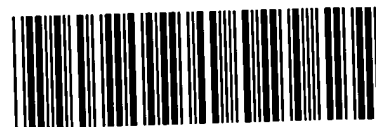


## **Capital Equipment Leasing Limited**

**Annual report and financial statements for the year  
ended 30 September 2017**

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**Capital Equipment Leasing Limited**

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**Capital Equipment Leasing Limited**

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**Company information**

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<b>Director</b>	B Rathouse
<b>Company secretary</b>	Fieldfisher Secretaries Limited
<b>Company number</b>	1340464
<b>Registered office</b>	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
<b>Bankers</b>	JP Morgan Chase 125 London Wall London EC2Y 5AJ

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**Capital Equipment Leasing Limited**

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**Strategic report for the year ended 30 September 2017**

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The director presents the report and the audited financial statements of Capital Equipment Leasing Limited ('the Company') for the year ended 30 September 2017.

**Principal activities and future developments**

The principal activity of the Company is the holding of investments in group undertakings. It is envisaged that this will continue in future years.

**Business review**

The loss for the financial year ended 30 September 2017 was £18,856,893 (2016: profit of £824). The loss for the financial year has been transferred to reserves.

Net assets as at 30 September 2017 total £59,523,102 (2016: £78,379,995).

**Key Performance Indicators (KPIs)**

The Company's director is of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

**Principal risks and uncertainties**

The key business risks and uncertainties affecting the Company is investment impairment and liquidity. The investment impairment risk is closely monitored by the members through an annual investment impairment review. Liquidity risk is managed via a promissory note arrangement held with Netherlands Overseas LLC, whereby the Company can drawdown advances when required to meet future obligations.

On behalf of the Board:



**B Rathouse**

Director

Date: 15 June 2018

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**Director's report for the year ended 30 September 2017**

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The director presents the report and the audited financial statements of the Company for the year ended 30 September 2017.

**Results and dividends**

The loss for the financial year ended 30 September 2017 was £18,856,893 (2016: profit of £824). The loss for the financial year has been transferred to reserves.

Net assets as at 30 September 2017 total £59,523,102 (2016: £78,379,995).

**Directors**

The membership of the board during the year is set out on page 1.

The director who served during the year had no (2016: none) interest in the shares of the Company.

**Future development**

Disclosure of future developments of the business have been included in the Strategic report on page 2.

**Qualifying third party indemnity provisions**

The Company has granted a qualifying third party indemnity in favour of its director and officers against the financial exposure that they may incur in the course of their professional duties as director and officers of the Company. This was in force during the financial year and at the date of approval of the financial statements.

**Statement of director's responsibilities**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law the director 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 the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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.

The director is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**Capital Equipment Leasing Limited**

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**Director's report for the year ended 30 September 2017 (continued)**

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**Disclosure of information to auditors**

At the time when this Director's report is approved, the director has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

**Independent auditors**

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

This report and the financial statements on pages 8 to 19 were approved on 15 June 2018.



**B Rathouse**

Director

Date: 15 June 2018

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**Independent auditors' report to the members of Capital Equipment Leasing Limited for the year ended 30 September 2017**

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**Report on the audit of the financial statements**

**Opinion**

In our opinion, Capital Equipment Leasing Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 30 September 2017; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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**Independent auditors' report to the members of Capital Equipment Leasing Limited for the year ended 30 September 2017 (continued)**

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**Reporting on other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Director's Report for the year ended 30 September 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Director's Report.

**Responsibilities for the financial statements and the audit**

Responsibilities of the director for the financial statements

As explained more fully in the Statement of director's responsibilities set out on page 3, the director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The director is also 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.

In preparing the financial statements, the director is responsible for 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 the director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.



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**Independent auditors' report to the members of Capital Equipment Leasing Limited for the year ended 30 September 2017 (continued)**

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**Responsibilities for the financial statements and the audit (continued)**

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Other required reporting**

**Companies Act 2006 exception reporting**

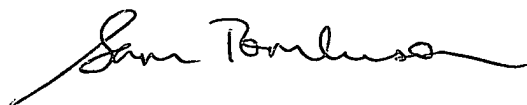
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

**Other matter**

The financial statements for the year ended 30 September 2016, forming the corresponding figures of the financial statements for the year ended 30 September 2017, are unaudited.



Samuel Tomlinson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
15 June 2018

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**Capital Equipment Leasing Limited**

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**Statement of comprehensive income for the year ended 30 September 2017**

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	Note	2017 £	2016 £
Administrative expenses		(9,360)	(683)
Impairment loss / result on subsidiary undertakings	8	<u>(18,787,096)</u>	<u>-</u>
<b>Operating loss</b>	2	<b>(18,796,456)</b>	<b>(683)</b>
Interest receivable and similar income	6	6	1,517
Interest payable and similar expenses	5	<u>(61,869)</u>	<u>(10)</u>
<b>(Loss) / profit on ordinary activities before taxation</b>		<b>(18,858,319)</b>	<b>824</b>
Tax on (loss) / profit on ordinary activities	7	1,426	-
<b>(Loss) / profit for the financial year</b>		<b><u>(18,856,893)</u></b>	<b><u>824</u></b>

All amounts relate to continuing operations.

The notes on pages 11 to 19 form part of these financial statements.

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**Capital Equipment Leasing Limited**

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**Statement of financial position as at 30 September 2017**

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	Note	2017 £	Restated 2016 £
<b>Fixed assets</b>			
Investments	8	60,072,075	78,859,171
<b>Current assets</b>			
Cash at bank and in hand		1,434	829
Debtors	9	1,608	-
		<u>3,042</u>	<u>829</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(8,665)</u>	<u>(5)</u>
<b>Net current (liabilities) / assets</b>		<u>(5,623)</u>	<u>824</u>
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(543,350)</u>	<u>(480,000)</u>
<b>Net assets</b>		<u><u>59,523,102</u></u>	<u><u>78,379,995</u></u>
<b>Capital and reserves</b>			
Called up share capital	14	100,000	100,000
Share premium account	14	78,379,171	78,379,171
Accumulated losses		<u>(18,956,069)</u>	<u>(99,176)</u>
<b>Total shareholders' funds</b>		<u><u>59,523,102</u></u>	<u><u>78,379,995</u></u>

The notes on pages 11 to 19 form part of these financial statements.

The financial statements on pages 8 to 19 were approved on 15 June 2018.



**B Rathouse**

Director

Date: 15 June 2018

Company registered number: 1340464

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**Capital Equipment Leasing Limited**

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**Statement of changes in equity for the year ended 30 September 2017**

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	<b>Restated Called up share capital £</b>	<b>Share premium account £</b>	<b>Accumulated losses £</b>	<b>Total shareholders' funds £</b>
Balance as at 1 October 2015	100,000	78,379,171	(100,000)	78,379,171
Profit for the financial year and total comprehensive income	-	-	824	824
Balance as at 30 September 2016	100,000	78,379,171	(99,176)	78,379,995
Loss for the financial year and total comprehensive expense	-	-	(18,856,893)	(18,856,893)
<b>Balance as at 30 September 2017</b>	<b>100,000</b>	<b>78,379,171</b>	<b>(18,956,069)</b>	<b>59,523,102</b>

The notes on pages 11 to 19 form part of these financial statements.

**1 Principal accounting policies**

**General information**

The Company is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is Fieldfisher LLP, Riverbank House, 2 Swan Lane, London, EC4R 3TT.

**Statement of compliance**

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

**Summary of significant accounting policies**

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

**1.1 Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost convention.

**1.2 Going concern**

The Company's business activities, together with the factors likely to affect its future development and performance are set out in the Strategic report on page 2.

The director believes that the Company is well placed to manage its business risk successfully. The director made enquiries of, and considered the Company's performance against its plans and objectives and satisfied themselves that the Company is performing as expected.

The director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future; the Company has limited transactions, as its principal activity is to hold investments, and it has a promissory note arrangement with Netherlands Overseas LLC enabling it to drawdown advances for future obligations prior to 31 December 2021. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

**1.3 Consolidated financial statements**

The Company is a wholly owned subsidiary of a Company incorporated in the United States of America and therefore has taken advantage of the exemption under Section 401 Companies Act 2006 not to produce consolidated financial statements. It is included in the consolidated financial statements of Viacom Inc. which are publicly available.

Accordingly, these financial statements present information about the Company as an individual undertaking and not as a group.

**1.4 Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the consolidated financial statements of Viacom Inc. which are publicly available.

**1 Principal accounting policies (continued)**

**1.4 Exemptions for qualifying entities under FRS 102 (continued)**

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102; and
- ii) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

**1.5 Foreign currencies**

Functional and presentational currency

The Company's functional and presentational currency is pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions or the contracted rate if the transaction is covered by a forward exchange contract.

At each year end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash equivalents are presented in the statement of comprehensive income.

**1.6 Taxation**

Taxation expense for the year comprises current tax and deferred tax recognised in the reporting period.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date.

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted.

Deferred tax assets and liabilities are measured at the average tax rates that are expected to apply in the year in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**1 Principal accounting policies (continued)**

**1.7 Financial instruments**

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income immediately.

If there is a decrease in an impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised.

Any impairment reversal is recognised in the statement of comprehensive income immediately.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability.

**1.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts, when applicable, are shown within creditors in current liabilities.

**1.9 Investments in subsidiaries**

Investments in subsidiary undertakings are recorded at cost less provision for impairment. Provisions are made for permanent diminution in value when the impairment is identified.

**1 Principal accounting policies (continued)****1.10 Impairment of non-financial assets**

At each statement of financial position date, non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's (or asset's cash generating unit) continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

**1.11 Critical judgements and estimates in applying the accounting policy**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical accounting judgements and assumptions:

Determination of fair value of investments

At the end of the financial year the fair value of the investment was reviewed by valuation experts for impairment. Various assumptions and valuation techniques were used during this review.

**2 Operating loss**

Operating loss is stated after charging:

	2017	2016
	£	£
Audit fees payable to the Company's auditor	8,500	-
Bank charges	860	683
Impairment loss / result on subsidiary undertakings	18,787,096	-

**3 Director's emoluments**

The remuneration of the director is paid by Paramount Pictures International Limited. This entity makes no recharge to the Company. The director is also a director of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of her remuneration in respect of each of the subsidiaries.



# Capital Equipment Leasing Limited

## Notes to the financial statements for the year ended 30 September 2017 (continued)

### 4 Employee information

The Company had no employees during the year (2016: nil).

### 5 Interest payable and similar expenses

	2017	2016
	£	£
Bank Interest	8	10
Interest payable on amounts owed to group undertakings	61,861	-
	<u>61,869</u>	<u>10</u>

### 6 Interest receivable and similar income

	2017	2016
	£	£
Foreign exchange gain	6	1,517
	<u>6</u>	<u>1,517</u>

### 7 Tax on (loss) / profit on ordinary activities

	2017	2016
	£	£
<b>i) Current tax</b>		
Adjustment in respect of previous periods	165	-
<b>Deferred tax</b>		
Timing differences, origination and reversal	(1,825)	-
Effect of changes in tax rate	234	-
<b>Total deferred tax credit</b>	<u>(1,591)</u>	<u>-</u>
<b>Total tax credit on (loss) / profit on ordinary activities</b>	<u>(1,426)</u>	<u>-</u>

### ii) Reconciliation of tax charge

The tax assessed for the year is higher (2016: lower) than the standard rate of corporation tax in the UK for the year ended 30 September 2017 of 19.5% (2016: 20%) and the differences are explained in the following table:

	2017	2016
	£	£
(Loss) / profit before taxation	<u>(18,858,319)</u>	<u>824</u>
Tax on (loss) / profit on ordinary activities at 19.5% (2016: 20%)	(3,677,114)	165
<b>Effects of:</b>		
Expenses not deductible	3,675,289	-
Group relief received for nil consideration	-	(165)
Adjustments from previous periods	165	-
Tax rate changes	234	-
<b>Tax credit for the year</b>	<u>(1,426)</u>	<u>-</u>

## Capital Equipment Leasing Limited

### Notes to the financial statements for the year ended 30 September 2017 (continued)

#### 7 Tax on (loss) / profit on ordinary activities (continued)

##### iii) Factors affecting tax charge for the year

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 19.5% (2016: 20%). Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 March 2017. These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. The 17% rate change was substantively enacted 8 March 2017 and the effects of these changes at the statement of financial position date are now included in the financial statements.

#### 8 Investments

##### Shares in subsidiary undertakings

	2017	2016
	£	£
At 1 October	78,859,171	78,859,171
Impairment	(18,787,096)	-
At 30 September	60,072,075	78,859,171

The immediate subsidiary undertaking and the percentage holding is:

Name	Class of shares	Holding
Paramount Pictures Entertainment Canada ULC.	Ordinary	100%

Paramount Pictures Entertainment Canada ULC., a company incorporated in Canada, was acquired from Viacom International Inc. on 25 September 2015 for £78,859,171 (\$120,000,000). The registered address is 250 Howe Street, 20th Floor, Vancouver BC V6C3R8, Canada.

An impairment review of the investment was carried out on 30 September 2017. This resulted in an impairment being recorded for £18,787,096 during the financial year (2016: none).

The related undertakings held indirectly by the Company and the percentage holding is:

Name	Registered Office	Country	Holding
Paramount Pictures Corporation (Canada) Inc.	1 First Canadian Place, 42nd Floor, 100 King Street West, Toronto, ON, M5X 1B2	Canada	100%
Viacom Canadian Productions Holdings Inc.	1 First Canadian Place, 42nd Floor, 100 King Street West, Toronto, ON, M5X 1B2	Canada	100%
On Second Thought Productions Inc.	250 Howe Street, 20th Floor, Vancouver, BC, V6C 3R8	Canada	100%
Timeline Films Inc.	1 First Canadian Place, 42nd Floor, 100 King Street West, Toronto, ON, M5X 1B2	Canada	100%

#### 9 Debtors

	2017	Restated 2016
	£	£
Deferred tax asset (note 12)	1,591	-
Amounts owed by group undertakings	17	-
	1,608	-

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

Notes to the financial statements for the year ended 30 September 2017 (continued)

9 Debtors (continued)

Amounts owed by group undertakings for 2016 have been restated from £78,859,171 to £nil. On 25 September 2015 this amount was settled, however in the statement of financial position the amount was incorrectly reflected as amounts owed to group undertakings. The prior year statement has been restated to reflect this.

10 Creditors: amounts falling due within one year

	2017	Restated 2016
	£	£
Taxation and social security	165	-
Accruals and deferred income	8,500	-
Amounts owed to group undertakings	-	5
	<u>8,665</u>	<u>5</u>

Amounts owed to group undertakings for 2016 have been restated from £78,859,176 to £5. On 25 September 2015 £78,859,171 was settled, however in the statement of financial position the amount was incorrectly reflected as amounts owed to group undertakings. The prior year statement has been restated to reflect this.

11 Creditors: amounts falling due after more than one year

	2017	Restated 2016
	£	£
Amounts owed to group undertakings	<u>543,350</u>	<u>480,000</u>

Amounts owed to group undertakings for 2016 have been restated from £nil to £480,000. On 25 September 2015, Netherlands Overseas LLC made a contribution of £78,859,171 to the Company in exchange for 480,000 of £1 preference shares in the Company. Attached to the shares is a preference dividend with an annual rate of 6.4% of the subscription price of £1 per share which accrues on a daily basis. As the shares are non-redeemable and have a fixed dividend, the £480,000 should be recognised within amounts owed to group undertakings, however in the statement of financial position in 2016 the amount was incorrectly reflected within called up share capital. The prior year statement has been restated to correctly reflect the preference shares within amounts owed to group undertakings.

Amounts owed to group undertakings for 2017 include £61,861 for the 6.4% preference dividend owed to Netherlands Overseas LLC on the 480,000 preference shares.

The remaining balance of £1,489 forms part of a promissory note arrangement with Netherlands Overseas LLC whereby the Company will drawdown advances up to the principal sum of \$500,000 when required prior to 31 December 2021. The loan is interest bearing at the rate of Euribor +0.625%, unsecured, and has a maturity date of 31 December 2021.

12 Deferred taxation asset

	2017	2016
	£	£
At 1 October	-	-
Credited to the statement of comprehensive income (note 7)	<u>1,591</u>	<u>-</u>
At 30 September	<u>1,591</u>	<u>-</u>

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**Capital Equipment Leasing Limited**

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**Notes to the financial statements for the year ended 30 September 2017 (continued)**

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**12 Deferred taxation asset (continued)**

The deferred tax asset is made up as follows:

	2017	2016
	£	£
Losses	1,591	-
	<u>1,591</u>	<u>-</u>

The net deferred tax asset is expected to be recovered after 12 months.

**13 Financial Instruments**

The Company has the following financial instruments:

**Financial assets that are debt instruments measured at amortised cost:**

	2017	2016
	£	£
Amounts owed by group undertakings	<u>17</u>	<u>-</u>

**Financial liabilities measured at amortised cost:**

Amounts owed to group undertakings	543,350	480,005
Accruals	<u>8,500</u>	<u>-</u>
	<u>551,850</u>	<u>480,005</u>

**14 Called up share capital**

	2017	2017
	Number	£
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
	<u>100,000</u>	<u>100,000</u>

On 18 September 2015, Viacom International Inc., the immediate parent undertaking of the Company, contributed 75,000 ordinary shares of the Company to its wholly-owned subsidiary Netherlands Overseas LLC, which constitutes 75% of the ownership interest in the Company. Viacom International Inc. still retains 25,000 ordinary shares of the Company which constitutes 25% of the ownership interest in the Company.

On 25 September 2015, Netherlands Overseas LLC made a contribution of £78,859,171 to the Company for which it was issued 480,000 of £1 preference shares on the same date, resulting in a share premium of £78,379,171.

As the shares are non-redeemable and have a fixed dividend, the £480,000 should be recognised within amounts owed to group undertakings, however in the statement of financial position in 2016 the amount was incorrectly reflected within called up share capital. The prior year statement has been restated to correctly reflect the preference shares within amounts owed to group undertakings.

**15 Related party transactions**

The Company is exempt under Section 33.1A of FRS 102 from disclosing related party transactions with entities that are wholly owned by the Viacom Inc. group.

**16 Ultimate parent undertaking and controlling party**

The immediate parent undertakings are Viacom International Inc. and Netherlands Overseas LLC. The ultimate parent company is Viacom Inc. The ultimate controlling party is National Amusements Inc. All of these companies are incorporated in United States of America.

Viacom Inc. is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 30 September 2017. The consolidated financial statements of Viacom Inc. are available from 1515 Broadway, New York, NY 10036, United States of America.