 Zagreb Croatia	TV Production	Ordinary	100%

FREMANTLEMEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Fixed asset investment (Continued)

Fremantle Nordic Holdings Limited	1 Stephen Street W1T 1AL London, UK	Holding company	Ordinary	100%
FremantleMedia Portugal S.A.	Avenida da Quinta Grande n°53-5B Alfragide 2610-156 Amadora Portugal	TV Production	Ordinary	100%
FremantleMedia Limited	1 Stephen Street W1T 1AL London, UK	TV production, distribution, licensing	Ordinary	100 %
FremantleMedia Overseas Ltd	1 Stephen Street W1T 1AL London, UK	Investment	Ordinary	100 %
Fremantle (Shanghai) Culture Media Co Ltd	Room 545, 5th Floor, 2000 Pudong Avenue Shanghai China	TV Production	Ordinary	100 %
Quarto Piano SRL	Via Monte Zebio, 24 00195 Rome Italy	TV Production	Ordinary	100%
FremantleMedia Polska Sp. z o.o	ul. Wolodyjowskiego 63, 02-724 Warsaw Poland	TV Production	Ordinary	100%
FremantleMedia Australia Holdings PTY LTD	110-112 Christie Street NSW 2065 St. Leonards Australia	TV Production	Ordinary	100%
PT Dunia Visitama Produksi	Jalan Barito 11 No.3 kebayoran Baru 12130 Jakarta Selatan Indonesia	TV Production	Ordinary	99.9%
Euston Films Limited	1 Stephen Street W1T 1AL London, UK	Dormant	Ordinary	100%

FREMANTLEMEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Fixed asset investment (Continued)

FremantleMedia Animation Ltd	1 Stephen Street W1T 1AL London, UK	Dormant	Ordinary	100 %
Fremantle Group Pension Trustee Ltd	1 Stephen Street W1T 1AL London, UK	Dormant	Ordinary	100 %
Talkback Productions Ltd	1 Stephen Street W1T 1AL London, UK	Dormant	Ordinary	100 %
Thames Television Animation Limited	1 Stephen Street W1T 1AL London, UK	Dormant	Ordinary	100 %
Thames Television Limited	1 Stephen Street W1T 1AL London, UK	Dormant	Ordinary	100 %
Fremantle Productions SA	18 Neopoleos Street North Filothei 15123 Athens Greece	Dormant	Ordinary	100 %

The following were investments in equity instruments:

FremantleMedia Brazil Producao de Televisao Ltd	Rua Cerro Corá 585 Vila Madalena CEP 05061-150 São Paulo - SP Brazil	TV Production	Ordinary	0.0000076%
Fremantle India Television Productions PVT Limited	406 Morya Landmark 11 Plot B-17 Off New Link Road, Oshiwara Andheri (West) 400053 Mumbai India	TV Production	Ordinary	0.000032%
FremantleMedia Mexico SA de CV	Periferio Sur 4249 piso 2, Col, Jardines en la Montana, Del. Tlalpan D.F.C.P. 14210 Mexico	TV Production	Ordinary	0.002 %
Fremantle Productions Asia Ltd	Level 54, Hopewell Centre, 183 Queen's Road East n/a Hong Kong	TV Production	Ordinary	0.0000067%

FREMANTLE MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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FremantleMedia Services S DE RL DE CV	Periferio Sur 4249 piso 2, Col, Jardines en la Montana, Del. Tlalpan D.F.C.P. 14210 Mexico	Employing company Ordinary	0.03%
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16. Fixed asset investment (Continued)

On 19 March 2021, FremantleMedia Group Ltd acquired 6,469,811 ordinary shares in FremantleMedia Productions Asia PTE Ltd for consideration of SGD \$6,469,811 (GBP £3,479,908.26). This was impaired in full during the year.

On 08 September 2021, FremantleMedia Group Ltd disposed of its investment in FremantleMedia Canada Inc for consideration of USD \$162,334,276 (GBP £117,805,580). The book value of the investment GBP 25,868,190 has been written down. The gain on disposal of this investment was £85,092,870 GBP.

On 04 November 2021, FremantleMedia Group Ltd acquired 1 ordinary share in Fremantle Nordic Holdings Ltd for consideration of GBP £1.

On 04 November 2021, FremantleMedia Group Ltd transferred its investments in FremantleMedia Norge AS, Blu A/S and FremantleMedia Finland OY to Fremantle Nordic Holdings Ltd in exchange for 3 ordinary shares in Fremantle Nordic Holdings Ltd for a consideration of GBP £15,427,042.

On 11 November 2021, FremantleMedia Group Ltd acquired 2 ordinary shares in Fremantle India Television Productions PVT Limited for consideration of GBP £20.

17. Debtors

	2021 £000	2020 £000
Due after more than one year		
Amounts owed by group undertakings	63,428	-
	63,428	-

As at the balance sheet date, the amounts owed by group undertakings of £63,428,000 is repayable on demand, however, on the 28 January 2022 it was replaced with an intercompany loan arrangement, which incurred interest of SONIA + 1% maturing on 28 January 2024.

	2021 £000	2020 £000
Due within one year		
Trade debtors	155	63
Amounts owed by group undertakings	68,664	43,379
Prepayments and accrued income	1,661	2,031
Tax recoverable	4,212	8,152

FREMANTLE MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Deferred taxation	2,358	1,226
	<u>77,050</u>	<u>54,851</u>

All amounts owed by group undertakings represent cash pooling balances that are interest free. All amounts owed by group undertakings are repayable on demand.

18. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	4,189	4,487
	<u>4,189</u>	<u>4,487</u>

19. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	909	974
Amounts owed to group undertakings	168,201	171,909
Corporation tax	234	4,098
Lease liabilities	3,693	3,738
Accruals and deferred income	7,277	3,814
	<u>180,314</u>	<u>184,533</u>

Included in amounts owed to group undertakings are cash pooling balances that incurred interest between 0.52% and 0.68% during the year (2020: 0.51% and 1.21%) All other amounts owed to group undertakings are interest free. All amounts owed to group undertakings are repayable on demand

20. Creditors: Amounts falling due after more than one year

	2021 £000	2020 £000
Lease liabilities	7,224	10,934
	<u>7,224</u>	<u>10,934</u>

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Leases

Company as a lessee

Right of use assets owned by the company consist solely of long term property leases for the operation of the business. A discount rate of 0.70% has been applied in the lease calculation. The leases relate to property at 1 Stephen Street, London, W1T 1AL and 10/11 Stephen Mews, London, W1T 1AQ.

	Long term leasehold property £000
Net book values	
Balance at 1 January 2020	27,799
Additions to right-of-use assets	-
Depreciation charge for the year	(2,949)
Remeasurement	(15,347)
Balance at 31 December 2020	<u>9,503</u>
Balance at 1 January 2021	9,503
Additions to right-of-use assets	-
Depreciation charge for the year	(2,556)
Balance at 31 December 2021	<u>6,947</u>

Lease liabilities are due as follows:

	2021 £000	2020 £000
Not later than one year	3,693	3,738
Between one year and five years	7,224	10,934
	<u>10,917</u>	<u>14,672</u>

Contractual undiscounted cash flows are due as follows:

	2021 £000	2020 £000
Not later than one year	3,772	3,772
	7,331	11,103

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Between one year and five years

<u>11,103</u>	<u>14,875</u>
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Total cash outflow for leases in the year £3,772,189 (2020 £3,643,768)

There is not considered any significant liquidity risk in relation to the lease liabilities.

21. Leases (Continued)

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2021	2020
	£000	£000
Interest expense on lease liabilities	<u>41</u>	<u>916</u>

Extension and termination options

Long term property leases include leases at 1 Stephen Street and 10/11 Stephen Mews. 1 Stephen Street lease has a lease end date of 28 September 2029 with a termination option date of 29 September 2024. 10/11 Stephen Mews has a lease end date of 27 May 2029 with a termination option date of 27 May 2024.

22. Financial instruments

	2021	2020
	£000	£000
Financial assets		
Financial assets measured at amortised cost	4,189	4,487
Financial assets that are debt instruments measured at amortised cost	132,247	43,442
	<u>136,436</u>	<u>47,929</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(176,387)</u>	<u>(176,697)</u>

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. Deferred taxation

	2021 £000
At beginning of year	1,226
Charged to profit or loss	(208)
Charged to other comprehensive income	1,340
At end of year	<u>2,358</u>

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Accelerated capital allowances	384	106
IFRS 16	903	775
Pensions	239	280
Deferred tax hedging reserve	4	-
Other short term timing differences	828	65
	<u>2,358</u>	<u>1,226</u>

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

24. Provisions

	Legal provision £000	Dilapidation provision £000	Total £000
At 1 January 2021	342	200	542
At 31 December 2021	<u>342</u>	<u>200</u>	<u>542</u>

Provisions consist of a legal provision of £342,000 and a dilapidations provision of £200,000 in relation to the 3rd floor lease at 1 Stephen Street.

25. Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
280,000,003 (2020 - 280,000,003) Ordinary shares of £0.250000 each	<u>70,000</u>	<u>70,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company

26. Reserves**Other reserves**

The Company has other reserves of £5,926,000 (2020 £5,926,000) made up of Capital reserves.

FREMANTLE MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension Scheme

In 2013 the Fremantle Group operated an occupational pension plan ("the Plan") in the UK which had both a defined benefit and a defined contribution section. The Plan was closed to all further accrual of benefits during 2013. As a result of the closure of the Plan, employees who participated in the Plan were offered membership of a new defined contribution scheme: *FremantleMedia Group Personal Pension Plan* ("the New Plan"). For both the Plan and the New Plan ("the Plans") the Company is the principal employer and RTL Group Support Services Limited and FremantleMedia Limited are participating employers.

A full actuarial valuation of the Plan was carried out at 1 January 2020 and updated to 31 December 2021 by a qualified independent actuary under IAS19 and FRS101.

The Plan is funded with the assets being held separately from the assets of the Company. Contribution rates for each section are set for the Plan as a whole. All sections of the Plan were contracted out of the State Second Pension via the Reference Scheme Test.

On 19 March 2014, the group implemented a full buy-in of the defined benefit section liabilities with an insurance Company for a total premium of £47.4m (of which £38.3m was made up of the plan assets, £7.3m cash was paid in 2014, £1.8m was paid in 2015, and a further £1.3m in 2018). The cashflows provided by the insurance policy exactly match the defined benefit section obligations which are not covered by other insurance policies.

The information disclosed below is in respect of the whole of the plans for which the Company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown.

	2021 £000	2020 £000
Defined benefit asset	-	-
Effect of net asset ceiling	-	-
Total defined benefit asset	-	-
Total defined benefit liability	955	1,472
Net asset/liability for defined benefit obligations (see following table)	955	1,472

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27. Pension Scheme (Continued)

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability (asset)	
	2021	2020	2021	2020	2021	2020
Balance at 1 January	106,547	93,423	105,075	94,394	1,472	971
Included in profit or loss*						
Interest cost/(income)	1,471	1,859	1,451	1,878	-	-
Included in OCI*						
Actuarial loss (gain) arising from						
- Changes in demographic assumptions	(493)	999	-	-	-	-
- Change in financial assumptions	(1,709)	9,044	-	-	-	-
- Experience adjustment	6,082	2,214	-	-	-	-
Return on plan assets excluding interest income	-	-	4,417	9,795	-	-
Other						
Benefits paid	(2,908)	(992)	(2,908)	(992)	-	-
Balance at 31 December	108,990	106,547	108,035	105,075	955	1,472

Sensitivity analysis

The following are the principal actuarial assumptions at the reporting date.

	2021	2020
Discount rate	1.80%	1.40%
RPI Inflation	3.15%	2.85%
CPI Inflation		
Deferred revaluation	2.20%	2.90%
Pensioner	2.30%	2.90%
Future pension increases		
RPI min 4%	4.25%	4.20%
RPI min 5%	3.10%	2.80%

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27. Pension Scheme (Continued)

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have changed as a result of the change noted.

	31 December 2021 Increase in DBO (£000's)
Discount rate -0.50%	9,165
Pension increases when in payment -0.50%	(4,995)
Average life expectancy +1 year	2,985

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 31st December 2021 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

The Plan is made up of 3 sections: Final Pay, Thames and Money Purchase. The Final Pay and Thames sections are Defined Benefit (DB) sections of the Plan.

The Money Purchase Section is a principally Defined Contribution (DC) section in which members hold their own individual pensions savings account, with a minimum benefit due at retirement known as the 'Reference Scheme Test' pension.

In respect of the DB sections of the Plan, the Trustee holds a buy-in policy with Pension Insurance Corporation, the value of which is intended to perfectly match the value of the pension benefits due to members of these sections

Defined contribution plans

The Company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £2,839,000 (2020 £2,729,000).

28. Post balance sheet events

On 26 October 2022 the Company received £247m via an additional subscription of shares from its sole shareholder, RTL Group GmbH. The company has used the funds to invest further in its subsidiaries and repay certain debt balances.

On 8 November 2022 the Company purchased 6,286 B shares in 72 Films Limited for a consideration of £38,005,682, a holding of 55%.

On 11 November 2022 the Company purchased 510 B shares in Wildstar Films Limited for a consideration of £10,985,232, a holding of 51%.

On 15 November 2022 the Company purchased 102,000 ordinary shares in Silvio Productions Limited for a consideration of 3,325,000 ILS (GBP £646,244), a holding of 51%.

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29. Controlling party

The immediate parent undertaking is RTL Group GmbH, a Company registered in Germany.

The smallest group to consolidate these financial statements is RTL Group S.A., a Company registered in Luxembourg. Copies of the RTL Group S.A. Annual Report 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.