

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K

Annual report pursuant to Section 15(d) of the Securities Exchange  
Act of 1934

For the fiscal year ended December 31, 1994

or

Transition report pursuant to Section 15(d) of the Securities  
Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 0-12700

BLOCKBUSTER ENTERTAINMENT  
RETIREMENT AND SAVINGS PLAN  
(Full Title of the Plan)

VIACOM INC.  
(Name of Issuer of Securities Held Pursuant to the Plan)

1515 Broadway  
New York, New York 10036-5794  
(Address of Principal Executive Office)

BLOCKBUSTER ENTERTAINMENT  
RETIREMENT AND SAVINGS PLAN  
DECEMBER 31, 1994

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## REPORT OF INDEPENDENT AUDITORS

To the Plan Administrator of  
Blockbuster Entertainment  
Retirement and Savings Plan:

We have audited the statement of assets available for benefits with fund information of Blockbuster Entertainment Retirement and Savings Plan as of December 31, 1994 and the related statement of changes in assets available for benefits with fund information for the year then ended. These financial statements and the schedules referred to below are the responsibility of the Plan's Administrator. Our responsibility is to express an opinion on these financial statements and schedules based on our audit. The financial statements of Blockbuster Entertainment Retirement & Savings Plan as of December 31, 1993 were audited by other auditors whose report dated May 16, 1994 expressed an unqualified opinion on the statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Plan Administrator, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets available for benefits of the Plan as of December 31, 1994, and the changes in its assets available for benefits for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment purposes and reportable transactions (Schedules I and II respectively) are presented for purposes of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hollywood, Florida  
June 23, 1995

Shaun M. Davis, CPA

BLOCKBUSTER ENTERTAINMENT  
RETIREMENT AND SAVINGS PLAN

STATEMENT OF ASSETS AVAILABLE FOR BENEFITS WITH FUND INFORMATION  
AS OF DECEMBER 31, 1994

	Participant Directed					
	Company Stock Fund	Nations Capital Growth Fund	Nations Balanced Assets Fund	Nations Strategic Fixed Income Fund	Nations Prime Fund	Total
	-----	-----	-----	-----	-----	-----
Investments, at fair value:						
Company Stock Fund	\$ 2,041,627					\$ 2,041,627
Shares of registered investment companies:						
Nations Capital Growth Fund		\$ 1,584,876				1,584,876
Nations Balanced Assets Fund			\$ 1,127,608			1,127,608
Nations Strategic Fixed Income Fund				\$ 790,772		790,772
Nations Prime Fund					\$ 1,270,976	1,270,976
	-----	-----	-----	-----	-----	-----
Total investments	2,041,627	1,584,876	1,127,608	790,772	1,270,976	6,815,859
	-----	-----	-----	-----	-----	-----
Contributions receivable:						
Employer's		454,872	308,092	232,122	1,620,392	2,615,478
Participants'		9,251	4,926	4,093	20,987	39,257
	-----	-----	-----	-----	-----	-----
Total contributions receivable		464,123	313,018	236,215	1,641,379	2,654,735
	-----	-----	-----	-----	-----	-----
Cash						1,668
	-----	-----	-----	-----	-----	-----
Contingency						
	-----	-----	-----	-----	-----	-----
Assets available for benefits	\$ 2,041,627	\$ 2,048,999	\$ 1,440,626	\$ 1,026,987	\$ 2,912,355	\$ 9,472,262
	=====	=====	=====	=====	=====	=====

See notes to financial statements.

BLOCKBUSTER ENTERTAINMENT  
RETIREMENT AND SAVINGS PLAN

STATEMENT OF ASSETS AVAILABLE FOR BENEFITS WITH FUND INFORMATION

AS OF DECEMBER 31, 1993

	Participant Directed					
	Company Stock Fund	Nations Capital Growth Fund	Nations Balanced Assets Fund	Nations Strategic Fixed Income Fund	Nations Prime Fund	Total
Investments, at fair value						
Company Stock Fund	\$ 658,212					\$ 658,212
Shares of registered investment companies:						
Nations Capital Growth Fund		\$ 436,542				436,542
Nations Balanced Assets Fund			\$ 357,086			357,086
Nations Strategic Fixed Income Fund				\$ 265,703		265,703
Nations Prime Fund					\$ 241,710	241,710
Total investments	658,212	436,542	357,086	265,703	241,710	1,959,253
Contributions receivable:						
Employer's	150,257	85,951	71,076	55,278	113,344	475,906
Participants'	7,373	2,639	3,490	2,470	2,470	18,379
Total contributions receivable	157,630	88,590	74,566	57,748	115,751	494,285
Contingency						
Assets available for benefits	\$ 815,842	\$ 525,132	\$ 431,652	\$ 323,451	\$ 357,461	\$2,453,538

See notes to financial statements.

BLOCKBUSTER ENTERTAINMENT  
RETIREMENT AND SAVINGS PLAN

STATEMENT OF CHANGES IN ASSETS AVAILABLE FOR BENEFITS WITH FUND INFORMATION  
FOR THE PERIOD ENDED DECEMBER 31, 1994

	Participant Directed					
	Company Stock Fund	Nations Capital Growth Fund	Nations Balanced Assets Fund	Nations Strategic Fixed Income Fund	Nations Prime Fund	Total
Additions to assets attributed to: Contributions: Participants' Employer's	\$ 1,437,082 7	\$ 1,147,159 454,905	\$ 826,888 308,109	\$ 587,151 232,122	\$ 987,312 1,620,845	\$ 4,985,592 2,615,988
	1,437,089	1,602,064	1,134,997	819,273	2,608,157	7,601,580
Net realized and unrealized gains (losses) on investments	144,477	(58,240)	(42,481)	(44,525)		(769)
Investment income	15	45,095	22,568	28,097	24,874	120,649
Total additions	1,581,581	1,588,919	1,115,084	802,845	2,633,031	7,721,460
Deductions from assets attributed to: Benefits paid to participants	304,877	119,785	98,696	72,345	105,340	701,043
Total deductions	304,877	119,785	98,696	72,345	105,340	701,043
Net increase prior to interfund transfers	1,276,704	1,469,134	1,016,388	730,500	2,527,691	7,020,417
Interfund transfers, net	(45,126)	56,919	(5,553)	(25,203)	18,963	
Net increase	1,231,578	1,526,053	1,010,835	705,297	2,546,654	7,020,417
Assets available for benefits: Beginning of period	815,842	525,132	431,652	323,451	357,461	2,453,538
Adjustment to Beginning Balance	(171)	(100)	(11)	(10)	(1,401)	(1,693)
Adjusted Beginning Balance	815,671	525,032	431,641	323,441	356,060	2,451,845
End of period	\$ 2,047,249	\$ 2,051,085	\$ 1,442,476	\$ 1,028,738	\$ 2,902,714	\$ 9,472,262

See notes to financial statements.

BLOCKBUSTER ENTERTAINMENT  
RETIREMENT AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1994

NOTE 1 - DESCRIPTION OF PLAN:

The following description of the Blockbuster Entertainment Retirement and Savings Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan.

The Plan was established effective July 1, 1993. The Plan, as amended, is a defined contribution plan commonly known as an Internal Revenue Code ("IRC") section 401(k) profit sharing plan and is subject to the Employee Retirement Income Security Act of 1974 ("ERISA") as amended.

To become a participant, an employee must complete one year of service and attain the age of 21. Participation becomes effective on the January 1 or July 1 immediately following completion of the age and service requirement. There were 10,190 active Plan participants as of December 31, 1994.

On September 29, 1994, Blockbuster was merged with and into Viacom, Inc. (the "Blockbuster Merger"). Each share of Blockbuster Common Stock outstanding at the time of the Blockbuster Merger was converted into the right to receive (i) 0.08 of a share of Viacom Class A Common Stock, (ii) 0.60615 of a share of Viacom Class B Common Stock, and (iii) one right to receive up to a fraction of a share of Viacom Class B Common Stock. Included in the Viacom Inc. securities were certain variable common rights ("VCRs") representing the right to receive Viacom Class B common stock depending on the market value of Viacom Class B common stock during a specified period following the merger. The Plan's fiduciary assumed the VCRs were not "Qualifying Employer Securities" under ERISA and that it was a prohibited transaction under ERISA Sections 406 and 407 for the Plan to acquire and hold the VCRs. The Plan's fiduciary determined that it was in the best interest of plan participants to sell the VCRs and such sales were completed by December, 1994.

Pursuant to the Blockbuster Merger, Blockbuster ceased to exist as a company and Viacom (the "Company"), the employer, is the Plan Administrator. The Company has entered into an agreement whereby NationsBank of Georgia, N.A. (the "Trustee") has been appointed Trustee. Under the terms of the agreement, the Trustee holds and invests the funds of the Plan subject to the direction of the Plan Advisory Committee. The Plan provides five distinct investment fund alternatives for participants. Participant may direct the investment of the amount allocated to their account into any of the fund options.

BLOCKBUSTER ENTERTAINMENT RETIREMENT AND SAVINGS PLAN  
Notes to Financial Statements - continued

The Company has selected the following investment options for use in the Plan:

Company Stock Fund - Funds are invested in common stock of the Company and cash equivalent.

Nations Capital Growth Fund - Funds are invested primarily in common stocks of companies with above average potential for capital appreciation.

Nations Balanced Assets Fund - Funds are invested primarily among three asset groups: common stocks, fixed income securities and cash equivalent.

Nations Strategic Fixed Income Fund - Funds are invested primarily in investment grade fixed income and related securities.

Nations Prime Fund - Funds are invested primarily in money market instrument. The Plan includes a 401(k) arrangement by which eligible participants may direct the Company to contribute a portion of their compensation to the Plan. Amount contributed by participants are 100% vested at all times. In 1994, each qualified employee could contribute up to \$9240, subject to limitations by the Internal Revenue Code. During each Plan year, the Company will contribute at its discretion to the Plan an amount determined by the Company. The Company may choose not to contribute to the Plan for a particular Plan year. Participants must be employed by the Company on the last day of the Plan year to be entitled to an allocation of the Company's contribution. Company contributions are allocated to active participant's accounts using a ratio based upon relative employee compensation and become vested in accordance with the following schedule:

Years of Service -----	Percent of Nonforfeitable Interest -----
Less than 1	0%
1	25%
2	50%
3	75%
4 or more	100%

Additionally, allocated amounts become fully vested upon normal retirement age as defined in the Plan, death or termination of employment because of inability to work due to total or permanent disability while employed. The Company retains the right to amend, and if necessary, terminate the Plan. In the event of Plan termination, all amounts credited to participants' accounts become 100% vested. Nonvested amount forfeited upon any participant's withdrawal are allocated to active participant's accounts using a ratio based upon relative employee compensation.

The Company amended the Plan on December 13, 1993 to grant credit for years of service to employees of businesses which are merged or consolidated with the Company subsequent to July 1, 1993. Credit for years of service granted by this amendment applies only for purposes of determining participation and not for purposes of determining vesting in the Plan.

BLOCKBUSTER ENTERTAINMENT RETIREMENT AND SAVINGS PLAN  
Notes to Financial Statements - continued

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting-

The financial statements of the Plan are prepared under the accrual method of accounting.

Investment Valuation and Income Recognition-

The Plan's investments are stated at fair value. Shares of common stock of the Company included in the Company Stock Fund are stated at current value based on the last reported sales price on the last business day of the year. Shares of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan at period end.

Net realized and unrealized gains (losses) on investments consist of the following:

Realized gains (losses) on sales of investments represent the difference between proceeds received at the time of sale and the cost of the assets at the time of purchase.

Unrealized appreciation (depreciation) of investments represents the difference between the current value of assets at year end and the cost of those assets at the time of purchase.

Purchases and sales of securities are recorded on a trade-date basis. Investment income consists of interest and dividend income.

Payment of Benefit-

Benefits are recorded when paid.

NOTE 3 - PARTIES-IN-INTEREST TRANSACTIONS:

Certain Plan investments are shares of mutual funds managed by NationsBank of North Carolina, N.A., an affiliate of the Trustee. The Company pays for all fees and expenses of the Plan. The fees and expenses primarily consist of legal, accounting, and other administrative services.

NOTE 4 - INCOME TAX STATUS:

The Plan filed a request with the Internal Revenue Service ("IRS") to determine whether the Plan is qualified under Section 401 of the IRC. Although the Plan has not received a determination letter from the IRS, it is the Plan Advisory Committee's opinion that the Plan as amended and as currently operating is in compliance with all applicable provisions of the IRC.

NOTE 5 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500:

The following is a reconciliation of assets available for benefits per the financial statements to net assets available for benefits per the Form 5500 at December 31, 1994: -

Assets available for benefit per the financial statements	\$9,472,262
Less: Amounts allocated to withdrawing participants	7,990
	-----
Net assets available for benefits per the Form 5500	\$9,464,272
	=====

BLOCKBUSTER ENTERTAINMENT RETIREMENT AND SAVINGS PLAN  
Notes to Financial Statements - continued

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500 for the period ended December 31, 1994:

Benefits paid to participants per the financial statements	\$701,043
Add: Amounts allocated to withdrawing participants at December 31, 1994	7,990 -----
Benefits paid to participants per the Form 5500	\$709,033 =====

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, 1994 but are not yet paid as of that date.

The following is a reconciliation of net realized and unrealized gains on investments per the financial statements to the sum of net gain on sale of assets, unrealized appreciation of assets and net investment gain from registered investment companies per the Form 5500 at December 31, 1994:

Net realized and unrealized losses per the financial statements	\$ (769)
Add: Investment income from registered investment companies	120,649 -----
Total net investment gains per the Form 5500	\$ 119,880 =====

The following is a reconciliation of investment income per the financial statements to net investment gain from registered investment companies per the Form 5500 for the period ended December 31, 1994:

Investment income per the financial statements	\$ 120,649
Add: Net realized and unrealized losses from registered investment companies	(145,246) -----
Net investment loss from registered investment companies per the Form 5500	\$ (24,597) =====

NOTE 6 - UNIT INFORMATION:

The Plan assigns units to participants within each of the respective funds used in the Plan. Total units and net asset values per unit for each of the funds at December 31, 1994 is as follows:

	Total Units -----	Net Asset Value per Unit -----
Company Stock Fund	180,127	\$ 11.33
Nations Capital Growth Fund	144,342	10.98
Nations Balanced Assets Fund	108,216	\$ 10.42
Nations Strategic Fixed Income Fund	84,665	\$ 9.34
Nations Prime Fund	1,270,976	\$ 1.00

BLOCKBUSTER ENTERTAINMENT RETIREMENT AND SAVINGS PLAN  
Notes to Financial Statements - continued

NOTE 7 - SUBSEQUENT EVENT:

The plan was further amended on February 24, 1995 to include that for each plan year. The Company will contribute for each participant a matching contribution equal to 40% of the participant's "eligible contributions". A participant's "eligible contributions" equals the amount of the participant's elective deferrals for the plan year which does not exceed 5% of a participant's compensation for the payroll period.

NOTE 8 - CONTINGENCY:

The Plan will terminate upon the merger of the Company (see Note 1), unless the successor makes provisions to continue the Plan, in which event the successor must substitute itself as the Company under the Plan.

## BLOCKBUSTER ENTERTAINMENT

## RETIREMENT AND SAVINGS PLAN

## ITEM 27a-SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

AS OF DECEMBER 31, 1994

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
*	Company Stock Fund	180,127 units	\$1,875,968	\$2,041,627
*	Nations Capital Growth Fund	144,342 units	1,625,577	1,584,876
*	Nations Balanced Assets Fund	108,216 units	1,163,919	1,127,608
*	Nations Strategic Fixed Income Fund	84,665 units	838,662	790,772
*	Nations Prime Fund	1,270,976 units	1,270,976	1,270,976
			-----	-----
			\$6,775,102	\$6,815,859
			=====	=====

\* Identified as a party-in-interest to the Plan.

BLOCKBUSTER ENTERTAINMENT CORPORATION  
 RETIREMENT AND SAVINGS PLAN  
 ITEM 27d - SCHEDULE OF REPORTABLE TRANSACTIONS  
 FOR THE PERIOD ENDED DECEMBER 31, 1994

(A) IDENTITY OF PARTY INVOLVED	(B) DESCRIPTION OF ASSET (INCLUDING INTEREST RATE AND MATURITY IN CASE OF LOAN)		(C) PURCHASE PRICE	(D) SELLING PRICE	(E) LEASE RENTAL
	<b>PURCHASES:</b>	<b>UNITS:</b>	<b>TRANSACTIONS:</b>		
*	COMPANY STOCK FUND	166,149	112	\$1,694,151	
*	NATIONS CAPITAL GROWTH FUND	122,711	135	\$1,390,644	
*	NATIONS BALANCED ASSETS FUND	88,129	112	\$943,440	
*	NATIONS STRATEGIC FIXED INCOME FUND	70,303	109	\$681,648	
*	NATIONS PRIME FUND	1,172,834	155	\$1,172,834	
	<b>SALES:</b>				
*	COMPANY STOCK FUND	45,888	162		\$455,041
*	NATIONS CAPITAL GROWTH FUND	16,354	132		\$183,972
*	NATIONS BALANCED ASSETS FUND	12,286	141		\$130,426
*	NATIONS STRATEGIC FIXED INCOME FUND	11,957	132		\$112,083
*	NATIONS PRIME FUND	142,161	140		\$142,161

(A) IDENTITY OF PARTY INVOLVED	(B) DESCRIPTION OF ASSET (INCLUDING INTEREST RATE AND MATURITY IN CASE OF LOAN)	(F) EXPENSE INCURRED WITH TRANSACTION	(G) COST OF ASSET	(H) CURRENT VALUE OF ASSET ON TRANSACTION DATE	(I) NET GAIN OR (LOSS)
	<b>PURCHASES:</b>				
*	COMPANY STOCK FUND		\$1,694,151	\$1,694,151	N/A
*	NATIONS CAPITAL GROWTH FUND		\$1,390,644	\$1,390,644	N/A
*	NATIONS BALANCED ASSETS FUND		\$ 943,440	\$ 943,440	N/A
*	NATIONS STRATEGIC FIXED INCOME FUND		\$ 681,648	\$ 681,648	N/A
*	NATIONS PRIME FUND		\$1,172,834	\$1,172,834	N/A
	<b>SALES:</b>				
*	COMPANY STOCK FUND		\$ 444,905	\$ 455,041	10,136
*	NATIONS CAPITAL GROWTH FUND		\$ 185,291	\$ 183,972	(1,319)
*	NATIONS BALANCED ASSETS FUND		\$ 133,572	\$ 130,426	(3,146)
*	NATIONS STRATEGIC FIXED INCOME FUND		\$ 119,135	\$ 112,083	(7,052)
*	NATIONS PRIME FUND		\$ 142,161	\$ 142,161	

NOTES: TRANSACTIONS INCLUDED HEREIN REPRESENT INDIVIDUAL TRANSACTIONS OR A SERIES OF TRANSACTIONS OR A SERIES OF TRANSACTIONS IN SECURITIES OF THE SAME ISSUE IN EXCESS OF 5% OF THE CURRENT VALUE OF PLAN ASSETS AT THE BEGINNING OF THE PLAN PERIOD.

THIS SCHEDULE INCORPORATES ALL DISCLOSURES REQUIRED BY THE DEPARTMENT OF LABOR FOR ASSETS PURCHASED OR SOLD WITHIN THE PERIOD.

\* IDENTIFIED AS A PARTY-IN-INTEREST TO THE PLAN.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

Blockbuster Entertainment  
Retirement and Savings Plan

/s/ Michael R. Carpenter  
-----  
Michael R. Carpenter  
Vice President,  
Corporate Controller  
Blockbuster Entertainment Group,  
A Division of Viacom, Inc.