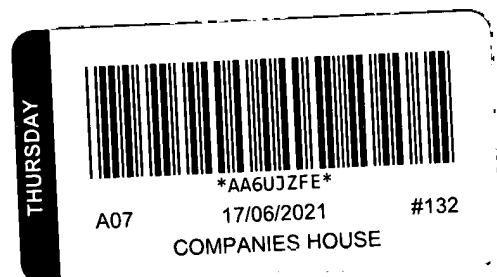


Registration number: 2775793 (England)

Nickelodeon Huggings U.K. Limited

Report and financial statements

for the 12 months ended 31 December 2020



Nickelodeon Huggings U.K. Limited

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Nickelodeon Huggings U.K. Limited

Company information

Directors P. Dunthorne (resigned 17 June 2020)
J.E. Tatam (appointed 16 June 2020)
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 2020

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 2020.

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 2020 was £11,990,570 (15 months ended 31 December 2019: profit of £16,414,274). The profit for the financial year has been transferred to reserves.

Net assets as at 31 December 2020 total £21,519,128 (31 December 2019: £9,528,558).

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 key business risk and uncertainty affecting the Company is that the intercompany receivable will not be paid. This risk is monitored through a Group Treasury management function which invests surplus funds and manages borrowings for ViacomCBS Inc. group companies.

COVID-19

COVID-19 continues to have a significant impact on the global economy. The magnitude of this future impact on the Company's business, financial position and operating results will depend on numerous evolving factors that it may not be possible to accurately predict or control, including the duration and extent of the pandemic, the impact of any governmental actions, consumer behavior in response to the pandemic as well as economic and operating conditions in its aftermath.

Management currently believes that, as a result of the assurances it has received from the senior management of the wider ViacomCBS Group, that the Group has adequate liquidity and business plans to continue to operate its business. This will mitigate the risks associated with COVID-19 for the Company for the next 12 months from the date of this report.

Approved by the Board on 10 June 2021 and signed on its behalf by:


Gill Suki (Jun 10, 2021 11:41 GMT+1)
S.K. Gill
Director

Nickelodeon Huggings U.K. Limited

Directors' report for the 12 months ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors of the Company

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

P. Dunthorne (resigned 17 June 2020)

J.E. Tatam (appointed 16 June 2020)

S.K. Gill

Results and dividends

The profit for the 12 months ended 31 December 2020 was £11,990,570 (15 months ended 31 December 2019: £16,414,274).

The Company declared dividends of £0 to Viacom Camden Lock Limited during the 12 months ended 31 December 2020 (15 months ended 31 December 2019: £17,400,000).

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.


Change in reporting period

On 4 December 2019, Viacom Inc., the ultimate parent company of the Company merged with CBS Corporation. The Company does not expect any financial impact as a result of this merger. The merger resulted in a change in the Company's fiscal year end from 30 September 2019 to 31 December 2019 to align with the year end of the ultimate parent company. Accordingly, the figures for the income statements, statements of changes in equity and the related notes for the comparatives are for 15 months from 1 October 2018 to 31 December 2019.

Disclosure of information to the auditors

Each director has taken 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. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 10 June 2021 and signed on its behalf by:


Gill Suki (Jun 10, 2021 11:41 GMT+1)

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 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" Section 1A, 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 year. 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 Section 1A, 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.

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

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

Approved by the Board on 10 June 2021 and signed on its behalf by:


Gill Suki (Jun 10, 2021 11:41 GMT+1)
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 2020 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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 Report and the financial statements (the "Annual Report"), which comprise: statement of financial position as at 31 December 2020; income statement, statement of comprehensive income and 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 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 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.

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.

Nickelodeon Huggings U.K. Limited

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

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 also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. 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 and internal legal counsel, 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
- 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 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.

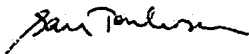
We have no exceptions to report arising from this responsibility.

Nickelodeon Huggings U.K. Limited

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

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime. We have no exceptions to report arising from this responsibility.



Samuel Tomlinson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
10 June 2021

Nickelodeon Huggings U.K. Limited

Income statement for the 12 months ended 31 December 2020

		For the 12 months ended 31 December 2020	For the 15 months ended 31 December 2019
	Note	£	£
Income from shares in group undertakings		12,000,000	16,400,000
Administrative expenses		(9,868)	(9,910)
Operating profit	3	11,990,132	16,390,090
Interest receivable and similar income	6	2,792	24,184
Interest payable and similar expenses	7	(2,354)	-
Profit before tax		11,990,570	16,414,274
Tax on profit	8	-	-
Profit for the period		11,990,570	16,414,274

The above results were derived from continuing operations.

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

The notes on pages 13 to 21 form an integral part of these financial statements.

Nickelodeon Huggings U.K. Limited

Statement of comprehensive income for the 12 months ended 31 December 2020

	For the 12 months ended 31 December 2020	For the 15 months ended 31 December 2019
	£	£
Profit for the period	<u>11,990,570</u>	<u>16,414,274</u>
Total comprehensive income for the period	<u>11,990,570</u>	<u>16,414,274</u>


The notes on pages 13 to 21 form an integral part of these financial statements.

Nickelodeon Huggings U.K. Limited

Statement of financial position as at 31 December 2020

	Note	As at 31 December 2020 £	As at 31 December 2019 £
Fixed assets			
Investments	9	5,526,879	5,526,879
Current assets			
Debtors	10	16,010,130	4,010,488
Creditors: Amounts falling due within one year	11	<u>(17,881)</u>	<u>(8,809)</u>
Net current assets		<u>15,992,249</u>	<u>4,001,679</u>
Net assets		<u>21,519,128</u>	<u>9,528,558</u>
Capital and reserves			
Called up share capital	13	100	100
Capital contribution		5,427,667	5,427,667
Profit and loss account		<u>16,091,361</u>	<u>4,100,791</u>
Total equity		<u>21,519,128</u>	<u>9,528,558</u>

Approved and authorised by the Board on 10 June 2021 and signed on its behalf by:


 Gill Suki (Jun 10, 2021 11:41 GMT+1)

S.K. Gill
 Director

The notes on pages 13 to 21 form an integral part of these financial statements.

Nickelodeon Huggings U.K. Limited

Statement of changes in equity for the 12 months ended 31 December 2020

	Share capital £	Capital contribution £	Profit and loss account £	Total £
At 1 January 2020	100	5,427,667	4,100,791	9,528,558
Profit for the year	-	-	11,990,570	11,990,570
Total comprehensive income	-	-	11,990,570	11,990,570
At 31 December 2020	<u>100</u>	<u>5,427,667</u>	<u>16,091,361</u>	<u>21,519,128</u>

	Share capital £	Capital contribution £	Profit and loss account £	Total £
At 1 October 2018	100	5,427,667	5,086,517	10,514,284
Profit for the period	-	-	16,414,274	16,414,274
Total comprehensive income	-	-	16,414,274	16,414,274
Dividends	-	-	(17,400,000)	(17,400,000)
At 31 December 2019	<u>100</u>	<u>5,427,667</u>	<u>4,100,791</u>	<u>9,528,558</u>

The notes on pages 13 to 21 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 2020

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.

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 ViacomCBS Inc. which are publicly available.

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

The notes on pages 13 to 21 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 2020

2 Accounting policies (continued)

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 ViacomCBS Inc. 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.

Investments in joint ventures

Investments in joint ventures are recorded at cost, adjusted for any permanent diminution in value. Any diminution in value is reflected in the statement of comprehensive income when the diminution is identified.

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 2020

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.

The notes on pages 13 to 21 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 2020

2 Accounting policies (continued)

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.

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 estimates or assumptions 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 (15 months ended 31 December 2019: none).

3 Operating profit

Arrived at after charging

	For the 12 months ended 31 December 2020	For the 15 months ended 31 December 2019
	£	£
Auditors' remuneration	<u>8,809</u>	<u>8,809</u>

The notes on pages 13 to 21 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 2020

4 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.

5 Staff costs

The Company had no employees during the 12 months ended 31 December 2020 (15 months ended 31 December 2019: nil).

6 Other interest receivable and similar income

	For the 12 months ended 31 December 2020	For the 15 months ended 31 December 2019
	£	£
Interest receivable from group undertakings	<u>2,792</u>	<u>24,184</u>

7 Interest payable and similar expenses

	For the 12 months ended 31 December 2020	For the 15 months ended 31 December 2019
	£	£
Interest payable to group undertakings	<u>2,354</u>	<u>-</u>

The notes on pages 13 to 21 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 2020

8 Taxation

The tax on profit before tax for the 12 months ended 31 December 2020 is lower than the standard rate of corporation tax in the UK (2019: lower than the standard rate of corporation tax in the UK) of 19% (15 months ended 31 December 2019: lower than the standard rate of corporate tax in the UK of 19%).

The differences are reconciled below:

	For the 12 months ended 31 December 2020 £	For the 15 months ended 31 December 2019 £
Profit before tax	<u>11,990,570</u>	<u>16,414,274</u>
Corporation tax at standard rate	2,278,208	3,118,712
Effect of revenues exempt from taxation	(2,280,000)	(3,116,418)
Tax increase/(decrease) arising from group relief	<u>1,792</u>	<u>(2,294)</u>
Total tax charge/(credit) in the income statement	<u>-</u>	<u>-</u>

Factors that may affect future tax charges:

In the Spring Budget 2020, the UK 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.

9 Investments in subsidiaries, joint ventures and associates

	As at 31 December 2020 £	As at 31 December 2019 £
Investments in joint ventures	<u>5,526,879</u>	<u>5,526,879</u>
Joint ventures		£
Cost		
At 31 December 2019		<u>5,526,879</u>
Carrying amount		
At 31 December 2020		<u>5,526,879</u>
At 31 December 2019		<u>5,526,879</u>

The notes on pages 13 to 21 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 2020

9 Investments in subsidiaries, joint ventures and associates (continued)

The directors believe that the carrying amount of the investment is supported by its underlying net assets.

On 16 December 1992, the Company entered into a contractual agreement with Kidsprog Limited (formerly Preci 1177 Limited), a subsidiary of British Sky Broadcasting Group plc, to form a joint venture company in the UK called Nickelodeon UK, then an unlimited company, in which each of the Company and Kidsprog Limited held a 50% shareholding.

On 1 June 2006, an affiliate of the Company, Nickelodeon UK Holdings LLC, which is a US corporation wholly-owned by Viacom International Inc., acquired 20% of the issued share capital of Nickelodeon UK. As a result, the Company's holding was diluted from 50% to 40%. The Company and Nickelodeon UK Holdings LLC, which are both Viacom International Inc. owned subsidiaries collectively hold together 60% of the issued share capital in Nickelodeon UK. Nickelodeon UK is a leading commercial children's TV network in the UK and Ireland.

On 2 June 2006, Nickelodeon UK was re-registered as a private limited company under the name Nickelodeon U.K. Limited which is incorporated in the United Kingdom. The registered address is 17-29 Hawley Crescent, London, NW1 8TT, United Kingdom.

10 Debtors

	As at 31 December 2020	As at 31 December 2019
	£	£
Amounts owed by group undertakings	<u>16,010,130</u>	<u>4,010,488</u>

Within the amounts owed by group undertakings there is £16.01 million (At 31 December 2019: £4.01 million) 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

	As at 31 December 2020	As at 31 December 2019
	£	£
Due within one year		
Accruals and deferred income	<u>17,881</u>	<u>8,809</u>

The notes on pages 13 to 21 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 2020

12 Financial instruments

Categorisation of financial instruments

	As at 31 December 2020 £	As at 31 December 2019 £
Financial assets that are debt instruments measured at amortised cost	16,010,130	4,010,488
Financial liabilities measured at amortised cost	<u>17,881</u>	<u>8,809</u>

13 Share capital

Allotted, called up and fully paid shares

	As at 31 December 2020 No.	£	As at 31 December 2019 No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

14 Related party transactions

Nickelodeon U.K. Limited paid dividends for the 12 months ended 31 December 2020 £12,000,000 (15 months ended 31 December 2019: £16,400,000) to the Company.

The Company is exempt under Section 33.1 A of FRS I 02 from disclosing related party transactions with entities that are wholly owned by the Viacom Inc. group.

Nickelodeon Huggings U.K. Limited

Notes to the financial statements for the 12 months ended 31 December 2020

15 Parent and ultimate parent undertaking

The immediate parent undertaking is Viacom Camden Lock Limited, a company registered in England. The ultimate parent undertaking is ViacomCBS Inc. and the ultimate controlling party is National Amusements Inc. Both companies are incorporated in the United States of America.

ViacomCBS Inc. is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2020. The consolidated financial statements of ViacomCBS Inc. are available from 1515 Broadway, New York, NY 10036, United States of America.

On 4 December 2019, Viacom Inc., the ultimate parent company of the Company merged with CBS Corporation. The Company does not expect any financial impact as a result of this merger. The merger resulted in a change in the Company's fiscal year end from 30 September 2019 to 31 December 2019 to align with the year end of the ultimate parent company.