

Registration number: 2775793 (England)

Nickelodeon Huggings U.K. Limited

Report and financial statements

for the 12 months ended 31 December 2022

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Nickelodeon Huggings U.K. Limited

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Nickelodeon Huggings U.K. Limited

Company information

Directors	J.E. Tatam S.K. Gill
Company secretary	Fieldfisher Secretaries Limited
Registered office	17-29 Hawley Crescent Camden London NW1 8TT
Bankers	JPMorgan Chase Bank 125 London Wall London United Kingdom EC2Y 5AJ
Independent auditors	PricewaterhouseCoopers LLP 1 Embankment Place London United Kingdom WC2N 6RH

Nickelodeon Huggings U.K. Limited

Strategic report for the 12 months ended 31 December 2022

The directors present their strategic report and the audited financial statements for Nickelodeon Huggings U.K. Limited ("the Company") for the 12 months ended 31 December 2022.

Principal activities and future developments

The principal activity of the Company is an investment company with a shareholding in Nickelodeon U.K. Limited, a children's pay to view TV channel and TV production company in the United Kingdom. The directors expect this activity to continue in the foreseeable future.

Business review

The profit for the 12 months ended 31 December 2022 was £8,766,329 (31 December 2021: profit of £7,190,446). The profit for the financial year has been transferred to reserves.

Net assets as at 31 December 2022 total £95,475,903 (31 December 2021: £28,709,574).

On 31 October 2022, the Company acquired 40% shareholding in Nickelodeon U.K. Limited at fair value of £89,982,617 from Kidsprog Limited. The Company and Nickelodeon UK Holdings LLC, which are both Paramount Global owned subsidiaries collectively hold together 100% of the issued share capital in Nickelodeon U.K. Limited.

On 9 November 2022, the Company issued 1 ordinary share of £1 to Viacom Camden Lock Limited for £58,000,000, resulting in a share premium of £57,999,999.

Key performance indicators (KPIs)

The Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The Company's operations expose it to a variety of financial risks that include credit, liquidity, interest rate, foreign exchange and carrying value of investment. These risks are monitored through a Group Treasury management function which invests surplus funds, mitigates foreign exchange exposure and manages borrowings for Paramount Global group companies. The carrying value of investment risk is monitored by the members through an annual investment impairment review.

COVID-19 and other pandemics

The COVID-19 pandemic continues to negatively impact the global macroeconomic environment. Other pandemics or widespread health emergencies may have similar effects. A resurgence of COVID-19, an increase in infection rates or the effect of new variants could trigger a renewal of government restrictions and other precautionary actions that could again negatively impact our businesses. Due to the evolving and uncertain nature of the COVID-19 pandemic and the risk of new variants, we are not able to estimate the full extent of the impact that COVID-19 will have on our business, financial condition and results of operations.

Management currently believes that, as a result of the assurances it has received from the senior management of the wider Paramount Global Group, that the 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.

Nickelodeon Huggings U.K. Limited

Strategic report for the 12 months ended 31 December 2022

Economic and political conditions

The global financial markets have experienced significant recent volatility, marked by declining economic growth, diminished liquidity and availability of credit, declines in consumer confidence, significant concerns for increasing and persistently high inflation and uncertainty about economic stability. The global financial markets have also been adversely affected by current geopolitical events, including Russia's invasion of Ukraine and the sanctions imposed against Russia.

These political and economic risks could create instability in any of the markets where our businesses derive revenues, which could result in a reduction of revenue or loss of investment that adversely affects our businesses, financial condition or results of operations.

Change in organisation name

Effective February 16, 2022, ViacomCBS, the parent of the Company changed its name to Paramount Global.

Approved by the Board on 14 August 2023 and signed on its behalf by:

DocuSigned by:
S.K. Gill
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S.K. Gill
Director

Nickelodeon Huggings U.K. Limited

Directors' report for the 12 months ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors of the Company

The directors who held office during the year were as follows:

J.E. Tatam

S.K. Gill

Results and dividends

The profit for the 12 months ended 31 December 2022 was £8,766,329 (31 December 2021: £7,190,446). The profit for the financial year has been transferred to reserves.

The Company did not declare or pay any dividends during the year (2021: £nil).

Going concern

The Company has reported a profit for the 12 months ended 31 December 2022 as a result of dividend income and interest receivable although the Company has net current liabilities as at 31 December 2022. After making enquiries and having considered the Company's forecasts and projections, the directors have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

Directors' liabilities

The Company has granted a qualifying third party indemnity in favour of its directors and officers against the financial exposure that they may incur in the course of their professional duties as directors and officers of the Company. This was in force during the financial year and at the date of approval of the financial statements.

Approved by the Board on 14 August 2023 and signed on its behalf by:

DocuSigned by:
S.K. Gill
CB51E4E812D5461.....
S.K. Gill
Director

Nickelodeon Huggings U.K. Limited

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, 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 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 also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- 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.

Approved by the Board on 14 August 2023 and signed on its behalf by:

DocuSigned by:
S.K. Gill
CB54E1E842D5464.....
S.K. Gill
Director

Nickelodeon Huggings U.K. Limited

Independent auditors' report to the members of Nickelodeon Huggings U.K. Limited

Opinion

In our opinion, Nickelodeon Huggings U.K. Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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, which comprise: the Statement of financial position as at 31 December 2022; the Income statement, the Statement of 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.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

Nickelodeon Huggings U.K. Limited

Independent auditors' report to the members of Nickelodeon Huggings U.K. Limited

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 2022 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 directors' responsibilities, 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.

Nickelodeon Huggings U.K. Limited

Independent auditors' report to the members of Nickelodeon Huggings U.K. Limited

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 non-compliance with the Companies Act 2006, and UK tax, 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, specifically the posting of inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussion with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Addressing the risk of management override of internal controls, including testing of journal entries (in particular, journal entries posted with an unusual account combination);
- Evaluating and, where appropriate, challenging assumptions and judgments made by management in determining significant accounting estimates; and
- Reviewing the financial statement disclosures and agreeing to underlying supporting documentation.

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 directors 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.

Nickelodeon Huggings U.K. Limited

Independent auditors' report to the members of Nickelodeon Huggings U.K. Limited

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
14 August 2023

Nickelodeon Huggings U.K. Limited

Income statement for the 12 months ended 31 December 2022

		For the 12 months ended 31 December 2022	For the 12 months ended 31 December 2021
	Note	£	£
Income from shares in group undertakings		8,600,000	7,200,000
Administrative expenses		(550)	(9,554)
Operating profit	3	8,599,450	7,190,446
Interest receivable and similar income	6	210,961	-
Interest payable and similar expenses	7	(44,082)	-
Profit before tax		8,766,329	7,190,446
Tax on profit	8	-	-
Profit for the year		8,766,329	7,190,446

The above results were derived from continuing operations.

The Company has no recognised gains or losses for the year other than the results above.

Nickelodeon Huggings U.K. Limited

Statement of comprehensive income for the 12 months ended 31 December 2022

	For the 12 months ended 31 December 2022 £	For the 12 months ended 31 December 2021 £
Profit for the year	<u>8,766,329</u>	<u>7,190,446</u>
Total comprehensive income for the year	<u>8,766,329</u>	<u>7,190,446</u>

Nickelodeon Huggings U.K. Limited

Statement of financial position as at 31 December 2022

	Note	As at 31 December 2022 £	As at 31 December 2021 £
Fixed assets			
Investments	9	95,509,496	5,526,879
Current assets			
Debtors	10	1,274,256	23,191,767
Creditors: Amounts falling due within one year	11	<u>(1,307,849)</u>	<u>(9,072)</u>
Net current (liabilities)/assets		<u>(33,593)</u>	<u>23,182,695</u>
Net assets		<u>95,475,903</u>	<u>28,709,574</u>
Capital and reserves			
Share capital	13	101	100
Capital contribution		5,427,667	5,427,667
Share premium		57,999,999	-
Retained earnings		<u>32,048,136</u>	<u>23,281,807</u>
Total equity		<u>95,475,903</u>	<u>28,709,574</u>

Approved and authorised by the Board on 14 August 2023 and signed on its behalf by:

DocuSigned by:

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S.K. Gill
 Director

Nickelodeon Huggings U.K. Limited

Statement of changes in equity for the 12 months ended 31 December 2022

	Share capital £	Capital contribution £	Share premium £	Retained earnings £	Total £
At 1 January 2022	100	5,427,667	-	23,281,807	28,709,574
Profit for the year	-	-	-	8,766,329	8,766,329
Total comprehensive income	-	-	-	8,766,329	8,766,329
Shares issued	1	-	57,999,999	-	58,000,000
At 31 December 2022	<u>101</u>	<u>5,427,667</u>	<u>57,999,999</u>	<u>32,048,136</u>	<u>95,475,903</u>

	Share capital £	Capital contribution £	Share premium £	Retained earnings £	Total £
At 1 January 2021	100	5,427,667	-	16,091,361	21,519,128
Profit for the year	-	-	-	7,190,446	7,190,446
Total comprehensive income	-	-	-	7,190,446	7,190,446
At 31 December 2021	<u>100</u>	<u>5,427,667</u>	<u>-</u>	<u>23,281,807</u>	<u>28,709,574</u>

The notes on pages 14 to 22 form an integral part of these financial statements.
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Nickelodeon Huggings U.K. Limited

Notes to the financial statements for the 12 months ended 31 December 2022

1 General information

The Company is a private company limited by share capital, incorporated in the United Kingdom.

The address of its registered office is:

17-29 Hawley Crescent
Camden
London
NW1 8TT
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The directors believe that the Company is well placed to manage its business risks successfully. The directors made enquiries of and considered the Company's performance against its plans and objectives and satisfied themselves that the Company is performing as expected.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

The Company has a letter of support in place from its ultimate parent company, Paramount Global, which states that, should it be required, Paramount Global will provide financial support to the Company for additional funding or to enable it to discharge its liabilities as they fall due for the foreseeable future. The Directors have assessed the ability of Paramount Global to provide that support and, on that basis, have concluded that the application of the going concern basis of preparation of the financial statements is appropriate.

Nickelodeon Huggings U.K. Limited

Notes to the financial statements for the 12 months ended 31 December 2022

2 Accounting policies (continued)

Consolidated financial statements

The Company is a wholly owned subsidiary of a company incorporated in the United States of America and therefore has taken advantage of the exemption under Section 401 Companies Act 2006 not to produce consolidated financial statements. It is included in the consolidated financial statements of Paramount Global which are publicly available.

Accordingly, these financial statements present information about the Company as an individual undertaking and not as a group.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the consolidated financial statements of Paramount Global which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102; and
- ii) from the requirement to disclose the key management personnel compensation in total as required by FRS 102 paragraph 33.7.

Foreign currency transactions and balances

Functional and presentational currency

The Company's functional and presentational currency is pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions or the contracted rate if the transaction is covered by a forward exchange contract.

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement.

Nickelodeon Huggings U.K. Limited

Notes to the financial statements for the 12 months ended 31 December 2022

2 Accounting policies (continued)

Financial instruments

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

Financial assets

Basic financial assets, including debtors 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.

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 income statement immediately.

If there is a decrease in an 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. Any impairment reversal is recognised in the income statement immediately.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) 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.

Financial liabilities

Basic financial liabilities, including trade creditors, 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.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an 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.

Cash and cash equivalents

Since 2016 the Company has been in a cash sweeping arrangement with respect to its Sterling denominated bank account. The funds deposited/withdrawn via the cash sweep are recognised within amounts owed by/to group undertakings as appropriate. See note 10 for disclosures relating to the cash sweep.

Nickelodeon Huggings U.K. Limited

Notes to the financial statements for the 12 months ended 31 December 2022

2 Accounting policies (continued)

Tax

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation

The Company has no deferred tax.

Critical judgements and estimates in applying the accounting policy

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

There are no judgements or estimates made by the Company that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year (2021: none).

3 Operating profit

Arrived at after charging

	For the 12 months ended 31 December 2022	For the 12 months ended 31 December 2021
	£	£
Auditors' remuneration	-	8,809

Audit fees of £8,800 for the Company have been borne by Viacom International Media Networks U.K. Limited, a fellow group company, and not recharged.

4 Staff costs

The Company had no employees during the 12 months ended 31 December 2022 (31 December 2021: nil).

Nickelodeon Huggings U.K. Limited

Notes to the financial statements for the 12 months ended 31 December 2022

5 Directors' remuneration

The remuneration of the directors is paid by Viacom International Media Networks U.K. Limited which makes no recharge to the Company. The directors are also directors of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their remuneration in respect of each of the subsidiaries. Accordingly, the details below include no remuneration in respect of the directors.

6 Interest receivable and similar income

	For the 12 months ended 31 December 2022	For the 12 months ended 31 December 2021
	£	£
Interest receivable from group undertakings	<u>210,961</u>	<u>-</u>

7 Interest payable and similar expenses

	For the 12 months ended 31 December 2022	For the 12 months ended 31 December 2021
	£	£
Interest payable to group undertakings	<u>44,082</u>	<u>-</u>

8 Tax on profit

Tax credited in the income statement

	For the 12 months ended 31 December 2022	For the 12 months ended 31 December 2021
	£	£
Current taxation		
UK corporation tax	-	-

The tax on profit before tax for the 12 months ended 31 December 2022 is lower than the standard rate of corporation tax in the UK (2021: lower than the standard rate of corporation tax in the UK) of 19%.

The differences are reconciled below:

	£	£
Profit before tax	<u>8,766,329</u>	<u>7,190,446</u>
Tax on profit/(loss) calculated at standard rate	1,665,603	1,366,185
Tax increase (decrease) arising from group relief	(31,603)	1,815
Effect of revenues exempt from taxation	<u>(1,634,000)</u>	<u>(1,368,000)</u>
Total tax charge/(credit) in the income statement	<u>-</u>	<u>-</u>

The notes on pages 14 to 22 form an integral part of these financial statements.

Nickelodeon Huggings U.K. Limited

Notes to the financial statements for the 12 months ended 31 December 2022

8 Tax on profit (continued)

Factors that may affect future tax charges:

In the Budget 2020, the government announced that the corporation tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023 will go ahead.

9 Investments

	As at 31 December 2022	As at 31 December 2021
	£	£
Investments in subsidiaries and joint ventures	<u>95,509,496</u>	<u>5,526,879</u>
Subsidiaries and joint ventures		£
Cost		
At 1 January 2022		5,526,879
Additions		<u>89,982,617</u>
At 31 December 2022		<u>95,509,496</u>
Carrying amount		
At 31 December 2022		<u>95,509,496</u>
At 31 December 2021		<u>5,526,879</u>

On 31 October 2022, the Company acquired 40% shareholding in Nickelodeon U.K. Limited at fair value of £89,982,617 from Kidsprog Limited. The Company and Nickelodeon UK Holdings LLC, which are both Paramount Global owned subsidiaries collectively hold together 100% of the issued share capital in Nickelodeon U.K. Limited.

Nickelodeon Huggings U.K. Limited

Notes to the financial statements for the 12 months ended 31 December 2022

9 Investments (continued)

Details of undertakings

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
Nickelodeon U.K. Limited	17-29 Hawley Crescent, London, NW1 8TT United Kingdom	Shares	80%	40%

10 Debtors

	As at 31 December 2022	As at 31 December 2021
	£	£
Amounts owed by group undertakings	1,268,971	23,188,244
Other debtors	5,285	3,523
	<u>1,274,256</u>	<u>23,191,767</u>

Within the amounts owed by group undertakings there is £1,268,971 (At 31 December 2021: £23,188,244) which is held by a group company under a cash sweeping arrangement. This amount attracts interest, based on the interest rate applied by the bank for each respective currency under the cash pooling agreement held by the group company on the last day of the month. These amounts are repayable on demand.

11 Creditors: amounts falling due within one year

	As at 31 December 2022	As at 31 December 2021
	£	£
Due within one year		
Other payables	1,307,849	-
Accruals and deferred income	-	9,072
	<u>1,307,849</u>	<u>9,072</u>

The notes on pages 14 to 22 form an integral part of these financial statements.

Nickelodeon Huggings U.K. Limited

Notes to the financial statements for the 12 months ended 31 December 2022

12 Financial instruments

Categorisation of financial instruments

	As at 31 December 2022	As at 31 December 2021
	£	£
Financial assets that are debt instruments measured at amortised cost	1,268,971	23,188,244
Financial liabilities measured at amortised cost	<u>1,307,849</u>	<u>9,072</u>

13 Share capital

Allotted, called up and fully paid shares

	As at 31 December 2022		As at 31 December 2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>101</u>	<u>101</u>	<u>100</u>	<u>100</u>

On 9 November 2022, the Company issued 1 ordinary share of £1 to Viacom Camden Lock Limited for £58,000,000, resulting in a share premium of £57,999,999.

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

14 Related party transactions

The Company is exempt under Section 33.1 A of FRS 102 from disclosing related party transactions with entities that are wholly owned by the Paramount Global group.

Nickelodeon U.K. Limited paid dividends for the 12 months ended 31 December 2022 £8,600,000 (31 December 2021: £7,200,000) to the Company.

Nickelodeon Huggings U.K. Limited

Notes to the financial statements for the 12 months ended 31 December 2022

15 Parent and ultimate parent undertaking

The immediate parent company of the Company is Viacom Camden Lock Limited, a company registered in England.

The ultimate parent company of the Company is Paramount Global, a company incorporated in the USA.

The ultimate controlling party of Paramount Global is the Sumner M. Redstone National Amusements Part B General Trust through its control of National Amusements Inc., the beneficial owner of the majority of Paramount Global voting shares. Paramount Global's voting and non-voting shares are quoted.

Paramount Global is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2022. The consolidated financial statements of Paramount Global are available from 1515 Broadway, New York, NY 10036, United States of America.