CBS Studios Distribution UK Limited

Annual report and financial statements

Registered number 11682919

for the year ended 31 December 2020

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Strategic report

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2020.

Business review

The year under review, represents the second period of trading for the Company, which has reported a turnover figure of $748.9m which represents the revenue generated by selling TV licenses to other ViacomCBS entities (*period from 16 November 2018 to 31 December 2019: $728.5m*). The latter entities then sell globally the TV licenses to third party customers. Expense includes administrative expenses of $651.7m (*2019: $168.8m*) which has two main components, being an amortisation of intangible assets charge of $225.0m (*2019: $168.8m*) and an impairment of $426.5m (*2019: $nil*) attributed to the loss of value of the TV licenses intangible asset. This intangible asset of $3.7bn represents the net book value as of 31 December 2020, of the TV licenses acquired by the Company when the entity started trading at the end of March 2019. The Company has generated a gross profit of $232.1m (*2019: $223.0m*) and an operating loss of $416.6m (*2019: profit of $65.6m*), after the administrative expenses described above and including $3.0m of favourable FX trading activities (*2019: $11.5m*). The company has provided short term loans to ViacomCBS Corporate, which have all been reimbursed by end of April 2020, which have generated the majority of the net interest income of $2.2m (*2019: $3.9m*). The net loss for the financial year has been of $321.3m (*2019: profit of $77.3m*).

In the year ahead, the Company continued trading and focussing on its core competencies up to the 1st October 2021. From the 1st October 2021 the Company ceased trading and all its net assets, including its owned TV licenses contracts, were transferred to its immediate parent.

Principal risks and uncertainties

The Company's revenues are exposed mainly to secondary sales of content (from TV channels or streaming services) and therefore exposed to the risks and rewards associated with the TV content distribution market and it does not benefit from other income streams like: advertising, subscription, publishing, merchandising, etc.

The Company in adherence to the agreements embedded in the Licences, is completely reliant on ViacomCBS for its supply of content and does not as well control the quality of production.

In addition, the Company does not hold any relationship with end customers which increases its dependence with ViacomCBS.

Risk mitigating factors

As the Company is focused only on content distribution, it is exposed to the risks and rewards associated with the production of new original content, more in the longer term than in the shorter term.

By virtue of the various agreements with ViacomCBS embedded in the Licences, the Company has exclusive, evergreen access to a content library that has already been tried-and-tested (most shows are released in the US first before being distributed internationally). Existing proven content and established shows are expected to generate more than a third of the Company's sales over the next three years. Compared to film producers that are dependent on the success of flagship movies, the Company is less exposed to the success of individual shows.

Financial key performance indicators

The directors regard turnover, profit and gross margin as the key performance indicators of the Company. Details of these are given in the performance of the business discussion above and the directors are in agreement with the performance of the business against these indicators.

Other key performance indicators

The company has a positive net cash balance of $701.3m (*2019: $87.6m*) at period-end.

Strategic report *(continued)*

Section 172 statement

Section 172(1) of the Companies Act 2006 requires the directors to act in the way they consider would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so to have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long term;

(b) the interests of the company's employees;

(c) the need to foster the company's business relationships with suppliers, customers and others;

(d) the impact of the company's operations on the community and the environment;

(e) the desirability of the company maintaining a reputation for high standards of business conduct;

(f) the need to act fairly as between members of the company.

The directors understand that the company's relationships with both internal and external stakeholders are dynamic, and that its stakeholders' interests may change over time. In response to this, the directors manage their key stakeholders' interests through various means of engagement; meetings, reports, telecommunications, emails and presentations. The directors respect these interests when discharging their duties and have identified the company's key stakeholders as its customers, shareholders, suppliers and the communities in which it operates. The company has no employees.

Customers
The directors believe that as the customers are all companies part of ViacomCBS there is no issue in terms of loyalty for the success of the business. Therefore, the directors have less concern in regard to the long-term impact of their decisions on customers, as well being mindful that there is lower possibility of conflicting issues.

Employees
The company has no employees.

Shareholders
The directors' primary objective in exercising their duties is to correctly manage the business in order to benefit the shareholder.

Suppliers
The company aims to build a mutually beneficial and long term relationship with its suppliers and fully understand the terms and conditions of the supplier arrangement. The directors approve and implement policies based on ethical and legal minimum standards, which they require the business to adhere to when engaging with suppliers. Failure to do so may result in the business relationship being terminated.

Community
The directors consider the impact that their decisions will have on the local and wider communities in which they operate.

This report, as part of the 2020 financial statements, was approved by the board on 21st January 2022 and signed on its behalf by:

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Gielijn Hilarius
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Gielijn Hilarius
Director

Directors' report

The directors present their report and the audited financial statements of CBS Studios Distribution UK Limited ("the Company") for the year ended 31 December 2020.

Principal activities

During the year to 31 December 2020, the company's main activity was to acquire intra-group license agreements and to carry out and manage intra-group licensing activities. The Company also provides Treasury services for other Group entities, like: short term funding, foreign exchange rates spot trading and cash pooling.

Based on these intra-group license agreements the Company has the right to distribute and exploit Programs by Television Exploitation in the territories of responsibility. The partnership earns revenue based on sublicensing all its rights to CBS International (Netherlands) BV and its fellow Dutch registered companies: Showtime Distribution BV, WVI Films BV, CBS-CSI International BV and CBS Broadcast International BV.

Financial reporting period

The Company's financial year starts on 01 January and ends on 31 December of each year.

Number of employees

The Company does not employ personnel.

Remuneration of the directors

No remuneration has been paid to the directors for this financial period.

Principal risks and uncertainties

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

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

Financial Risk Management

Interest rate risk

The Company incurs interest rate risk on interest- bearing receivables (in particular those included in cash).

Liquidity Risk

The Company finances its operations through a combination of issued capital, retained earnings and intercompany payables.

Foreign Exchange Risk

To the extent that the Company enters into banking arrangements and intercompany agreements in currencies different to that of the Company's functional currency (USD), there is an exposure to movements in exchange rates. This risk is monitored by the CBS Central Treasury which in addition to investing surplus funds and managing borrowings as well mitigates foreign exchange exposure.

Credit Risk

The Company is exposed to the risk of uncollectible intercompany receivables. However, this risk is capped by ViacomCBS Inc.

Bank accounts held by the Company are part of a cash pool arrangement. Where necessary, further securities will be furnished to the bank for available overdraft facilities.

Directors' report *(continued)*

Key performance indicators (KPI)

Given the straightforward nature of the business, KPIs are limited to the financial results of the Company.

Results and Dividends

The Company's results for the period are set out on page 10. The Company made a loss of $321,267,790 (*2019: profit of $77,289,895*). On 30th April 2020 the Company has reduced its share premium account and simultaneously increased its distributable reserves by $ 4,000,000,000 and distributed a dividend for $126,649,956, which is equal to the outstanding notes payable including interests granted to ViacomCBS Inc. on 28th June 2019, to its sole shareholder Columbia Broadcasting System Holdings UK Limited.

The results are in line with the expectations of the directors.

Directors

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

Richard Jones (appointed 16 November 2018)
Gielijn Hilarius (appointed 16 November 2018)

Directors' Liability Insurance

Qualifying third party indemnity was in force during the financial year and also at the date of approval of the financial statements; and that the indemnity is a qualifying third party indemnity where applicable. These indemnity policies are held by the ultimate holding company, ViacomCBS Inc.

Political and charitable contributions

The Company made no political or charitable donations during the year ended 31 December 2020.

Future developments

Is intention of ViacomCBS to liquidate the Company within 12 months from 30th September 2021. This is due to an internal restructuring plan within ViacomCBS group of companies, for which with effective date 1st October 2021 the Company has distributed its entire net assets, including its owned TV licenses, to its immediate parent.

As the Company has the intention to cease its activities, the directors consider it inappropriate to prepare the financial statements on a going concern basis and therefore the directors have prepared these financial statements on a basis other than going concern. Consequently, the assets and liabilities have been disclosed at values at which they are expected to be realized.

Post balance sheet events

The coronavirus disease 2019 ("COVID-19") pandemic has negatively impacted, and is expected to continue to impact the macroeconomic environment, as well as ViacomCBS' business, financial condition and results of operations in 2021. ViacomCBS is the parent company of CBS Studios Distribution UK Limited ("the Company", hereafter).

The impact of COVID-19 on the Company's businesses includes the cancellation of broadcast events for which we have rights to, delays of the 2021-television broadcast season as a result of temporary production shutdowns, abandonment of content that was not completed, delays in the delivery of programming to third parties, and fewer original programs and live events airing on our broadcast and cable networks. While production has resumed, we are not able to predict whether we will encounter future production delays or shutdowns, or if and to what extent our revenues will continue to be negatively impacted. Additionally, with the resumption of production we began incurring incremental costs relating to health and safety protocols, which are expected to continue throughout 2021.

Further, the impact from the lower revenues has been partially mitigated by lower costs as a result of decreases in production and distribution costs, mainly resulting from production shutdowns; lower advertising and promotion costs; and cost-savings initiatives. As ViacomCBS, we have taken steps to strengthen our financial position during this period of market uncertainty, such as the issuance of long-term debt and redemption of near-term debt and we will continue to actively monitor the potential impact of COVID-19 and related events on the commercial paper and credit markets.

Directors' report *(continued)*

The magnitude of the continuing impact of COVID-19 on our business, financial condition and results of operations will depend on numerous evolving factors that we may not be able to accurately predict or control, including the duration and extent of the pandemic, the impact of federal, state, local and foreign governmental actions, consumer behaviour in response to the pandemic and such governmental actions, and economic and operating conditions in the aftermath of COVID-19. Even after COVID-19 has subsided, we may experience materially adverse impacts to our business as a result of its global economic impact, including any recession that has occurred or may occur in the future. Due to the evolving and uncertain nature of the pandemic, we are not able to estimate the full extent of the impact on our business, financial condition and results of operations. As at 31 December 2020, the Company was in a loss-making position, with a net current asset position of $1.5bn and positive equity of $5.2bn.

The Directors believe the ViacomCBS Group has adequate liquidity and business plans to continue to operate the business and mitigate the risks associated with COVID-19 for the next 12 months from the date of this report.

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
- they 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.

Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, the independent auditors PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the board and signed on its behalf by:

DocuSigned by:
Gielijn Hilarius
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Gielijn Hilarius
Director

CBS Studios Distribution UK Limited
Company registered number: 11682919
Cannon Place
78 Cannon Street
London
EC4N 6AF

21st January 2022

Statement of Directors' Responsibilities in respect of the financial statements

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

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the Directors are 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 Directors 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 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.

Independent auditors' report to the members of CBS Studios Distribution UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, CBS Studios Distribution UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2020; the Profit and Loss account and Other Comprehensive Income, and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1.4 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The 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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 31 December 2020 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 the Directors' Responsibilities in respect of the financial statement, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting. Audit procedures performed by the engagement team included:

- Discussions with management and the legal counsel, including consideration of known or suspected instances of non-compliance;
- Evaluating and where appropriate, challenging assumptions and judgements made by management in determining significant accounting estimates; and
- Identifying and testing journal entries, in particular any entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained 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.

Philip Stokes (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

21 January 2022

Profit and Loss account and Other Comprehensive Income

for the year ended 31 December 2020

	Note	Year to 31 December 2020 $	Period to 31 December 2019 $
Turnover	2	748,948,820	728,501,612
Cost of sales		(516,882,040)	(505,534,420)
Gross profit		232,066,780	222,967,192
Administrative expenses	3	(651,695,090)	(168,849,979)
Net foreign exchange gains	6	2,997,088	11,468,510
Operating (loss) / profit		(416,631,222)	65,585,723
Interest receivable and similar income	7	5,625,293	6,409,614
Interest payable and similar expenses	7	(3,439,039)	(2,482,942)
(Loss) / profit before taxation		(414,444,968)	69,512,395
Tax on (losses) / profit	8	93,177,178	7,777,500
(Loss) / profit for the financial year		(321,267,790)	77,289,895

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

The notes on pages 13 to 25 form part of these financial statements.

Balance Sheet
As at 31 December 2020

	Note	2020 $	2020 $	2019 $	2019 $
Fixed assets					
Intangible assets	*9*	3,679,750,000		4,331,250,000	
Investments	*10*	17,000,000		17,000,000	
			3,696,750,000		4,348,250,000
Current assets					
Debtors	*11*	1,943,070,738		1,387,470,495	
Cash at bank and in hand		720,294,336		189,215,243	
		2,663,365,074		1,576,685,738	
Creditors: amounts falling due within one year	*12*	(1,138,055,305)		(254,958,223)	
Net current assets			1,525,309,769		1,321,727,515
Total assets less current liabilities			5,222,059,769		5,669,977,515
Net assets			5,222,059,769		5,669,977,515
Capital and reserves					
Called up share capital	*14*		1,000,000,101		1,000,000,101
Share Premium			592,687,519		4,592,687,519
Profit and loss account			3,629,372,149		77,289,895
Total Shareholders' funds			5,222,059,769		5,669,977,515

The notes on pages 13 to 25 form part of these financial statements.

These financial statements were approved by the board of directors on 21st January 2022 and were signed on its behalf by:

DocuSigned by:
Gielijn Hilarius
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Gielijn Hilarius
Director

Company registered number: 11682919

Statement of Changes in Equity
for the year ended 31 December 2020

	Called up Share capital $	Share Premium $	Profit and loss Account $	Total equity $
Balance at 16 November 2018	-	-	-	-
Proceeds from shares issued	100	-	-	100
Parent Contribution	1,000,000,001	4,592,687,519	-	5,592,687,520
Dividends	-	-	-	-
Total comprehensive income for the period:				
Profit for the period	-	-	77,289,895	77,289,895
Other	-	-	-	-
Balance at 31 December 2019	**1,000,000,101**	**4,592,687,519**	**77,289,895**	**5,669,977,515**
Balance at 01 January 2020	1,000,000,101	4,592,687,519	77,289,895	5,669,977,515
Share premium reduction		(4,000,000,000)	4,000,000,000	-
Parent Contribution	-	-	-	-
Dividends	-	-	(126,649,956)	(126,649,956)
Total comprehensive income for the period:				
Profit for the period	-	-	(321,267,790)	(321,267,790)
Other	-	-	-	-
Balance at 31 December 2020	**1,000,000,101**	**592,687,519**	**3,629,372,149**	**5,222,059,769**

The notes on pages 13 to 25 form part of these financial statements.

Notes to the financial statements

1 Accounting policies

CBS Studios Distribution UK Limited (the "Company") is a private company limited by shares and incorporated and domiciled in England and Wales, within the UK. The address of its registered office is Cannon Place, 78 Cannon Street, London EC4N 6AF.

These financial statements were prepared in accordance with the Companies Act 2006 under the Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (*"FRS 102"*) as issued in August 2014. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest $1.

As the Company is a wholly owned subsidiary of ViacomCBS Inc., the Company has taken advantage of the exemption contained in Paragraph 33.1A of FRS 102 and has therefore not disclosed transactions or balances with the ultimate parent of the group or any other wholly owned subsidiaries.

The Company's ultimate parent undertaking, ViacomCBS Inc. includes the Company in its consolidated financial statements. The consolidated financial statements of ViacomCBS Inc. are available to the public and may be obtained from 1515 Broadway, New York, New York 10036, USA. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

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

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

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

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

The Company's financial year starts on 01 January and ends on 31 December of each year.

1.1 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

1.3 Functional currency

The financial statements are denominated in USD as this currency represents the primary economic environment in which the entity generates and expends the majority of its cash. Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency).

1.4 Going concern

As set out in the Directors' Report, the Company has intentions to cease its activities and the directors consider it inappropriate to prepare the financial statements on a going concern basis and therefore the directors have prepared these financial statements on a basis other than going concern. No adjustments were necessary in the financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

The impact of COVID-19 on the Company's businesses includes the cancellation of broadcast events for which we have rights to, delays of the 2021 television broadcast season as a result of temporary production shutdowns, abandonment of content that was not completed, delays in the delivery of programming to third parties, and fewer original programs and live events airing on our broadcast and cable networks. While production has resumed, we are not able to predict whether we will encounter future production delays or shutdowns, or if and to what extent our revenues will continue to be negatively impacted. Additionally, with the resumption of production we began incurring incremental costs relating to health and safety protocols, which are expected to continue throughout 2021.

Further, the impact from the lower revenues has been partially mitigated by lower costs as a result of decreases in production and distribution costs, mainly resulting from production shutdowns; lower advertising and promotion costs; and cost-savings initiatives. As

Notes to the Financial Statements *(continued)*

Accounting policies *(continued)*

ViacomCBS, we have taken steps to strengthen our financial position during this period of market uncertainty, such as the issuance of long-term debt and redemption of near-term debt and we will continue to actively monitor the potential impact of COVID-19 and related events on the commercial paper and credit markets.

The magnitude of the continuing impact of COVID-19 on our business, financial condition and results of operations will depend on numerous evolving factors that we may not be able to accurately predict or control, including the duration and extent of the

pandemic, the impact of federal, state, local and foreign governmental actions, consumer behaviour in response to the pandemic and such governmental actions, and economic and operating conditions in the aftermath of COVID-19. Even after COVID-19 has subsided, we may experience materially adverse impacts to our business as a result of its global economic impact, including any recession that has occurred or may occur in the future. Due to the evolving and uncertain nature of the pandemic, we are not able to estimate the full extent of the impact on our business, financial condition and results of operations. As at 31 December 2020, the Company was in a profit-making position, with a net current asset position of $1.5bn and positive equity of $5.2bn.

The Directors believe the ViacomCBS Group has adequate liquidity and business plans to continue to operate the business and mitigate the risks associated with COVID-19 for the next 12 months from the date of this report.

It is the intention of the directors however, and of ViacomCBS to liquidate the Company within 12 months from 30 September 2021. This is due to an internal restructuring plan within ViacomCBS group of companies, for which with effective date 1 October 2021 the Company has distributed its entire net assets, including its owned TV licenses, to its immediate parent. Any financial statements for the year to 31 December 2021 would be prepared on a break-up basis.

1.5 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.6 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

1.7 Investments

Investments in subsidiary undertakings are valued at cost less provision for impairment. Any distribution from subsidiary is accounted as a gain to the profit and loss account. Any contribution made to the subsidiary is accounted as an increase in the investment. An annual impairment trigger assessment is performed and if positive a comparison of the investment cost is made with the recoverable value.

1.8 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Software 3–5 years
- Content licenses 20 years

Amortisation is included in 'administrative expenses' in the profit and loss account. Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are

Notes to the Financial Statements *(continued)*

Accounting policies *(continued)*

amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

The Company intangible assets include television shows licenses and has an estimated useful life of 20 years.

1.9 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 amounts owed by group undertakings 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 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 Profit and loss account.

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 creditors amounts owed to group undertakings, 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts creditors 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) *Forward currency trades*

The Company does not apply hedge accounting. The Company's forward currency trades are carried at fair value. Changes in carrying value are recognised through profit and loss as currency exchange gains or losses.

iv) *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.

1.10 Accrued Expense

Goods received or services rendered shall be accrued for when an invoice is not recorded in trade creditors 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 Profit and loss account.

1.11 Provisions

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

Notes to the Financial Statements *(continued)*

Accounting policies *(continued)*

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.12 Turnover

The Company (the licensor) is party to various sublicense agreements with the following Dutch registered (licensees') companies (BV's): CBS International Television, a division of CBS International (Netherlands) B.V., Showtime Distribution BV, WVI Films BV, CBS-CSI International BV and CBS Broadcast International BV. The licensees recognize revenues from television licensing agreements in the year in which the individual TV products are made available for broadcasting, with the exception of contract extensions ("renewals") for which the revenue is recognized from the commencement date of extension. Other revenues consist of levies and are recognized on a cash basis.

Furthermore, cost of sales recognized by the licensees represents the direct and indirect expenses attributable to revenue, including the royalty share.

Pursuant to the sublicense agreement, the Company recognizes 100% of the licensee royalty share as revenue.

Pursuant to the distribution agreement with US registered (licensor) companies (CBS Studios Inc., Showtime Network Inc., CBS Broadcasting Inc., CBS Broadcast International and Worldvision Enterprises Inc.), the cost of sales recognized by the Company (licensee) is calculated at 65% of revenue recognized by the Dutch registered BV's as per above.

1.13 Expenses

Operating lease

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

Interest receivable and Interest payable

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

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

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

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

1.14 Taxation

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

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

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

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

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

Notes to the Financial Statements *(continued)*

2 Turnover

	2020 $	2019 $
Licensees distribution	748,948,820	728,501,612

	2020 $	2019 $
By geographical market:		
Netherlands	748,948,820	728,501,612
United Kingdom	-	-
	748,948,820	728,501,612

Turnover relates to the company's principal activity.

3 Administrative expenses

	2020 $	2019 $
Intangible assets amortization	225,000,000	168,750,000
Intangible assets impairment	426,500,000	-
Audit fees	78,200	90,122
Bank fees	26,892	21,341
Other	89,998	(11,484)
	651,695,090	168,849,979

There were no non-audit fees during the period.

The Intangible asset amortization is related to the net asset contribution of $5,575,687,519 received from the parent entity on 29th March 2019 which included an Intangible asset of $4,500,000,000, being the fair value of the licenses contributed by the parent entity. Management has determined that the useful life of the Intangible asset is of 20 years commencing from 1st April 2019.

4 Staff numbers and costs

The Company did not employ any personnel (including directors) during the year ended 31 December 2020.

5 Directors' remuneration

The directors' emoluments are paid by another entity within the Group, which makes no recharge to the company. The director holds a directorship in a number of fellow subsidiaries and it is not possible to make an accurate apportionment of his emoluments in respect of each of the subsidiaries.

Notes to the Financial Statements *(continued)*

6 Net foreign exchange gains

		2020 $	2019 $
FX Forward trades			
AUD Forward trades		866,285	1,895,160
EURO Forward trades		391,756	4,747,312
GBP Forward trades		705,346	4,844,155
	Sub-total	1,963,387	11,486,627
FX Spot trades			
AUD Spot trades		(139,485)	62,273
EURO Spot trades		(154,003)	76,430
GBP Spot trades		320,642	(19,991)
	Sub-total	27,154	118,712
FX Cash pool revaluation			
AUD Cash pool revaluation		205,247	(21,638)
EURO Cash pool revaluation		304,297	44,587
GBP Cash pool revaluation		497,003	(159,777)
	Sub-total	1,006,547	(136,828)
	total	2,997,088	11,468,511

The Company enters in FX forward contracts in order to mitigate the exposure of the division's CBS Television Distribution ("CTD") receivables denominated in EUR, GBP and AUD. The mark-to-market of the unexpired forward contracts is booked by CBS Operations Inc. being the only entity authorized to execute external trades. When the contract is settled the gain / loss is then reversed from CBS Corporate and allocated to the Company, being the latter the forward contracts settling entity. As of 31st December 2020 the Company realized FX forward contracts net gain of $1,963,387 (*2019: $11,486,627*),

The FX spots are internal (intercompany) trades originated by the Company when trading currencies in order to provide the division's entities with the amounts they need in non-functional currencies. As of 31st December 2020 the Company realized FX spots net gain of $27,154 (*2019: $118,712*).

7 Net interest income

		2020 $	2019 $
Interest receivable and similar income			
BOA Merrill Lynch Investment Account		904,165	1,585,102
Interest income on bank balances		3,465,861	3,057,668
S/T Intercompany loans		1,255,267	1,766,844
	Sub-Total	5,625,293	6,409,614
Interest payable and similar expenses			
Interest on bank borrowings		(3,439,039)	(2,482,942)
	Sub-total	(3,439,039)	(2,482,942)
	Total	2,186,254	3,926,672

Notes to the Financial Statements *(continued)*

7 Net interest income *(continued)*

The Company acts as head of the ViacomCBS European Cash Pool ("notional pool") and invests the excess cash flow generated in the money market funds, by investing cash from the USD account to its account c/o Bank of America ("BOA"). As of 31st December 2020 the Company has realized an interest income of $904,165 (*2019: $1,585,102*).

The Company provides short term loans to Group companies, mainly ViacomCBS Inc.. The Company has lent three (*2019: seven*) short term loans in January 2020 with an aggregate amount of $226,000,000 which got all repaid during 2020, together with the outstanding loans lent in 2019, for a total amount of $601,474,850. It received an interest income of $1,255,267, applying a standard annual interest rate equal to two years US Treasury rate plus 75 basis points (0.75%).

8 Tax on profit

	2020	2019
	$	$
Current Tax:		
Prior year reassessments	-	-
Corporation tax on (loss)/ profit of the year	-	-
Total current tax (credit) / charge	-	-
Deferred tax:		
Origination and reversal of timing differences	**(92,625,000)**	**(8,692,500)**
Changes on tax rates	**(915,000)**	**915,000**
Adjustment in respect of previous periods	**362,822**	-
Total deferred tax (credit) / charge	**(93,177,178)**	**(7,777,500)**
Total tax (credit) / charge	**(93,177,178)**	**(7,777,500)**

The tax assessed for the year varied from the amount computed by applying the standard rate of corporation tax in the UK 19.00% (*2019: 19.00%*) to the (loss)/ profit on ordinary activities before tax. The differences were attributed to the following factors:

Reconciliation of effective tax rate

	2020	2019
	$	$
Tax:		
(Loss) / profit on ordinary activities before tax	**(414,444,968)**	**69,512,395**
(Loss) / profit multiplied by standard rate in the UK – 19.00% (*2019: 19.00%*)	**(78,744,544)**	**13,207,355**
Effects of:		
Expenses not deductible for tax purposes	**81,035,000**	-
Amortisation smaller than/(in excess of) capital allowances	**11,590,000**	**8,692,500**
Group relief (from) / to same sub-group companies	**(13,880,456)**	**(21,899,855)**
Group relief (from) / to other sub-group companies	-	-
Changes on tax rates	-	-

Notes to the Financial Statements *(continued)*

8 Tax on profit *(continued)*

Adjustment in respect of prior periods	-	-
Current tax charge for the year	-	-
Deferred tax credit	**(93,177,178)**	**(7,777,500)**
Total tax (credit)/charge included in profit or loss	**(93,177,178)**	**(7,777,500)**

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, in the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to reduce deferred tax expense for the period by $77,630,425 (*2019: $915,000*), and to increase the deferred tax asset by $77,630,425 (*2019: $915,000*).

9 Intangible assets

	2020 $	2019 $
Balance as at 01 January	4,331,250,000	-
Net assets contribution from parent – 29 March 2019	-	4,500,000,000
Amortization	(225,000,000)	(168,750,000)
Impairments	(426,500,000)	-
Balance as at 31 December	3,679,750,000	4,331,250,000

As of 31 December 2020 the Company performed an impairment test based on the projected discounted cash flows expected for the next 5 years. This analysis indicates as of 31 December 2020, an impairment of the intangible asset of $426,500,000.

10 Investments

	2020 $	2019 $
Balance as at 01 January	17,000,000	-
Investment in CBS International (Netherlands) B.V.	-	17,000,000
Impairments	-	-
Balance as at 31 December	17,000,000	17,000,000

Notes to the Financial Statements *(continued)*

Investments *(continued)*

At 31 December 2020 the company held the following direct investments in associated companies:

Company	Address	Country of incorporation	Principal activity	Class and percentage of shares held
CBS International (Netherlands) B.V.	Gerrit van der Veenstraat 11, 1077DM Amsterdam	The Netherlands	Distribution of filmed product for television viewing	100% of ordinary shares

At 31 December 2020 the company held the following indirect investments in associated companies:

Company	Address	Country of incorporation	Principal activity	Class and percentage of shares held
CBS Broadcast International B.V.	Gerrit van der Veenstraat 11, 1077DM Amsterdam	The Netherlands	Distribution of filmed products for television viewing	100% of ordinary shares
CBS-CSI International B.V.	Gerrit van der Veenstraat 11, 1077DM Amsterdam	The Netherlands	Distribution of filmed products for television viewing	100% of ordinary shares
Showtime Distribution B.V.	Gerrit van der Veenstraat 11, 1077DM Amsterdam	The Netherlands	Distribution of filmed products for television viewing	100% of ordinary shares
WVI Films B.V.	Gerrit van der Veenstraat 11, 1077DM Amsterdam	The Netherlands	Distribution of filmed products for television viewing	100% of ordinary shares
CBS International Sales Holdings B.V.	Gerrit van der Veenstraat 11, 1077 DM Amsterdam, NL	The Netherlands	Sale and distribution of television productions through fellow CBS companies and related activities.	100% of ordinary shares
CBS International GmbH	Betastrabe 10C, 85774 Unterföhring, Germany	Germany	Provision of services vis-a-vis CBS International (Netherlands) BV and its affiliates in licensing media products	100% of ordinary shares
CBS International Television Australia Pty Limited	1-31 Saunders Street, Pyrmont, NSW 2009, Australia	Australia	Provision of services vis-a-vis CBS International (Netherlands) BV and its affiliates in licensing media products as well as distribution of TV rights.	100% of common shares

Notes to the Financial Statements *(continued)*

Investments *(continued)*

CBS International Television Italia S.r.l.	Via Vittorio Veneto, 00187 Rome, Italy (as of 1 Feb. 2021)	Italy	Provision of services vis-a-vis CBS International (Netherlands) BV and its affiliates in licensing media products	100% of the quotas
CBS International Television Japan GK	Registered and Office: Shiroyama Trust Tower, 3-1, Toranomon 4-chome, Minato-ku, Tokyo (as of 22 March 2021)	Japan	Provision of services vis-a-vis CBS International (Netherlands) BV and its affiliates in licensing media products	100% of share capital
Worldvision Enterprises (France) S.A.R.L.	20-24 rue Jacques Ibert 92300 Levallois-Perret, Paris, France	France	Provision of services vis-a-vis CBS International (Netherlands) BV and its affiliates in licensing media products	100% of ordinary shares
CBS Broadcast Services Limited	Registered: Cannon Place, 78 Cannon Street, London, EC4N 6AF, UK Office: Building 5 - 4th Fl. Chiswick Park, 566 Chiswick High Road, London W4 5YF, UK	United Kingdom	Provision of administrative and warehouse services, principally to fellow group undertakings.	100% of ordinary shares
Baaima N.V.	Bon Bini Business Center, Schottegatweg Oost 10, Curacao, Netherlands Antilles	Netherlands Antilles	Provides Web Services	1.96%
Gulf & Western do Brazil Industria e Comercio Limitada	Rua Catarina Baida, 61/79, City of Sao Paolo, State of Sao Paolo, Brasil.	Brazil	Dormant	No records on percentage ownership
Katled Systems, Inc.	Registered: c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	Delaware, USA	Dormant	0.1% of common shares

Notes to the Financial Statements *(continued)*

11 Debtors

	2020 $	2019 $
Amounts owed by group undertakings	**1,624,182,951**	**1,283,770,898**
Corporate tax refundable	**435,808**	
VAT recoverable	**217,497,301**	**103,699,597**
Deferred tax assets (see note 13)	**100,954,678**	**7,777,500**
	1,943,070,738	**1,387,470,495**

12 Creditors: amounts falling due within one year

	2020 $	2019 $
Trade creditors	**(78,200)**	**(90,122)**
Amounts owed to group undertakings	**(901,505,925)**	**(49,538,204)**
Bank loans and overdraft	**(18,973,879)**	**(101,630,300)**
Corporation tax payable	**-**	**-**
VAT Payable	**(217,497,301)**	**(103,699,597)**
	(1,138,055,305)	**(254,958,233)**

13 Deferred tax asset

	2020 $	2019 $
Balance as at 01 January	**7,777,500**	**-**
Origination and reversal of timing differences	**93,177,178**	**7,777,500**
Effect of changes in tax rates	**-**	**-**
Balance as at 31 December 2020	**100,954,678**	**7,777,500**

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

	2020 $	2019 $
Difference between book amortisation and tax write down allowance	**100,402,500**	**7,777,500**
Prior period adjustments	**(362,822)**	**-**
Rate change of prior year adjustments	**915,000**	**-**
Total deferred tax debit	**100,954,678**	**7,777,500**
Other short term timing differences	**-**	**-**
Total deferred tax debit	**100,954,678**	**7,777,500**

Notes to the Financial Statements *(continued)*

14 Called up Share Capital

Share capital

	2020 $	2019 $
Allotted, called up and fully paid		
101 (*2019: 101*) class A ordinary shares of $1 each	**101**	**101**
1,000,000,000,000.02 (*2019: 1,000,000,000,000.02*) class B ordinary shares of $0.01 each	**1,000,000,000**	**1,000,000,000**
	1,000,000,101	**1,000,000,101**

The holders of class A ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

15 Ultimate parent company and parent company of larger group

From 23rd December 2020 the Company immediate parent is Viacom Camden Lock Limited (now on "VCL"), following the transfer of the entire issued share capital of the Company, from the former immediate parent Columbia Broadcasting System Holdings UK Limited.

VCL is a private limited company governed by the laws of England and Wales, with registered office address at 17-29 Hawley Crescent, London, NW1 8TT, United Kingdom, and with company number 07139521. The Company's ultimate parent is ViacomCBS Inc. which is incorporated in the USA. The ultimate controlling party is National Amusements Inc., the beneficial owner of the majority of ViacomCBS Inc. voting shares.

The only group in which the results of CBS Studios Distribution UK Limited are consolidated is ViacomCBS Inc. The consolidated financial statements for this group are available to the public and can be obtained from 1515 Broadway, New York, New York 10036, USA.

16 Subsequent events

On 2nd of March 2021 the Company (lender) has signed a revolving promissory note with ViacomCBS Inc. (borrower) for a total commitment amount of $1.0bn plus interest (12 month US LIBOR plus 62.5 basis points), for the duration of 5 years. On 3rd March 2021 ViacomCBS Inc. has drawn down $0.74bn.

As part of an internal restructuring within ViacomCBS group of companies, the Company was involved in the following transactions:

- 30th September 2021: declared and settled a dividend distribution (in "kind") of the entire owned issued share capital of CBS International (Netherlands) BV to its immediate parent VCL, for an amount of $17,000,000;
- 1st October 2021: immediate parent VCL has contributed the entire owned issued share capital of the Company to PPIL;
- 1st October 2021: declared and settled a dividend distribution (in "kind") of the entire net assets of the Company to the immediate parent PPIL for an amount of $5,175,607,977
- It is management intention to liquidate the Company within 12 months from 30th September 2021.

No other matter or circumstance has arisen since balance date and the date of this report that, in the opinion of the Directors of the Company, have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in financial years subsequent to 31 December 2020.

Notes to the Financial Statements *(continued)*

17 Accounting estimates and judgments

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and key assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying key assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

Key assumptions, concerning the future and other key sources of estimation at the balance sheet date, that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year, such as the recoverability of certain assets, are constantly assessed.

Critical accounting judgements in applying the Company's accounting policies

Intangible assets

The most critical estimates, assumptions and judgements relate to the determination of the carrying value of the television show licenses included in the Company's intangible assets. The nature, facts and circumstance of the television show licenses are taken into account on assessing whether there are any indications of a further impairment or a reversal of previous impairment.

The following key assumptions were used for determining the recoverable amount:

• Valuation method used- hybrid between Income approach ("DCF" – Discounted Cash Flows) method and Market approach method

• Sales growth and EBITDA margins - as per the latest available forecasts

• Long-term growth rate - 2% / 3%

• Discount rate (WACC) - 10.25%