

CBS Interactive Limited

Directors' report and
financial statements

Registered number 03851534

31 December 2019



CBS Interactive Limited

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CBS Interactive Limited

Directors' report

for the year ended 31 December 2019

The directors present their annual report and the audited financial statements for CBS Interactive Limited (the "Company") for the year ended 31 December 2019.

Information on the development and performance of the business of the Company during the financial year and at the end of that year, the principal risks and uncertainties facing the business and financial risks relating the Company is not shown in the Directors' report because it is shown in the Strategic report instead.

Post balance sheet events

There were no post balance sheet events subsequent to 31 December 2019.

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of credit risk and foreign exchange risk. The Company is reliant on its board of directors to actively manage its risk exposure.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Foreign exchange risk

The Company has foreign currency assets and liabilities. The Company does not currently use financial instruments to manage the risk of fluctuating exchange rates and as such no hedge accounting is applied. The directors keep these measures under constant review.

Results and proposed dividend

The loss for the year amounted to £556,000 (2018: loss £654,000). The directors are unable to recommend the payment of a dividend and none was paid during the year (2018: £nil).

Directors and directors' interests

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

Darin Bassin
Paula McCann

CBS Interactive Limited

Directors' report *(continued)* ***for the year ended 31 December 2019***

Directors' Liability Insurance

During the year insurance policies existed in respect of the directors of the Company for the purposes of insuring corporate directors and officers against claims, most often by stockholders and employees, alleging financial loss arising from mismanagement. These policies are held by the ultimate holding company, Viacom CBS Corporation.

Political and charitable contributions

The Company made no political or charitable contributions during the year (2018: *nil*).

Statement of Directors' responsibilities in respect of the financial statements

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

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 he is 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 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.

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.

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to make his or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

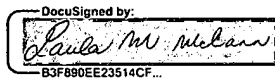
CBS Interactive Limited

Directors' report *(continued)* *for the year ended 31 December 2019*

Disclosure of information to auditors

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

On behalf of the board

DocuSigned by:

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Paula McCann
Director

28 October 2020

Cannon Place, 78 Cannon Street
London
EC4N 6AF

CBS Interactive Limited

Strategic report

for the year ended 31 December 2019

Principal activities

CBS Interactive Limited is the premier online content network for information and entertainment, building media experiences based on the things people love most. Spanning the entertainment, gaming and business sectors, we deliver premium and original content across market-leading brands including GameSpot, CNET, TechRepublic and ZDNet. At the heart of these brands is discovery – consumers are empowered by the content CBS Interactive Ltd creates to make more informed purchase decisions. Our content appeals to an audience that has proven notoriously difficult to reach - opinion leading, autonomous and discerning. They come to discover the latest news and trends, live out their passions and engage with a like minded audience. With hundreds of millions of unique visitors from around the world each month, CBS Interactive Ltd is a global force in the digital advertising market and is one of the largest premium content networks online. CBS Interactive Limited's unparalleled collection of sites are extremely powerful vehicles for advertisers to reach highly attractive, targeted demographics.

Business review

The Company has generated an operating loss for the year to 31 December 2019 of £(543,000) (2018: profit of £341,000). The loss for the year following interest obligations of £30,000 (2018: £13,000) was £(513,000) (2018: profit of £354,000). The loss after tax for the year was £(556,000) (2018: loss of £(654,000)). As at 31 December 2019, net assets were £6,231,000 (2018: £6,712,000).

2019 saw a stellar performance from our Direct Sales team, with direct sales increasing 29% overall year-on-year. We saw growth of 35% across our entire media portfolio as a result of maintaining strong business relationships with our usual client base while attracting new opportunities. In particular, our gaming brands saw significant growth thanks to the promotion of new game releases and gaming platforms while our tech brands also grew due to newly formed tech partnerships. Our Lead Generation business grew 16% year-on-year, which is a good recovery from the adverse effects of the new General Data Protection Regulation (GDPR). However, the performance of direct sales was offset by Programmatic and Partnerships, which saw revenue fall a further 35% YoY in it's first full year since the introduction of GDPR. Open and Private desktop continue to be affected by the roll-out of GDPR; we are still not maximising revenue with data or audience targeting. USI revenue also fell 56% due to US sales teams selling less UK inventory than in 2018. Overall, revenue fell 3% YoY.

There was a conscious effort to both maintain and develop business as usual across all departments in 2019, which resulted in little change to YoY traditional operating expense (2% increase). When including management fees, depreciation, and foreign exchange fluctuations, admin expense per our profit and loss account increased 6%.

The financial statements have been prepared on a going concern basis on the grounds that ViacomCBS Corporation has confirmed it will continue to provide financial and other support to CBS Interactive Limited at least for the next twelve months and thereafter for the foreseeable future to enable CBS Interactive Limited to continue to meet its liabilities as they fall due.

Future Outlook

The use of the internet continues to grow as does its share of advertising spend. But by far the most significant development is the increase seen in mobile phone advertising inventory over the last couple of years; in 2019, the smartphone advertising market represents 56% of all digital spend and 70% of display advertising spend, and continues to be the primary driver for overall growth (Source: IAB/PwC Digital Adspend 2019). This in turn presents one of our most significant challenges to date: creating, distributing and monetising both content and video across multiple platforms. At CBS Interactive Ltd we have an established and forward looking content and video team which will help secure our position for 2020. The video teams will continue to be especially important considering that video continues to be the largest display format in the digital market after a 34% year-on-year growth (Source: IAB/PwC Digital Adspend 2019).

CBS Interactive Limited

Strategic report (continued) **for the year ended 31 December 2019**

Our premium brands and their ability to operate and engage consumers across a variety of platforms, such as mobile, tablet and applications will see the potential for our business to continue to grow and diversify.

As demonstrated throughout 2019 there remains a sizeable market for targeted and custom created advertising content, which CBS Interactive Ltd has been hugely effective and successful within. Utilising our vast multi-national team of creative and strategic professionals, customers are able to deliver their brand's message through custom advertising content that informs, entertains and engages. Our continued creation of innovative advertising solutions and pursuit of additional content partnerships means the Company is well placed to benefit from the opportunities that strong brands will continue to deliver in future years.

We will continue to offer our clients the opportunity to buy advertising solutions through our experienced direct sales team as well as leveraging the capabilities of ad exchanges; both representing guaranteed and non-guaranteed media buying.

The COVID-19 outbreak has so far had a devastating effect on the global economy since it surfaced in early 2020. Being a digital business, CBS Interactive is lucky in that the requirement to work from home has had little impact on our day-to-day activity. However, there is a real risk that as our customers finance's become tighter their advertising spend could take a significant hit. We can only continue to monitor the situation and react when the impact of the pandemic becomes more clear.

There also remains considerable uncertainty in the UK economy following the result of the 2016 Brexit referendum; in line with most industries, the impact of the vote on the Digital market has split opinion. We will plan and take the necessary action to effectively position ourselves for sustainable performance over the forthcoming years.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the group, CBS Interactive Inc., and are not managed separately. Accordingly, the principal risks and uncertainties of CBS Interactive Inc., which include those of the Company, are discussed in CBS Interactive Inc.'s annual report which does not form part of this report.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that standard profit and loss measurement techniques such as revenue growth, ebitda, and incremental year on year margin growth, along with the ongoing support of ViacomCBS Corporation, are sufficient to gain an understanding of the development, performance or position of the business.

On behalf of the board

DocuSigned by:

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Paula McCann
Director

28 October 2020

Cannon Place, 78 Cannon Street
London
EC4N 6AF

CBS Interactive Limited

Independent Auditor's Report to the Members of CBS Interactive

Year ended to 31 December 2019

Opinion

We have audited the financial statements of CBS Interactive Limited (the 'company') for the year ended 31 December 2019 which comprise the profit and loss account and other comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

CBS Interactive Limited

Independent Auditor's Report to the Members of CBS Interactive *(continued)*

Year ended to 31 December 2019

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

CBS Interactive Limited

Independent Auditor's Report to the Members of CBS Interactive *(continued)*

Year ended to 31 December 2019

Auditor's 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 auditor's 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

CBS Interactive Limited

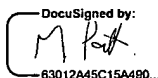
Independent Auditor's Report to the Members of CBS Interactive *(continued)*

Year ended to 31 December 2019

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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.

DocuSigned by:

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Murray Patt, FCA (Senior Statutory Auditor)

For and on behalf of
Alexander Knight & Co Limited
Chartered Accountants & Statutory Auditor
Westgate House
44 Hale Road
Hale
Altrincham
Cheshire
WA14 2EX

CBS Interactive Limited

Company Number 03851534

Profit and Loss Account and Other Comprehensive Income for the year ended 31 December 2019

	<i>Note</i>	2019	2018
		£000	£000
Revenue	4	9,983	10,287
Administrative expenses		(10,546)	(9,946)
Other Operating Income	5	20	-
Operating (loss)/profit	5	(543)	341
Finance income	8	30	15
Finance costs	9	-	(2)
(Loss)/Profit before income tax		(513)	354
Income tax (expense)	10	(43)	(1,008)
(Loss) for the financial year		(556)	(654)

There were no other recognised gains and losses in the current or prior year other than those included in the profit and loss account shown above.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 13 to 31 form part of the financial statements.

CBS Interactive Limited

Company Number 03851534

**Statement of financial position
as at 31 December 2019**

	Note	2019		2018	
		£000	£000	£000	£000
Assets					
Non-current assets					
Property, plant and equipment	11		1,123		1,280
Trade and other receivables	12		1,370		1,413
Total non-current assets			2,493		2,693
Current assets					
Trade and other receivables	12	6,007		6,867	
Cash		1,562	7,569	1,322	8,189
Total assets			10,062		10,882
Equity and liabilities					
Equity attributable to owners of the parent					
Called up share capital	14		317		317
Share premium account			21,570		21,570
Accumulated losses			(15,656)		(15,175)
Total equity			6,231		6,712
Liabilities					
Non-current liabilities					
Trade and other payables	15		1,147		1,311
Provisions for liabilities	16		1,445		1,427
Total non-current liabilities			2,592		2,738
Current liabilities					
Trade and other payables	15		1,239		1,432
Provisions for liabilities	16		-		-
Total liabilities			3,831		4,170
Total assets less current liabilities			8,823		9,450
Total equity and liabilities			10,062		10,882

The notes on pages 13 to 31 form part of the financial statements.

The financial statements on pages 10 to 31 were approved by the board of directors on 28 October 2020 and were signed on its behalf by:

DocuSigned by:


Paula McCann
Director

CBS Interactive Limited

Company Number 03851534

Statement of changes in equity
for the year ended 31 December 2019

	Note	Called up share capital £000	Share premium account £000	Accumulated losses £000	Total equity £000
Balance as at 1 January 2018		317	21,570	(14,611)	7,276
Profit for the year		-	-	(654)	(654)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	(654)	(654)
Share based payments		-	-	90	90
Dividends		-	-	-	-
Issuance of shares		-	-	-	-
Total transactions with owners, recognised directly in equity		-	-	90	90
Balance as at 31 December 2018		317	21,570	(15,175)	6,712
Loss for the year		-	-	(556)	(556)
Other comprehensive income for the year		-	-	-	-
Total comprehensive expense for the year		-	-	(556)	(556)
Share based payments	18	-	-	75	75
Dividends		-	-	-	-
Issuance of shares		-	-	-	-
Total transactions with owners, recognised directly in equity		-	-	75	75
Balance as at 31 December 2019		317	21,570	(15,656)	6,231

CBS Interactive Limited

Notes to the financial statements for the year ended 31 December 2019

1. General Information

CBS Interactive Limited is a private company limited by shares and it is incorporated in the United Kingdom. The address of its registered office is Cannon Place, 78 Cannon Street, London, EC4N 6AF. The register number of the Company is 03851534.

The principal activity of CBS Interactive Limited is to provide premier online content network for information and entertainment. Our brands delve deep into the things people care most about across technology, entertainment and business.

2. Statement of compliance

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

3. 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.

a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in 'Critical judgements and estimates in applying the accounting policies'.

b) Going Concern

The financial statements have been prepared on the going concern basis as the ultimate parent undertaking, ViacomCBS Corporation has formally indicated that it will provide sufficient funding to CBS Interactive Limited to enable it to meet its liabilities as they fall due for at least the twelve months following the approval of the financial statements and for the foreseeable future.

In light of the rapid global spread of the Coronavirus "COVID-19" in early 2020, the directors have reviewed and stress tested projections and budgets for the next twelve months. Following this review, and with the continued support of ViacomCBS Corporation, the directors consider there to be little impact on the Company's ability to act as a going concern.

CBS Interactive Limited

Notes to the financial statements (*continued*) for the year ended 31 December 2019

3. Summary of significant accounting policies (continued)

c) Exemption for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions if certain conditions have been complied with, including notification of and no objection to the use of exemptions by the Company's shareholders. 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 financial statements of ViacomCBS Corporation 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 present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.
- v) from disclosing share based payment arrangements, required under FRS 102 paragraphs 26.18(c), 26.19 to 26.21 and 26.23, concerning its own equity instruments. The Company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein;
- vi) from disclosing related party transactions under paragraph 1.12(e) of FRS 102, on the grounds that it is a wholly owned subsidiary of ViacomCBS Corporation.

d) Foreign currencies

i) Functional and presentation currency

The Company's functional and presentation currency is the pound sterling.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period 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 and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

e) Revenue

Revenue represents the amounts derived from the provision of marketing solutions. All revenue is recognised in line with the discharge of responsibilities of the Company under the terms of the contract of sale.

CBS Interactive Limited

Notes to the financial statements *(continued)* ***for the year ended 31 December 2019***

3. Summary of significant accounting policies (continued)

e) Revenue (continued)

Online advertising is recognised either over the life of the advertisement, on a per-click basis or at the point the advertisement is displayed depending on the terms of the contract. For marketing services, revenue is recognised once the product or service is delivered. Where marketing solutions are traded in exchange for the services of other companies, revenue (referred to as “barter revenue”) is only recognised if there is persuasive evidence of the value at which, if the advertising had not been exchanged, it would have been sold for cash in a similar transaction. In these circumstances, that value is included in revenue and costs. Otherwise, these transactions are not recognised on a gross basis.

f) Employee benefits

The Company provides a range of benefits to employees, including defined contribution pension plans and share based payments.

i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined contribution pension plans

The Company operates a defined contribution pension scheme. A defined contribution scheme is a pension plan under which the company pays fixed contributions into a separate entity. The assets of the schemes are held separately from those of the Company in an independently administered fund. Contributions to the schemes are charged to the statement of comprehensive income as they fall due for payment.

iii) Share based payments

The Company participates in a number of equity-settled, share-based compensation plans operated by its parent Company, ViacomCBS Corporation. The fair value of the employee services received in exchange for the grant of the options or shares is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options or shares granted at the date of the grant, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options or shares that are expected to vest. At each balance sheet date, the Company revises its estimates of the number of options or shares that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to reserves.

Equity-settled share-based awards are measured at the date of using an option pricing methodology and expensed over vesting period of the award.

The Company has taken advantage of the exemption under paragraph 35.10(b) of FRS 102 in respect of share based payment transactions on the date of transition to FRS 102 (1 January 2014) and has elected not to apply Section 26 Share based payments to equity instruments granted before the date of transition to FRS 102. The previous framework has been applied to instruments granted prior to the date of transition.

CBS Interactive Limited

Notes to the financial statements (*continued*) for the year ended 31 December 2019

3. Summary of significant accounting policies (*continued*)

g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i) 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.

ii) Deferred taxation

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

h) Research and development expenditure

Expenditure on research and development is expensed to the statement of comprehensive income in the year in which it is incurred.

i) Property, plant and equipment

Property, plant and equipment are stated at historic purchase cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated so as to write off the cost of property, plant and equipment, less their estimated residual values, by equal instalments over the expected useful economic lives of the assets concerned, as follows:

Short Leasehold improvements	-	Over period of the lease
Fixtures & fittings	-	5 years
Computer equipment	-	3 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

CBS Interactive Limited

Notes to the financial statements (continued) **for the year ended 31 December 2019**

3. Summary of significant accounting policies (continued)

i) Property, plant and equipment (continued)

Subsequent costs, including major inspections, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in statement of comprehensive income.

j) Leases

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating leased assets

Leases that do not transfer all the risk and rewards of ownership are classified as operating leases. Rentals under operating lease are charged to the statement of comprehensive income on a straight line basis over the period of the lease term.

k) Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset 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 cash flows before interest and tax obtainable as a result of the asset's continued use. These 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 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 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.

CBS Interactive Limited

Notes to the financial statements (continued) **for the year ended 31 December 2019**

3. Summary of significant accounting policies (continued)

l) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

m) Provisions and contingencies

i) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are discounted where the impact is material to the financial statements.

ii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when: (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date; or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

n) Financial instruments

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

i) Financial assets

Basic financial assets, including trade receivables, 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 where applicable.

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.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (iii) despite having retained some significant risks and rewards of ownership, 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.

ii) Financial Liabilities

Basic financial liabilities, including Trade and other payables, bank loans, and loans from fellow group companies, 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.

CBS Interactive Limited

Notes to the financial statements (continued) **for the year ended 31 December 2019**

3. Summary of significant accounting policies (continued)

n) Financial instruments (continued)

ii) Financial Liabilities (continued)

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

Trade payables 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.

The Company does not hold or issue derivative financial instruments.

iii) Offsetting

Financial assets and liabilities are offset and the net amount presented in the financial statements when there is a legally 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.

o) Accrued Expense

Goods received or services rendered shall be accrued for when an invoice is not recorded in accounts payable or payment has not been made. Generally, an accrual must be recorded if a liability is known and can be reasonably estimated with supporting documentation.

If there is decrease in the 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. The impairment reversal is recognised in the statement of comprehensive income.

p) Related party transactions

The Company has taken advantage of the exemption as provided by paragraph 33.1A of FRS 102 from disclosing transactions with group companies as it is a wholly owned subsidiary and its results are included in the consolidated financial statements of ViacomCBS Corporation which are publicly available. There were no other related party transactions.

q) Critical accounting judgements and key sources of estimation uncertainty

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, revenue and expenses. Actual results may differ from these estimates.

CBS Interactive Limited

Notes to the financial statements (continued) **for the year ended 31 December 2019**

3. Summary of significant accounting policies (continued)

q) Critical accounting judgements and key sources of estimation uncertainty (continued)

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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- Useful economic lives of property, plant and equipment

The annual depreciation and amortisation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of property, plant and equipment and note 3i for the useful economic lives for each class of asset.

- Dilapidations

Where it is determined that there will be a charge to return the rented premises of CBS Interactive Ltd to their original condition, a dilapidation provision will be accrued over the course of the lease. The annual dilapidation charge shall be based on an estimated cost per square foot to return the property to its original condition. See note 16 for the current balance of the dilapidations provision.

- Provisions for Bad Debts

In the event of receiving notification of a customer no longer trading or entering bankruptcy or administration, CBS Interactive Ltd will immediately provide 100% net of VAT as a bad debt provision for all applicable outstanding invoices.

In addition, The Company reviews outstanding invoices of +120 days overdue (ie 150 days from date of invoice), evaluating for payment probability based on the non payment rationale (e.g. the customer disputing delivery or price, or if the customer is non-responsive to our communication). CBS Interactive Ltd will generally provide 25% within the first overdue quarter and build accordingly until 100% provided. That said, other commercial considerations may have an impact on the provision; for example, there may be a long active partnership between CBS Interactive and the customer or a significant amount of unallocated cash on the customer account.

The general bad debt provision is reviewed quarterly for accuracy based on the end of quarter aging report. Percentages based on historical experience are applied to the different aging buckets in order to arrive at an appropriate provision.

CBS Interactive Limited

Notes to the financial statements *(continued)* for the year ended 31 December 2019

4. Revenue

	2019	2018
Revenue	£000	£000
<i>By geographical area</i>		
<i>By destination</i>		
Europe	5,877	7,745
ROW	70	703
United States	4,036	1,839
	<u>9,983</u>	<u>10,287</u>
 <i>By geographical area</i>		
<i>By origin</i>		
Europe	<u>9,983</u>	<u>10,287</u>
	<u>9,983</u>	<u>10,287</u>
 <i>By activity</i>		
Programmatic and Partnerships	2,126	3,272
Consumer Media	4,538	3,949
Business Media	924	913
Lead Generation (Previously: Direct Marketing Services)	2,375	2,091
Barter	<u>20</u>	<u>62</u>
	<u>9,983</u>	<u>10,287</u>

CBS Interactive Limited

Notes to the financial statements (continued) for the year ended 31 December 2019

5. Operating profit

	2019 £000	2018 £000
<i>Operating profit is stated after (crediting)/charging:</i>		
Write-back of trade receivables balances	(20)	-
Auditors' remuneration:		
Audit Services	17	50
Depreciation of property, plant and equipment:		
Owned assets (note 11)	266	263
Operating lease and service charges:		
Land and buildings	1,496	1,413
Foreign exchange losses/(gains)	201	(56)
(Profit)/loss on the disposal of fixed assets	(3)	21

The analysis of auditor's remuneration is as follows:

Alexander Knight & Co Ltd – Audit £18,500 (2018: £0)

PricewaterhouseCoopers LLP (previous auditors) – Audit £(1,700) (2018: £50,000)

6. Remuneration of directors

The compensation paid or payable to company directors is shown below:

	2019 £000	2018 £000
Salary	132	123
Pension Contributions	5	5
Private Healthcare	7	4
Aggregate remunerations	<u>144</u>	<u>132</u>

The directors are entitled to receive shares under a long-term incentive scheme (see note 18). The above remunerations under salary in 2019 include the annual charge in relation to this scheme.

One Company director (2018: 1) accrued benefits under the Company's defined contribution pension scheme in 2019. During 2019, the Company paid £5,050 (2018: £4,769) of contributions to this scheme included in the above aggregate emoluments.

None of the directors (2018: none) exercised share options in ViacomCBS Corporation.

During the year, there was one director (2018: 1) who received or has receivable 702 restricted stock units (2018: 276) in respect of qualifying services under a long term incentive plan. The charge for the year arising from these share based payments was £10,021 (2018: £8,412) for the highest paid director.

CBS Interactive Limited

Notes to the financial statements *(continued)* for the year ended 31 December 2019

7. Staff numbers and costs

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

	Number of employees	
	2019	2018
Sales & Marketing	28	28
Technical & Editorial	38	37
Administration	15	16
	81	81

The aggregate payroll costs of these persons were as follows:

	2019 £000	2018 £000
Wages and salaries	4,697	4,431
Share-based payments (note 18)	75	90
Social security costs	586	579
Other pension costs (note 19)	197	195
	5,555	5,295

Aggregate payroll costs for the year contains £27,573 (2018: £0) relating to termination benefits, of which £0 (2018: £0) was outstanding to be paid at year-end.

8. Finance income

	2019 £000	2018 £000
Bank interest receivable	30	15

9. Finance costs

	2019 £000	2018 £000
Bank interest payable	-	2

CBS Interactive Limited

Notes to the financial statements *(continued)* for the year ended 31 December 2019

10. Income tax expense

a) Analysis of (credit) / charge for the year

	2019 £000	2018 £000
The (credit)/charge for the year is based on the results for the year and is comprised of the following:		
UK Corporation Tax on profit / (loss) for the year at 19% (2018: 19%):	-	-
Prior period adjustment – Under provision of 2017 income taxes	-	382
Total current tax charge	-	382
Deferred Tax;		
Origination and reversal of timing differences	117	142
Utilisation of tax losses	-	-
Impact of change in tax rate	(76)	(15)
Adjustment in respect of prior periods	2	499
Recognition of previously unrecognised timing differences	-	-
Total deferred tax (note 13)	43	626
Total charge/(credit)	43	1,008

The tax assessed for the year varied from the amount computed by applying the standard rate of corporation tax in the UK: 19% (2018: 19%) to the profit / loss on ordinary activities before tax. The differences were attributed to the following factors:

CBS Interactive Limited**Notes to the financial statements (continued)**
for the year ended 31 December 2019**10 Income tax expense (continued)****b) Factors affecting the tax (credit) / charge for the year**

	2019 £000	2018 £000
Profit / (Loss) before taxation	(513)	354
Profit/ (Loss) on ordinary activities multiplied by standard rate in the UK – 19% (2018 : 19%)	(97)	67
<i>Effects of:</i>		
Expenses not deductible for tax purposes	32	35
Impact of change in tax rate	(76)	(15)
Adjustment in respect of prior periods	2	881
Surrender of losses to group relief for nil payment	182	40
Total tax charge/ (credit) for the year	43	1,008

The tax numbers for the 2018 year were adjusted to reflect prior period amendments to tax returns to maximize group relief, which have retrospectively impacted the 2017 tax figures.

Factors that may affect future tax charges:

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. At Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate at 19% for the years starting 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. A further reduction to 17% for the year starting 1 April 2020 was announced at Budget 2016. However, at Budget 2020, the government announced that the Corporation Tax main rate for the years starting 1 April 2020 and 2021 would remain at 19%. The deferred tax balance at 31 December 2019 has been calculated based on these substantively enacted rates accordingly.

CBS Interactive Limited**Notes to the financial statements (continued)**
for the year ended 31 December 2019**11. Property, plant and equipment**

	Short Leasehold improvements £000	Computer equipment £000	Fixtures & fittings £000	Total £000
<i>Cost</i>				
At 1 January 2019	1,202	750	290	2,242
Additions	35	78	-	113
Disposals	(22)	(103)	(17)	(142)
At 31 December 2019	1,215	725	273	2,213
<i>Accumulated Depreciation</i>				
At 1 January 2019	327	451	184	962
Charge for the year	103	106	57	266
Disposals	(22)	(99)	(17)	(138)
At 31 December 2019	408	458	224	1,090
<i>Net book value</i>				
At 31 December 2019	807	267	49	1,123
At 31 December 2018	875	299	106	1,280

CBS Interactive Limited**Notes to the financial statements (continued)**
for the year ended 31 December 2019**12. Trade and other receivables**

	2019	2018
	£000	£000
(a) Non-current		
Deferred tax asset (note 13)	603	646
Lease Deposits	767	767
	1,370	1,413
(b) Current		
Trade receivables	1,967	2,067
Amounts owed by group undertakings	2,997	3,855
Corporation tax refundable	-	-
Other receivables	28	15
Prepayments and accrued income	1,015	930
	6,007	6,867

Amounts owed by group undertakings are unsecured, non-interest bearing and receivable on demand.

Trade and other receivables includes a provision for doubtful debts.

13. Deferred Taxation

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

	2019	2018
	£000	£000
Fixed Assets/Accelerated capital allowances	580	623
Pension Accrual	3	3
Other timing differences	20	20
Total deferred tax asset	603	646

CBS Interactive Limited

Notes to the financial statements (continued) for the year ended 31 December 2019

13 Deferred Taxation (continued)

Deferred Tax asset:		
	2019	2018
	£000	£000
At 1 January	646	1,272
Charged against profit for the year	(43)	(626)
	<hr/>	<hr/>
At 31 December	603	646
Recognised as:		
Non current asset	603	646
	<hr/>	<hr/>
Total deferred tax asset	603	646

14. Called up share capital

	2019	2018
	£000	£000
<i>Authorised</i>		
10,000,000 ordinary shares of £1 each (2018: 10,000,000)	10,000	10,000
	<hr/>	<hr/>
<i>Issued, called up and fully paid</i>		
316,754 ordinary shares of £1 each (2018: 316,754)	317	317
	<hr/>	<hr/>

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

15. Trade and other payables

	2019	2018
	£000	£000
(a) Non current		
Deferred rent	1,147	1,311
	<hr/>	<hr/>
	1,147	1,311
(b) Current		
Bank loan and overdraft	-	-
Trade payables	23	39
Amounts owed to group undertakings	190	35
Other taxation and social security	423	385
Corporation tax	-	390
Accruals and deferred income	603	583
	<hr/>	<hr/>
	1,239	1,432

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

CBS Interactive Limited

Notes to the financial statements *(continued)* for the year ended 31 December 2019

16. Provisions for liabilities

	Dilapidation £000
At 1 January 2019	1,427
Bower lease dilapidation provision	54
Lavington Street use of dilapidation provision	(36)
At 31 December 2019	<u>1,445</u>

In 2007, a provision for dilapidations of £600k was established as an estimate of the associated repair costs in respect of the office lease held by the Company for the property in Lavington Street. The provision was calculated using a discount factor of 6.89% and was accreted over the 10 year term of the lease. In 2016 a review was performed to estimate the cost of 2nd floor dilapidation at Lavington Street and it was decided that an additional accrual of £270k was needed to cover the cost. The full dilapidation provision for the Lavington Street property now sits at £1,225k and is classified as a long term liability.

Upon moving to the new offices in the Old Street, it was determined there aren't any major changes to the premises that would constitute the need to recognise a full provisional value as a long-term liability. As such, a dilapidation provision is being accrued on a straight-line basis throughout the course of the lease.

17. Financial commitments

The Company had the following future minimum lease payments under non-cancellable operating leases expiring as follows:

	Land and Buildings 2019 £000	Land and buildings 2018 £000
Operating leases which expire:		
Not later than one year	1,045	1,394
Later than one year and not later than five years	4,180	3,591
Later than five years	2,874	3,919
	<u>8,099</u>	<u>8,904</u>

CBS Interactive Limited

Notes to the financial statements *(continued)* for the year ended 31 December 2019

18. Share-based payments

Restricted Stock Units and Stock Options

The ultimate parent company ViacomCBS Corporation has equity incentive plans under which stock options and restricted stock units ("RSUs") were issued to employees of the Company.

Restricted Stock Units

Compensation expense for RSUs is determined based upon the market price of the shares underlying the awards on the date of grant and expensed over the vesting period, which is generally a one- to four-year service period. Certain RSU awards are also subject to satisfying performance conditions. Once ViacomCBS Corporation determines that it is probable that the performance targets will be met, compensation expense is recorded for these awards. Forfeitures for RSUs are estimated on the grant date based on historical forfeiture rates. On an annual basis, ViacomCBS Corporation adjusts the compensation expense based on actual forfeiture and revises the forfeiture rate as necessary.

The RSU based compensation charge recognised in 2019 was £75,098 (2018: £89,781).

	RSUs (in '000s)
Non-vested at 1 January 2019	5
Granted	5
Staff transferred (to)/from CBS Interactive group	-
Vested	(2)
Forfeited	(1)
Non-vested at 31 December 2019	7

Stock Options

Stock options generally vest over a three-to four year service period and generally expire eight to ten years from the date of grant. Forfeitures are estimated on the date of grant based on historical forfeiture rates. On an annual basis, ViacomCBS Corporation adjusts the compensation expense based on actual forfeitures and revises the forfeiture rate as necessary.

Fair value

There were no employee stock options granted or outstanding in 2019 (2018: nil).

The stock option based compensation charge recognised in 2019 was £0 (2018: £0).

The total share-based payments charge recognised in 2019 was £75,098 (2018: £89,781).

There are no options outstanding at the end of the year (2018: 0).

Options are issued in US dollars, but the sterling expense and brought forward balances are expressed in the financial statements using each year end's exchange rate.

CBS Interactive Limited

Notes to the financial statements *(continued)* ***for the year ended 31 December 2019***

19. Pension commitments

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the fund and amounted to £196,802 (2018: £195,432).

Outstanding employer pension accruals at the year-end amounted to £18,119 (2018: £16,260).

20. Reserves

Called up share capital - This reserve records the number of ordinary shares issued, called up, and fully paid (see note 14)

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Accumulated losses - This reserve records retained earnings and accumulated losses.

21. Ultimate parent undertaking

The immediate parent undertaking is CBS Interactive GMBH, a Company incorporated in Switzerland.

The ultimate parent undertaking and controlling party is National Amusements Inc., a company incorporated in the USA.

ViacomCBS Inc is the parent undertaking of the largest group of undertakings and CBS Interactive Inc. is the smallest parent undertaking to consolidate these financial statements at 31 December 2019. The consolidated financial statements for ViacomCBS Inc are available from 1515 Broadway, New York, N.Y., 10036, USA.