

# **Viacom Global Limited**

(Registered Number 04056282)

## **Annual report and financial statements for the year ended 31 December 2009**

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# **Viacom Global Limited**

## **Annual report and financial statements for the year ended 31 December 2009**

### **Company information**

<b>Directors</b>	J R Currell W Hill Edgar
<b>Company secretaries</b>	S Haynes C Jackson
<b>Company number</b>	04056282
<b>Registered office</b>	35 Vine Street London EC3N 2AA
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
<b>Business address</b>	UK House 180 Oxford Street London W1D 1NN

# **Viacom Global Limited**

## **Annual report and financial statements for the year ended 31 December 2009**

### **Contents**

	<b>Pages</b>
Directors' Report	2 - 3
Independent Auditors' Report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 16

# **Viacom Global Limited**

## **Directors' Report for the year ended 31 December 2009**

The directors present their annual report and the audited financial statements of Viacom Global Limited ("the company") for the year ended 31 December 2009

### **Principal activities**

The principal activities of the company are the provision of legal, human resource, internal audit and government relations services to fellow group undertakings. All operating expenses incurred, except net foreign currency losses and share option charges in relation to company employees are recharged to a fellow group undertaking at cost plus 8%. The company will continue to provide these services for the foreseeable future.

### **Results and dividends**

The loss for the year ended 31 December 2009 was £9,180 (2008 a profit of £49,906). The directors do not recommend the payment of dividends during the year (2008 nil).

### **Directors**

The directors listed below held office during the year and up to the date of signing of the financial statements.

J R Currell  
W Hill Edgar

None of the directors who served during the year had any interest in the shares of the company.

### **Key Performance Indicators**

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

### **Principal risks and uncertainties**

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

### **Change of year end date**

In 2010, Viacom Inc, the parent company, will be changing its fiscal year end to 30 September from 31 December. The company will also change its year end in accordance with the parent company. For comparability purposes financial results will be prepared for the nine-month transition period of 1 January 2010 to 30 September 2010 and therefore after for each twelve month period ended 30 September.

# **Viacom Global Limited**

## **Directors' Report for the year ended 31 December 2009** (continued)

### **Statement of directors' responsibilities in respect of the Annual Report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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 then 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,
- 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Statement of disclosure to auditors**

a) so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and

b) the directors have taken all the 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.

### **Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. An elective resolution has been passed dispensing with the need to reappointment auditors annually.

By order of the Board



**J R Currell**  
Director

30 June 2010

# **Viacom Global Limited**

## **Independent Auditors' Report to the Members of Viacom Global Limited**

We have audited the financial statements of Viacom Global Limited ('the company') for the year ended 31 December 2009 which comprises the Profit and Loss Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

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

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.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

## **Viacom Global Limited**

### **Independent Auditors' Report to the Members of Viacom Global Limited** (continued)

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



Sonia Copeland (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

30 June 2010

## Viacom Global Limited

### Profit and loss account for the year ended 31 December 2009

	<i>Note</i>	2009 £	2008 £
Turnover	3	1,271,043	1,179,282
Operating expenses		(1,264,283)	(1,078,101)
<b>Operating profit</b>		<b>6,760</b>	<b>101,181</b>
Other interest receivable and similar income	6	1,045	6,832
<b>Profit on ordinary activities before taxation</b>	4	<b>7,805</b>	<b>108,013</b>
Taxation on profit on ordinary activities	8	(16,985)	(58,107)
<b>(Loss)/Profit for the financial year</b>	13	<b>(9,180)</b>	<b>49,906</b>

There is no difference between the profit on ordinary activities before taxation and the (loss)/profit for the financial year stated above, and their historical cost equivalents

The results relate wholly to continuing activities

The company has no recognised gains and losses other than the profits reported above and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 8 - 16 form part of the financial statements



# Viacom Global Limited

## Balance sheet as at 31 December 2009

	<i>Note</i>	2009 £	2008 £
<b>Current assets</b>			
Debtors	9	574,038	414,497
Cash at bank and in hand		236,499	369,812
		810,537	784,309
<b>Creditors</b> amounts falling due within one year	10	(471,832)	(498,783)
<b>Net current assets</b>		<b>338,705</b>	<b>285,526</b>
<b>Net assets</b>		<b>338,705</b>	<b>285,526</b>
<b>Capital and reserves</b>			
Called up share capital	11	1	1
Profit and loss account	13	338,704	285,525
<b>Total shareholders' funds</b>	12	<b>338,705</b>	<b>285,526</b>

The financial statements on pages 6 to 16 were approved by the board of directors on 30 June 2010 and were signed on its behalf by



**J R Currell**  
Director

The notes on pages 8 - 16 form part of the financial statements

# **Viacom Global Limited**

## **Notes to the financial statements for the year ended 31 December 2009**

### **1 Principal accounting policies**

A summary of principal accounting policies, all of which have been applied consistently throughout the year and preceding year, is set out below

#### **(a) Basis of accounting**

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible fixed assets and in accordance with Companies Act 2006 and applicable accounting standards

#### **(b) Taxation**

Corporation tax payable is provided on taxable profits at the current rate. Deferred taxation is provided using the liability method at rates ruling at the year end.

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

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **(c) Foreign currency**

Transactions in foreign currencies are recorded at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Differences on exchange are taken to the profit and loss account.

#### **(d) Pension costs**

The company provides pensions to eligible employees through the Viacom UK Retirement Savings Plan, which is a defined contribution plan. The assets of the plan are held independently of the Viacom Group. The amount charged to the profit and loss account is based on the contributions payable for the year.

#### **(e) Turnover**

Turnover, which excludes value added tax, represents the invoiced value of professional services provided in the year and recharged to a fellow group undertaking at cost plus 8%.

# Viacom Global Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### (f) Share based compensation

#### Employee share schemes

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date is expensed to the profit and loss account on a straight line basis over the vesting period, based on the Company's estimate of the number of shares that will vest. A corresponding amount is recorded as a credit to the profit and loss account reserve each year.

Fair value is measured using methods appropriate to each of the different schemes as follows:

Stock options	Black-Scholes
Restricted Share Units	Market value at grant date

The Company has taken advantage of the transitional provisions of FRS 20, Share-based payments, in respect of equity-settled awards and has applied FRS 20 only to equity-settled awards granted after 7 November 2002, that were unvested at 1 January 2006.

## 2 Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of Viacom Global (Netherlands) BV and is included in the consolidated financial statements of its ultimate parent undertaking Viacom Inc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Viacom Inc group or investees of the Viacom Inc group.

## 3 Segmental information

All of the company's turnover arose solely from the provision of legal, human resources, internal audit and government relations services in the United Kingdom.

## 4 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2009 £	2008 £
Wages and salaries (note 5)	613,602	517,672
Social security costs (note 5)	60,463	67,253
Other pension costs (note 5)	45,034	38,095
Foreign currency loss/(gain)	25,033	(97,108)
Auditors remuneration - audit fees	10,417	9,450

# Viacom Global Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 5 Staff costs

The average number of persons employed by the company during the year was 10 (2008 8)

Particulars of employees, including executive directors, are as shown below

	2009 £	2008 £
Wages and salaries	613,602	517,672
Social security costs	60,463	67,253
Other pension costs	45,034	38,095
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	719,099	623,020

### Directors' emoluments

The employee costs shown above do not include the remuneration in respect of any company directors (2008 one)

	2009 £	2008 £
Aggregate emoluments	-	105,109
Contribution to defined contribution pension schemes	-	8,267
	<hr/>	<hr/>
Total emoluments	-	113,376

The remuneration in respect of the two directors is borne by another group company for both 2009 and 2008

### 6 Other interest receivable and similar income

	2009 £	2008 £
Interest receivable on bank balance	1,045	6,832
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	1,045	6,832

## Viacom Global Limited

### Notes to the financial statements for the year ended 31 December 2009 (continued)

#### 7 Share based payments

As a subsidiary of Viacom Inc, the Company participates in a number of the group's employee share schemes under which it makes equity-settled share based awards in Viacom Inc shares to certain employees. The Compensation Committee to the Board of Directors of Viacom approves all equity awards. These are described in the Annual Report and Accounts of Viacom Inc. There were no other share-based payment transactions during the year.

##### Stock option plans

Stock options are granted with an exercise price equal to the market price at date of grant. Stock options generally vest rateably over a four-year period from the date of grant and expire eight to ten years after the date of grant. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model. For options granted during 2006 (there were no options granted in 2007, 2008 and 2009), the determination of volatility is principally based upon implied volatilities from traded options. The expected term, representing the period of time that options granted are expected to be outstanding, is estimated using a lattice-based model incorporating historical post vest exercise and employee termination behaviour. The risk-free rate assumed in valuing the options is based on the US Treasury Yield curve in effect applied against the expected term of the option at the time of the grant.

No performance conditions were included in the fair value calculations. Early exercise has been taken into account by estimating the expected life of the options. As allowed by FRS 20, only options granted since 7 November 2002 which were unvested at 1 January 2006 have been valued.

For purposes of disclosure the exercise price and share price at the various grant dates have been translated using the average yearly exchange rates ruling at each grant date.

<b>Grant Date</b>	<b>24/05/2006</b>
Exercise price (£)	19.61
Share Price at grant date (£)	19.61
Number of options originally granted	6,300
Vesting Period (yrs)	4
Expected Volatility (%)	24.37
Contractual Option Life (yrs)	8
Expected Life (yrs)	4.57
Risk Free Rate (%)	4.98
Expected dividend yield (%)	0
Expected forfeitures (%)	4
Fair Value per Option (£)	5.90

# Viacom Global Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 7 Share based payments (continued)

Details of the stock options plan granted to employees of the Company since 7 November 2002, converted at the closing rate of £1 US\$1 61 (2008 £1 US\$1 45)

	2009		2008	
	Number	Weighted average exercise price £	Number	Weighted average exercise price £
Outstanding at start of year	14,028	30 16	14,028	21 87
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited or cancelled	-	-	-	-
Outstanding at end of year	14,028	27 13	14,028	30 16
Exercisable at end of year	12,453	27 68	10,184	31 50

For options outstanding at the end of the year, the range of exercise prices and average remaining life was as follows

2009				2008			
Range of exercise prices £	Weighted average exercise price £	Number of shares	Average remaining contractual life Years	Range of exercise prices £	Weighted average exercise price £	Number of shares	Average remaining contractual life Years
18 61-24 80	22 81	6,300	4 39	20 69-27 58	25 36	6,300	5 39
24 81-31 00	29 66	3,764	2 97	27 59-34 47	32 98	3,764	3 97
31 01-37 20	31 60	3,964	4 08	34 48-41 37	35 14	3,964	5 08
37 21-43 41	-	-	-	41 38-48 29	-	-	-
	27 13	14,028	3 92		30 16	14,028	4 92

The charge to the profit and loss account in the year in relation to the stock option plan awards held by the employees of the Company was £12,117 (2008 £17,830)

## Viacom Global Limited

### Notes to the financial statements for the year ended 31 December 2009 (continued)

#### 7 Share based payments (continued)

##### Restricted Share Units

Restricted Share Units ("RSUs") typically vest ratably over a four-year period from the date of the grant. The grant date fair value for RSUs is the underlying share price on the date of grant. No performance conditions were included in the fair value calculations.

Presented below is a summary of the fair values at each grant date. For purposes of disclosure the exercise price and share price at the various grant dates have been translated using the average yearly exchange rates ruling at each grant date.

Award Date	24/05/2006	29/05/2007	04/06/2008	03/06/2009
Share Price at award date (£)	19.61	22.09	17.97	13.64
Award price (£)	19.61	22.09	17.97	13.64
Number of units awarded	1,125	2,231	3,172	5,090
Fair Value per unit (£)	19.61	22.09	17.97	13.64

The table below summarises the activity in relation to RSUs, converted at a closing rate of £1 = US\$1.61 (2008 £1 = US\$1.45).

	2009		2008	
	Number of shares underlying RSUs	Weighted average grant date fair value £	Number of shares underlying RSUs	Weighted average grant date fair value £
Nonvested at start of year	5,533	26.40	3,323	21.16
Granted	5,090	14.08	3,172	24.32
Vested	(1,755)	24.24	(962)	29.12
Forfeited	-	-	-	-
Nonvested at end of year	8,868	18.10	5,533	26.40

The charge to the profit and loss account in the year in relation to RSU awards held by the employees of the Company was £50,242 (2008 £38,012).

# Viacom Global Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 8 Taxation

	2009 £	2008 £
Current Tax		
UK corporation tax on profit for the year at 28% (2008 28.5%)	13,181	57,923
Adjustment for prior years	5,609	8,345
Total current year tax charge	18,790	66,268
Deferred tax		
Deferred tax – origination and reversal of timing difference	(1,805)	(5,872)
– adjustment in respect of prior periods	-	(2,289)
Total deferred tax charge	(1,805)	(8,161)
<b>Taxation on profit on ordinary activities</b>	<b>16,985</b>	<b>58,107</b>

The tax assessed for the year varied from the amount computed by applying the standard rate of corporation tax in the UK (28%) to the profit on ordinary activities before tax. The differences were attributed to the following factors:

	2009 £	2008 £
Profit on ordinary activities before tax	7,805	108,013
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK - 28% (2008 28.5%)	2,185	30,784
Expenses not deductible for tax purposes	599	8,825
Tax benefit of additional specific tax relief	10,758	18,809
Capital allowances for period in excess of depreciation	(361)	(495)
Prior year adjustment	5,609	8,345
Current tax charge for the year	18,790	66,268

The elements of deferred taxation are as follows:

	2009 £	2008 £
Share based payments	(8,524)	(6,358)
Accelerated capital allowances	(1,442)	(1,803)
Deferred tax (asset)	(9,966)	(8,161)
<b>Deferred tax (asset)</b>		
Opening balance	(8,161)	-
Prior year adjustment	-	(2,289)
Charged/(credited) to profit and loss account	(1,805)	(5,872)
	(9,966)	(8,161)



# Viacom Global Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 9 Debtors: amounts falling due within one year

	2009 £	2008 £
Amounts owed by group companies	344,914	387,115
VAT recoverable	219,158	18,187
Deferred tax asset	9,966	8,161
Prepayments and accrued income	-	1,034
	<b>574,038</b>	<b>414,497</b>

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

### 10 Creditors: amounts falling due within one year

	2009 £	2008 £
Amounts owed to group companies	314,674	290,342
Taxation and social security	77,092	94,382
Accruals and deferred income	80,066	114,059
	<b>471,832</b>	<b>498,783</b>

Amounts owed to group companies are unsecured, interest free and repayable on demand

### 11 Called up share capital

	2009 £	2008 £
<b>Authorised</b>		
100 ordinary shares of £1	100	100
<b>Allotted, called up and fully paid</b>	<b>1</b>	<b>1</b>

### 12 Reconciliation of movements in equity shareholders' funds

	2009 £	2008 £
Opening shareholders' funds	285,526	152,335
(Loss)/Profit for the financial year	(9,180)	49,906
Share based payments charge	62,359	83,285
<b>Closing shareholders' funds</b>	<b>338,705</b>	<b>285,526</b>

## Viacom Global Limited

### Notes to the financial statements for the year ended 31 December 2009 (continued)

#### 13 Reserves

	Profit and loss account £
1 January 2009	285,525
Retained loss for the financial year	(9,180)
Share based payments charge	62,359
<b>At 31 December 2009</b>	<b>338,704</b>

#### 14 Ultimate parent undertaking

The company's immediate parent is Viacom Global (Netherlands) BV. The company's ultimate parent company is Viacom Inc., incorporated in the USA. The ultimate controlling party of Viacom Global (Netherlands) BV is National Amusements Inc., the beneficial owner of the majority of the Viacom Inc. voting shares.

The only group in which the results of Viacom Global (Netherlands) BV and its subsidiary undertakings are consolidated is Viacom Inc. The consolidated financial statements for this group are available to the public and may be obtained from 1515 Broadway, New York, N.Y., 10036, USA.