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CBS Overseas Inc

Financial Statements
Year Ended 31 December 2012

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Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

Select suitable accounting policies and then apply them consistently,

Make judgements and estimates that are reasonable and prudent

State whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Profit and Loss Statement

For the year ending December 31, 2012

	Note	2012 £	2011 £
Turnover	1	437,114	329,575
Cost of sales		(437,114)	(329,575)
Gross Profit/(Loss)			
Administrative expenses		(2,010)	(815)
Operating Profit/(Loss)		(2,010)	(815)
Other interest receivable and similar income	2	-	1,326
Profit/(Loss) on Ordinary Activities Before Taxation	3	(2,010)	511
Taxation on loss on ordinary activities	4	-	(505)
Profit/(Loss) on Ordinary Activities After Taxation		(2,010)	6
Retained profit/(loss) for the financial year		(2,010)	6
Retained profit brought forward from prior year		136,099	136,093
Retained Profit Carried Forward		134,089	136,099

All activities are continuing

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

Balance Sheet Statement

As of December 31, 2012

	Note	2012 £	2011 £
Current Assets			
Debtors	5	100,926	820
Cash at bank and in hand		125,728	135,939
Current Liabilities			
Creditors	6	(91,904)	0
<hr/>			
NET CURRENT (LIABILITIES)/ASSETS		134,750	136,759
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TOTAL ASSETS LESS CURRENT LIABILITIES		134,750	136,759
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NET ASSETS		134,750	136,759
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Capital And Reserves			
Share capital	8	660	660
Called up profit and loss		134,090	136,099
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Equity Shareholders' Funds	9	134,750	136,759
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These financial statements were approved by the board and were signed on its behalf by


Lawrence Liding
Director

Date 15/01/14

Company Number FC 16260

Notes to the Financial Statements

1. Accounting Policies

CBS Overseas Inc is incorporated in the state of New York, USA. The company's principal activity is the hire of satellite and other news-related transmission equipment in the United Kingdom and worldwide on behalf of other group companies. The company has taken advantage of the modifications and exemptions from disclosure that are set out in the Overseas Companies (Accounts) (Modifications and Exemptions) Order 1990.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

a) Basis of Preparation and Accounting Policies

As in previous years the financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

b) Cash Flow Statement

The company is exempt from the requirement to publish a cash flow statement on the grounds that it qualifies as a small company under the terms of Section 247 of the Companies Act 2006.

c) Foreign Currencies

Trading transactions denominated in foreign currencies are translated into British sterling at the exchange rates ruling when the transaction was entered. Monetary assets and liabilities denominated in foreign currencies are translated into British sterling at the exchange rates ruling at the balance sheet date. Exchange gains and losses are included in the profit and loss account.

d) Operating Leases

Operating lease rentals are expensed as incurred.

e) Taxation

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

Deferred tax is provided in full on all timing differences, which result in an obligation at the balance sheet date to pay more tax. Or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded, as more likely than not that they will be recovered.

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

f) Turnover

Turnover, which excludes value-added tax, represents the invoiced value of services supplied

2. Interest Receivable and Similar Income

	2012 £	2011 £
Intercompany interest receivable	0	1,326
	0	1,326

3. Profit on Ordinary Activities before Taxation

	2012 £	2011 £
Profit on ordinary activities before taxation is stated after charging		
Administrative expenses	(2,010)	(815)
Other interest receivable and similar income	0	1,326
Profit/(Loss)	(2,010)	511

4. Tax on profit/(loss) on ordinary activities

	2012 £	2011 £
Tax on profit/(loss) on ordinary activities		
The charge/(credit) for the year is based on the results for the year and is comprised of the following		
Corporation Tax on profits/(losses) of the year at 24.5% (2011 26.5%)	-	-
Total current tax charge/(credit)	-	-
Deferred tax:		
Origination and reversal of timing differences	0	468
Changes in tax rates and laws	0	37
Total deferred tax	0	505
Tax charge/(credit)	0	505

The tax assessed for the year varied from the amount by applying the standard rate of corporation tax in the UK (24.5%) (2011 26.5%) to the profit/(loss) on ordinary activities before tax. The differences were attributed to the following factors:

Profit/(Loss) on ordinary activities before tax	(2,010)	511
Profit/(Loss) on ordinary activity multiplied by standard rate in the UK – 24.5% (2011 26.5%)	(492)	135
Effects of Tax losses carried forward	492	(135)
Current tax charge for the year	-	-

Factors that may affect future tax charges

A number of changes to the UK Corporation tax system were announced in the March 2012 Budget Statement. Finance Act 2012 was enacted on 17 July 2012 and included legislation to reduce the main rate of corporation tax to 24% with effect from 1 April 2012 and 23% with effect from 1 April 2013.

The November 2012 Autumn Statement proposed to reduce the main rate of corporation tax to 21% from 1 April 2014. The March 2013 Budget Statement further proposed to reduce the main rate of corporation tax to 20% from 1 April 2015. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

Deferred tax is measured on a non-discounted basis at the tax rate which is expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date. The Directors are not recognising a provision for deferred tax assets of £7,021 (2011: £7,129) in respect of accelerated capital allowances and losses carried forward due to the uncertainty over the company's future profitability. The deferred tax asset not recognised as at 31 December 2011 and 2012 have been stated at the enacted rates of 25% and 23% respectively in accordance with FRS 19. The future

proposed changes to the tax rates are not considered to have a material effect on the company's reported tax position at the balance sheet date

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

	2012 £	2011 £
<u>Accelerated capital allowances</u>		505
Total deferred tax charge	0	505

5. Debtors

	2012 £	2011 £
Amounts owed by group undertakings	660	660
<u>Other debtors</u>	<u>100,266</u>	<u>160</u>
	100,926	820

As of December 19, 2011, the £125,000 unsecured loan due from Group undertakings was repaid and settled in full

6. Creditors

	2012 £	2011 £
<u>Q1 2013 ENEX Prepaid</u>	<u>91,904</u>	-
	91,904	-

7. Deferred Tax

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

	2012 £	2011 £
<u>Accelerated capital allowances</u>	-	-
Total deferred tax asset	-	-
Deferred tax asset		
At 1 January	0	505
Charged against profit for the year	(0)	(505)
At 31 December	-	-

8. Called Up Share Capital

	2012 £	2011 £
Authorised 2,000 Ordinary shares of \$10 each	\$20,000	\$20,000
Allotted, called up, issued and fully paid 100 Ordinary shares of \$10 each	\$1,000	\$1,000
At historic exchange rate of \$1 515 £1	£660	£660

9. Reconciliation of Movement in Equity Shareholder's Funds

	2012 £	2011 £
Retained Earnings		
Total recognised gains and losses for the year	(2,010)	6
Opening shareholders' funds (excl share capital stated below)	136,760	136,753
Closing shareholders' funds	134,750	136,759
Share Capital		
1 January 2012	660	660
At 31 December 2012	660	660

Additional Notes:

A. Financial Commitments

At 31 December 2012, the company had annual commitments under operating leases as follows

	2012 £	2011 £
<u>Expiring between two and five years (transmission facilities)</u>	<u>317,542</u>	<u>329,575</u>

European News Exchange Transmission Facilities

2012 EUR 378,506 at exchange rate of 0.8389 GBP/EUR

2011 EUR 367,920 at exchange rate of 0.8957 GBP/EUR

B. Related Party Transactions

The company is a wholly owned subsidiary of CBS Corporation. The company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated statements of CBS Corporation, within which the company is included, can be obtained from the address given in Note C. There were no other related party transactions.

C. Ultimate Parent Company

At 31 December 2012, the company's intermediate parent company was CBS Corporation, a company incorporated in the United States of America.

The parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which this company is a member is CBS Corporation. Copies of CBS Corporation financial statements for the year ended 31 December 2012 may be obtained from 51 West 52nd Street, New York, NY 10019.

The ultimate controlling party of the company is National Amusements Inc., a company incorporated in the United States of America, the parent undertaking of CBS Corporation.