

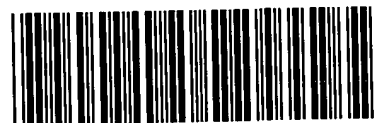
CBS Broadcast Services Limited

Annual report and financial statements

Registered number 2149581

31 December 2014

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Directors' report

The directors present their annual report and the audited financial statements of CBS Broadcast Services Limited ("the Company") for the year ended 31 December 2014.

Principal activities

The Company's principal activities are the provision of import, export and administrative services, principally to fellow group undertakings. The directors do not foresee any change to the principal activities of the Company.

Going concern

CBS Corporation Inc. has provided the Company with an undertaking that it will, for at least 12 months from the date of approval of these financial statements, continue to make available such funds as are needed by the Company. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Principal risks and uncertainties

The management of the Company and execution of the Company's strategy are subject to a number of risks. The directors have identified the need to manage the Company's material financial risks, including foreign exchange, liquidity and interest rate risks. These risks are monitored through a Group Treasury management function which invests surplus funds, mitigates foreign exchange exposure and manages borrowings for CBS Corporation group companies (the 'Group').

Group Treasury also seeks to limit counter-party risk by conducting all of its banking and dealing activities with a limited number of major international banks, whose status is kept under review.

Liquidity Risk

The Company finances its operations through a combination of intercompany payables, issued ordinary share capital and a commitment of financial support from the parent entity.

Foreign Exchange Risk

To the extent that the Company enters into banking arrangements and intercompany agreements in currencies different to that of the Company's functional currency, there is an exposure to movements in exchange rates. The Company does not participate in cross-currency hedging.

Interest Rate Risk

The Company has interest bearing assets and liabilities. These are group receivables and payables subject to the floating interest rates based upon GBP LIBOR + 0.5%. The Company does not participate in interest rate hedging. The directors keep these measures under constant review.

Key performance indicators (KPI)

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Results and Dividends

The results for the year are set out on page 6. The Company made a profit of £469,241 (2013: £145,802). The directors do not recommend the payment of a dividend (2013: £nil).

The results are in line with expectations of the directors.

Directors' report *(continued)*

The directors who held office during the year and up to the date of signing these financial statements were as follows:

Armando Nuñez
Richard Jones
Stephen Tague
David Magness

Political contributions

The Company made no political or charitable donations during the year (2013: £nil).

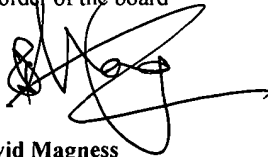
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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.

By order of the board

A handwritten signature in black ink, appearing to be 'DM', with a large, sweeping flourish extending to the right.

David Magness
Director

CBS Broadcast Services Limited
Cannon Place
78 Cannon Street
London
EC4N 6AF

30 October 2015

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 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.



Independent auditor's report to the members of CBS Broadcast Services Limited

We have audited the financial statements of CBS Broadcast Services Limited for the year ended 31 December 2014 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of CBS Broadcast Services Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Andrew Turner (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Gateway House
Tollgate
Chandlers Ford
SO53 3TG

02 November 2015

Income Statement

for year ended 31 December 2014

	<i>Note</i>	2014 £	2013 £
Turnover	2	5,253,013	4,622,142
Cost of sales		(1,214,387)	(825,068)
		<hr/>	<hr/>
Gross profit		4,038,626	3,797,074
Administrative expenses		(3,697,229)	(3,652,447)
		<hr/>	<hr/>
Operating profit	3	341,397	144,627
Interest payable and similar charges	6	-	(1,267)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		341,397	143,360
Tax on profit on ordinary activities	7	127,844	2,442
		<hr/>	<hr/>
Profit for the financial year		469,241	145,802
		<hr/> <hr/>	<hr/> <hr/>

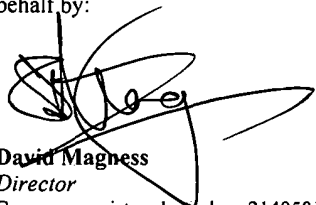
All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

Statement of Financial Position
at 31 December 2014

	<i>Note</i>	2014 £	2013 £
Tangible assets	8	1,651,007	2,007,327
Current assets			
Debtors	9	1,521,763	385,409
Cash at bank and in hand		3,113,212	3,249,086
		<u>4,634,975</u>	<u>3,634,495</u>
Creditors: amounts falling due within one year	10	<u>(5,478,511)</u>	<u>(5,354,807)</u>
Net current liabilities		<u>(843,536)</u>	<u>(1,720,312)</u>
Total assets less current liabilities		<u>807,471</u>	<u>287,015</u>
Provisions for liabilities			
Other provisions	12	(345,555)	(345,555)
Net assets/(liabilities)		<u>461,916</u>	<u>(58,540)</u>
Capital and reserves			
Called up share capital	14	2	2
Share based payment reserve		148,896	97,681
Profit and loss account		313,018	(156,223)
Shareholders' funds/(deficit)		<u>461,916</u>	<u>(58,540)</u>

These financial statements were approved by the board of directors on 30 October 2015 and were signed on its behalf by:



David Magness
Director
 Company registered number: 2149581

Statement of Changes in Equity

	Called up Share capital £	Share based payment reserve £	Profit and loss account £	Total equity £
Balance at 1 January 2013	2	289,641	(591,666)	(302,023)
Total comprehensive income for the period:				
Profit or loss	-	-	145,802	145,802
Share based payments	-	(191,960)	289,641	97,681
Balance at 31 December 2013	2	97,681	(156,223)	(58,540)
Balance at 1 January 2014	2	97,681	(156,223)	(58,540)
Total comprehensive income for the period:				
Profit or loss	-	-	469,241	469,241
Share based payments	-	51,215	-	51,215
Balance at 31 December 2014	2	148,896	313,018	461,916

Notes

(forming part of the financial statements)

1 Accounting policies

CBS Broadcast Services Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")* as issued in August 2014. The Company has voluntarily chosen to early adopt FRS 102 before its mandatory effective date of accounting periods beginning on or after 1 January 2015. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

As the Company is a wholly owned subsidiary of CBS Corporation, the Company has taken advantage of the exemption contained in Paragraph 33.1A of FRS 102 and has therefore not disclosed transactions or balances with entities which form part of that group.

In the transition to FRS 102 from old UK GAAP, the Company has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided in note 18.

The Company's ultimate parent undertaking, CBS Corporation Inc. includes the Company in its consolidated financial statements. The consolidated financial statements of CBS Corporation Inc. are available to the public and may be obtained from 51 West 52 Street, New York, 10019-6188, USA. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of CBS Corporation include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

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

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

CBS Corporation Inc. has provided the Company with an undertaking that it will, for at least 12 months from the date of approval of these financial statements, continue to make available such funds as are needed by the Company. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency 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.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors 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 in the case of trade debtors. 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.

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.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Leasehold improvements 10-15 years
- machinery and equipment 3-5 years
- fixtures and fittings 3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.6 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Notes (continued)

1 Accounting policies (continued)

1.7 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, 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.

1.8 Turnover

Turnover represents the invoiced value of import, export and administrative services supplied, excluding value added tax. Contribution towards overheads based on a mark-up of costs incurred is separately invoiced to other group companies and is included within other operating income.

1.9 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (continued)

2 Turnover

	2014 £	2013 £
Rendering of services	5,253,013	4,622,142
Total turnover	<u>5,253,013</u>	<u>4,622,142</u>
	2014 £	2013 £
By geographical market:		
Netherlands	3,195,947	3,097,511
United Kingdom	2,057,066	1,524,631
	<u>5,253,013</u>	<u>4,622,142</u>

3 Expenses and auditors' remuneration

Included in profit/loss are the following:

	2014 £	2013 £
Staff costs (Note 4)	2,240,273	2,355,908
Operating lease charges	3,000	3,000
- machinery & equipment		
- other	989,982	1,148,103
Depreciation of tangible fixed assets (Note 8)	358,532	336,795
	<u>2,240,273</u>	<u>2,355,908</u>

Auditor's remuneration:

	2014 £	2013 £
Audit of these financial statements	<u>25,000</u>	<u>26,920</u>

Notes (continued)

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2014	2013
Operations	7	7
Administration	12	12
	<u>19</u>	<u>19</u>

The aggregate payroll costs of these persons were as follows:

	2014	2013
	£	£
Wages and salaries	1,469,744	1,689,445
Share based payments (See note 13)	262,186	97,681
Social security costs	198,761	198,297
Other pension costs	210,670	257,925
Other salary related costs	98,912	112,560
	<u>2,240,273</u>	<u>2,355,908</u>

5 Directors' remuneration

	2014	2013
	£	£
Directors' remuneration	<u>476,702</u>	<u>476,044</u>

The aggregate of remuneration of the highest paid director was £476,702 (2013: £476,044), and company pension contributions of £29,302 (2013: £28,494) were made to a money purchase scheme on his behalf. During the year, the highest paid director received shares under a long term incentive scheme.

	Number of directors	
	2014	2013
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	<u>1</u>	<u>1</u>

The number of directors who exercised share options was 1.

Notes (continued)

6 Interest payable and similar charges

	2014 £	2013 £
Interest payable on overdrafts	-	1,267
Total other interest payable and similar charges	-	1,267

7 Taxation on profit on ordinary activities

	2014 £	2013 £
The credit for the year is based on the results for the year and is comprised of the following:		
Corporation Tax on profit of the year at 21.5% (2013: 23.25%)	-	-
Total current tax charge	-	-
Deferred tax:		
Origination and reversal of timing differences	(59,635)	2,158
Changes in tax rates and laws	-	(4,600)
Adjustment in respect of previous periods	(68,209)	-
Total deferred tax	(127,844)	(2,442)
Total tax credit	(127,844)	(2,442)

The tax assessed for the year varied from the amount computed by applying the standard rate of corporation tax in the UK (21.5%) (2013: 23.25%) to the profit on ordinary activities before tax. The differences were attributed to the following factors:

	2014 £	2013 £
Profit on ordinary activities before tax	341,397	143,360
Profit on ordinary activity multiplied by standard rate in the UK - 21.5% (2013: 23.25%)	73,401	33,331
Effects of:		
Expenses not deductible for tax purposes	19,330	20,135
Depreciation smaller than/(in excess of) capital allowances	69,596	(1,721)
Tax relief in excess of accounting expense	11,011	27,807
Other short term timing differences	(2,432)	(4,992)
Surrender of losses to group relief for nil payment	(170,906)	(74,560)
Current tax charge for the year	-	-

A number of changes to the UK Corporation tax system were announced in the November 2012 Autumn Statement and the March 2013 Budget Statement. Finance Act 2013 was enacted on 17 July 2013 and included legislation to reduce the main rate of corporation tax to 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015.

The July 2015 Summer Budget further proposed to reduce the main rate of corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020. The changes had not been substantively enacted at the balance sheet date and, therefore are not included in these financial statements.

Notes (continued)

7 Taxation on profit on ordinary activities (continued)

Deferred tax is measured on a non-discounted basis at the tax rate which is expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date. The deferred tax liability / asset recognised as at 31 December 2013 and 31 December 2014 have therefore been stated at the enacted rate of 20% in accordance with FRS 102. The future proposed changes to the tax rates are not considered to have a material effect on the company's reported tax position at the balance sheet date.

The deferred tax credit was mainly as a result of the tax effect of timing differences as follows:

	2014 £	2013 £
Accelerated capital allowances	(132,950)	(4,421)
Other timing differences	5,106	1,979
Total deferred tax credit	(127,844)	(2,442)

8 Tangible fixed assets

	Asset retirement obligations	Leasehold Improvements	Machinery and Equipment	Fixtures and Fittings	Total
	£	£	£	£	£
Cost					
Balance at 1 January 2014	345,555	4,332,998	92,985	143,948	4,915,486
Additions	-	-	2,212	-	2,212
Disposals	-	-	(5,747)	-	(5,747)
Balance at 31 December 2014	345,555	4,332,998	89,450	143,948	4,911,951
Depreciation and impairment					
Balance at 1 January 2014	218,915	2,588,892	66,296	34,056	2,908,159
Depreciation charge for the year	23,037	314,494	8,364	12,637	358,532
Disposals	-	-	(5,747)	-	(5,747)
Balance at 31 December 2014	241,952	2,903,386	68,913	46,693	3,260,944
Net book value					
At 1 January 2014	126,640	1,744,106	26,689	109,892	2,007,327
At 31 December 2014	103,603	1,429,612	20,537	97,255	1,651,007

Notes (continued)

9 Debtors

	2014 £	2013 £
Trade debtors	32,925	7,224
Amounts owed by group undertakings	858,011	-
Other debtors	225	-
Corporate tax refundable	46,000	11,000
VAT recoverable	29,937	30,487
Deferred tax assets (see note 11)	97,176	-
Prepayments and accrued income	457,489	336,698
	<u>1,521,763</u>	<u>385,409</u>

10 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	166,360	9,580
Amounts owed to group undertakings	3,950,742	3,692,729
Other creditors	7,515	7,550
Accruals and deferred income	1,353,894	1,614,280
Deferred tax liabilities (see note 11)	-	30,668
	<u>5,478,511</u>	<u>5,354,807</u>

11 Deferred tax assets and liabilities

The elements of deferred taxation provided for in the financial statements are as follows:

	2014 £	2013 £
Accelerated capital allowances	92,117	(40,833)
Other short term timing differences	5,059	10,165
Total deferred tax asset/(liability)	97,176	(30,668)

Deferred tax asset/(liability):

At 1 January	(30,668)	(33,110)
Adjustment in respect of prior periods	68,209	-
Credited to profit for the year	59,635	2,442
At 31 December	97,176	(30,668)

Notes (continued)

12 Provisions

	Dilapidation provisions £	Total £
Balance at 1 January 2014 and 31 December 2014	345,555	345,555

Dilapidation provisions relate to costs that may be incurred on completion of a property lease in 2019.

13 Employee benefits

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 £210,670 (2013: £257,925).

Share based payments

CBS Corporation operates a Restricted Stock Unit ("RSU") Scheme for certain employees of the group. A number of employees of the Company have been granted RSUs under this scheme. RSUs give the employees the right to receive CBS Corporation Class B Common Stock for nil consideration provided they remain in employment with the group.

In 2014, a grant of RSUs was given to eligible Company employees. As a result 2,577 (2013: 3,932 RSUs) were issued which will vest over four years in four equal annual instalments from the date of grant, 20 February 2014, subject to forfeiture and other restrictions. All RSU's awarded are equity settled, with an exercise price of £nil (2013: £nil).

At 31 December 2014 there were a total of 9,125 (2013: 12,244) RSU's outstanding with an exercise price of £nil, weighted average remaining contractual life of 3 years (2013: 3 years) and a weighted average fair value of \$26.89 (2013: £11.69) and of which none were exercisable. The total charge to the Income Statement for the year arising from these shares based payments was £262,186 (2013: £97,681).

The fair value of the RSUs in 2014 has been measured based upon the closing stock price of CBS Common Stock on the date of grant. Under the Scheme rules RSU holders are entitled to receive dividends from the date of grant, irrespective of the exercise date.

The movement in unvested restricted stock units outstanding is summarised in the following table:

	2014 Number of unvested restricted stock units/ Restricted shares	2014 Weighted average fair value \$	2013 Number of unvested restricted stock units/ Restricted shares	2013 Weighted average fair value \$
Outstanding at 1st January	12,244	11.69	15,760	8.00
Granted during the year	2,577	65.91	3,932	43.21
Vested during the year	(5,371)	9.34	(7,448)	20.52
Cancelled during the year	(325)	53.76	-	-
Outstanding at 31st December	9,125	26.89	12,244	11.69

The exercise price for all restricted stock units/restricted shares above are £nil.

Notes (continued)

14 Capital and reserves

Share capital

	2014	2013
	£	£
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</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.

15 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2014	2013
	£	£
Less than one year		
Between one and five years	-	12,135
More than five years	41,245	106,181
	<u>901,982</u>	<u>1,035,204</u>
	<u>943,227</u>	<u>1,153,520</u>

16 Commitments

Capital commitments

The Company's contractual commitments to purchase tangible fixed assets at the year-end were nil (2013: nil).

17 Ultimate parent company and parent company of larger group

The Company's immediate parent is CBS Broadcast International B.V. The Company's ultimate parent is CBS Corporation which is incorporated in the USA. The ultimate controlling party is National Amusements Inc., the beneficial owner of the majority of CBS Corporation voting shares.

The only group in which the results of CBS Broadcast Services Limited are consolidated is CBS Corporation. The consolidated financial statements for this group are available to the public and can be obtained from 51 West 52 Street, New York, 10019-6188, USA

18 Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2014 and the comparative information presented in these financial statements for the year ended 31 December 2013.

In preparing its FRS 102 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 102 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

Notes (continued)

18 Explanation of transition to FRS 102 from old UK GAAP (continued)

Reconciliation of equity:

	1 January 2013			31 December 2013		
	UK GAAP	Effect of transition to FRS 102	FRS 102	UK GAAP	Effect of transition to FRS 102	FRS 102
	£	£	£	£	£	£
Fixed assets						
Tangible fixed assets	2,217,482	149,677	2,367,159	1,880,687	126,640	2,007,327
			-			-
Net Fixed assets	2,217,482	149,677	2,367,159	1,880,687	126,640	2,007,327
			-			-
Current assets						
Trade debtors	3,669		3,669	7,224		7,224
Amounts owed by group undertakings	327,308		327,308	-		-
Other debtors	389,606		389,606	378,185		378,185
Deferred tax asset	-		-			-
Cash at bank and in hand	2,483,544		2,483,544	3,249,086		3,249,086
	3,204,127	-	3,204,127	3,634,495	-	3,634,495
Creditors: amounts due within one year			-			-
Trade creditors	-		-	(9,580)		(9,580)
Amounts owed to group undertakings	(3,749,088)		(3,749,088)	(3,692,729)		(3,692,729)
Taxation and social security			-	-		-
Other creditors	(12,293)		(12,293)	(7,550)		(7,550)
Accruals and deferred income	(1,733,263)		(1,733,263)	(1,614,280)		(1,614,280)
Deferred tax liabilities	(33,110)		(33,110)	(30,668)		(30,668)
	(5,527,754)	-	(5,527,754)	(5,354,807)	-	(5,354,807)
Net current liabilities	(2,323,627)	-	(2,323,627)	(1,720,312)		(1,720,312)
Provisions for liabilities	-		-			-
Other provisions	-	(345,555)	(345,555)	-	(345,555)	(345,555)
	-	(345,555)	(345,555)	-	(345,555)	(345,555)
Net assets/(liabilities)	(106,145)	(195,878)	(302,023)	160,375	(218,915)	(58,540)
Capital and reserves						
Called up share capital	2		2	2	-	2
Profit and loss account	(395,788)	(195,878)	(591,666)	62,692	(218,915)	(156,223)
Share based payment reserve	289,641		289,641	97,681	-	97,681
			-			-
Shareholders' equity	(106,145)	(195,878)	(302,023)	160,375	(218,915)	(58,540)

Notes (continued)

20 Explanation of transition to FRS 102 from old UK GAAP (continued)

Notes to the reconciliation of equity:

The Asset Retirement Obligation asset and Dilapidation Provision (see notes 8 and 12) reflect possible costs and actions on the completion of the current property lease. The movements in equity at 1st January 2013 and 31st December 2013 are due to the recognition of this Asset Retirement Obligation and provisions under FRS 102.

Reconciliation of profit/loss for the year ended 31 December 2013:

	Note	UK GAAP £	2013 Effect of transition to FRS 102 £	FRS 102 £
Turnover				
Cost of sales		4,622,142 (825,086)		4,622,142 (825,086)
Gross profit		3,797,074		3,797,074
Administrative expenses	a	(3,629,410)	(23,037)	(3,652,447)
Operating profit		167,664	(23,037)	144,627
Interest receivable and similar income				
Interest payable and similar charges		(1,267)		(1,267)
Profit on ordinary activities before taxation		166,397	(23,037)	143,360
Tax on profit on ordinary activities		2,442		2,442
Profit for the financial year		<u>168,839</u>	<u>(23,037)</u>	<u>145,802</u>

Notes to the reconciliation of profit/loss:

a) £23,037 is depreciation on the Asset Retirement Obligation recognised under FRS 102 (note 9); see notes to the reconciliation of equity above.