

Registration number: 03038055 (England)

Viacom Networks Italia Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2018

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Viacom Networks Italia Limited

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Viacom Networks Italia Limited

Company Information

Directors	S Gill C Groce W K Hill Edgar
Company secretary	Fieldfisher Secretaries Limited
Registered office	17-29 Hawley Crescent Camdon London NW1 8TT
Bankers	JPMorgan Chase Bank 1 Chaseside Bournemouth United Kingdom BH7 7DA
Independent Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London United Kingdom WC2N 6RH

Viacom Networks Italia Limited

Strategic Report for the Year Ended 30 September 2018

The directors present their strategic report for Viacom Networks Italia Limited ("the Company") for the year ended 30 September 2018.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activity & future development

The Company acts as a finance company, providing loans to fellow group undertakings. It is envisaged that this will continue in future years.

KPIs

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.

Principal risks and uncertainties

The key business risk and uncertainty affecting the Company is that the intercompany receivable will not be paid. This risk is monitored through a Group Treasury management function which invests surplus funds and manages borrowings for Viacom Inc. group companies.

Approved by the Board on 28 November 2018 and signed on its behalf by:



.....
S Gill
Director

Viacom Networks Italia Limited

Directors' Report for the Year Ended 30 September 2018

The directors present their report and the financial statements for the year ended 30 September 2018.

Directors of the company

The directors who held office during the year were as follows:

S Gill

C Groce

W K Hill Edgar

Qualifying third party indemnity provision

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

Future developments

Disclosure of future developments of the business have been included in the strategic report.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Results and dividends

The profit for the financial year ended 30 September 2018 was €7,732 (2017: €3,766). The directors do not recommend the payment of dividends during the year (2017: €Nil).

Viacom Networks Italia Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 apply them consistently;
- make judgements 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; 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors

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

Approved by the Board on 28 November 2018 and signed on its behalf by:



.....
S Gill
Director

Viacom Networks Italia Limited

Independent Auditors' Report to the Members of Viacom Networks Italia Limited

Opinion

In our opinion, Viacom Networks Italia Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its profit 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" Section 1A, 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 2018; the statement of comprehensive income, the statement of changes in equity for the year ended 30 September 2018; 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 the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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.

Viacom Networks Italia Limited

Independent Auditors' Report to the Members of Viacom Networks Italia Limited

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 directors are 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.

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 Directors' 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 Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2018 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 Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are 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 directors are 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have 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. This description forms part of our auditors' report.

Viacom Networks Italia Limited

Independent Auditors' Report to the Members of Viacom Networks Italia Limited

Use of this report

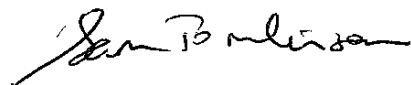
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other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

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.



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

Viacom Networks Italia Limited

Statement of Comprehensive Income for the Year Ended 30 September 2018

	Note	2018 €	2017 €
Administrative expenses		<u>(24,335)</u>	<u>(19,339)</u>
Operating loss	3	(24,335)	(19,339)
Other interest receivable and similar income	6	<u>32,810</u>	<u>33,579</u>
Profit before tax		8,475	14,240
Taxation	7	<u>(743)</u>	<u>(10,474)</u>
Profit for the financial year		<u>7,732</u>	<u>3,766</u>

The above results were derived from continuing operations.


The notes on pages 11 to 17 form an integral part of these financial statements.

Viacom Networks Italia Limited

Statement of Financial Position as at 30 September 2018

	Note	2018 €	2017 €
Current assets			
Debtors	8	11,008,428	11,008,151
Cash at bank and in hand		<u>39,564</u>	<u>32,987</u>
		11,047,992	11,041,138
Creditors: Amounts falling due within one year	9	<u>(18,299)</u>	<u>(19,177)</u>
Net assets		<u>11,029,693</u>	<u>11,021,961</u>
Capital and reserves			
Called up share capital	11	3	3
Profit and loss account		<u>11,029,690</u>	<u>11,021,958</u>
Total equity		<u>11,029,693</u>	<u>11,021,961</u>

Approved and authorised by the Board on 28 November 2018 and signed on its behalf by:

.....


S Gill
Director

Viacom Networks Italia Limited

Statement of Changes in Equity for the Year Ended 30 September 2018

	Called up share capital €	Profit and loss account €	Total €
At 1 October 2017	3	11,021,958	11,021,961
Profit for the year	-	7,732	7,732
Total comprehensive income	-	7,732	7,732
At 30 September 2018	3	11,029,690	11,029,693

	Called up share capital €	Profit and loss account €	Total €
At 1 October 2016	3	11,018,192	11,018,195
Profit for the year	-	3,766	3,766
Total comprehensive income	-	3,766	3,766
At 30 September 2017	3	11,021,958	11,021,961

Viacom Networks Italia Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

1 General information

The company is a private company limited by share capital, incorporated in the United Kingdom.

The address of its registered office is:

17-29 Hawley Crescent
Camdon
London
NW1 8TT
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The directors believe that the Company is well placed to manage its business risks successfully. The directors 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 directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

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.

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;
- ii) from the requirement to disclose the key management personnel compensation in total as required by FRS 102 paragraph 33.7

Viacom Networks Italia Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

2 Accounting policies (continued)

Foreign currency transactions and balances

Functional and presentational currency

The Company's functional and presentational currency is Euro

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 income statement.

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

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 income statement 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 income statement 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.

Viacom Networks Italia Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

2 Accounting policies (continued)

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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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 the liability simultaneously.

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.

Tax

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

Current or deferred taxation assets and liabilities are not discounted.

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 taxation

The Company has no deferred tax.

Viacom Networks Italia Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

2 Accounting policies (continued)

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.

There are no estimates or assumptions made by the Company that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year (2017: none).

3 Operating loss

Operating loss is stated after charging:

	2018	2017
	€	€
Audit fees payable to the Company's auditor	9,795	9,483
Foreign exchange losses	<u>318</u>	<u>4,079</u>

Included in administrative expenses are charges of €9,795 (2017: €9,483) which were borne on behalf of other Viacom Inc group companies and not recharged.

4 Directors' remuneration

The remuneration of the directors was paid by MTV Networks Europe and Viacom International Service Inc. until 31 March 2017 and Viacom International Media Networks U.K. Limited and Viacom International Service Inc. thereafter. These entities make no recharge to the Company. The directors are also directors of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their remuneration in respect of each of the subsidiaries.

5 Staff costs

The Company had no employees during the year (2017: nil).

6 Other interest receivable and similar income

	2018	2017
	€	€
Interest receivable from group undertakings	<u>32,810</u>	<u>33,579</u>

Viacom Networks Italia Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

7 Taxation

Tax charged / (credited) in the Statement of Financial Performance

	2018 €	2017 €
Current taxation		
UK corporation tax	743	3,645
UK corporation tax adjustment to prior periods	-	6,829
	<u>743</u>	<u>10,474</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK of 19% (2017 - 19.5%).

The differences are reconciled below:

	2018 €	2017 €
Profit before tax	<u>8,475</u>	<u>14,240</u>
Corporation tax at standard rate	1,610	2,777
Effect of expense not deductible in determining taxable profit (tax loss)	-	868
(Decrease)/increase in UK and foreign current tax from adjustment for prior periods	<u>(867)</u>	<u>6,829</u>
Total tax charge	<u>743</u>	<u>10,474</u>

Factors affecting the future tax charge:

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 19.0% (2017: 19.5%). 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.

8 Debtors

	2018 €	2017 €
Amounts owed by group undertakings	11,000,000	11,000,000
Prepayments and accrued income	<u>8,428</u>	<u>8,151</u>
	<u>11,008,428</u>	<u>11,008,151</u>

Amounts owed by group undertakings are interest bearing at the rate of Euribor +0.625%, unsecured and repayable on demand. Amounts owed form part of a promissory note arrangement whereby the Company will make available advances up to the principal sum of Euro 15,000,000 when requested by the borrower prior to 31 December 2018.

Viacom Networks Italia Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

9 Creditors

	2018 €	2017 €
Due within one year		
Accruals and Deferred Income	10,000	10,000
Other creditors including taxation and social security	8,299	9,177
	<u>18,299</u>	<u>19,177</u>

10 Financial instruments

Financial instruments

	2018 €	2017 €
Financial assets that are debt instruments measured at amortised cost	11,008,428	11,008,151
	<u>11,008,428</u>	<u>11,008,151</u>
Financial liabilities measured at amortised cost	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

11 Called up share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	€	No.	€
Ordinary Shares of €1.50 each	2	3	2	3

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

12 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.

Viacom Networks Italia Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

13 Parent and ultimate parent undertaking

The immediate parent Company is Viacom Limited, a company registered in England, and the ultimate parent undertaking is Viacom Inc. The ultimate controlling party is National Amusements Inc. Both companies are incorporated in the 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 2018. The consolidated financial statements of Viacom Inc. are available from 1515 Broadway, New York, NY 10036, United States of America.