

Nickelodeon International Limited

**Annual report and financial statements for the
year ended 30 September 2016**



Nickelodeon International Limited

Company information

Directors	David Lynn James Currell
Company secretary	Fieldfisher Secretaries Limited
Registered number	03231743
Registered office	17-29 Hawley Crescent London NW1 8TT
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
Bankers	Lloyds TSB Bank plc 72 Lombard Street London EC3V9 JP Morgan Chase 60 Victoria Embankment London EC4YQJP

Directors' report for the year ended 30 September 2016

The directors present their report and the audited financial statements of the Company for the year ended 30 September 2016

Results and dividends

The profit for the financial year amounted to £7,754,072 (2015: £5,872,728). The Company did not pay any dividends during the year (2015: Nil).

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

David Lynn
James Currell

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and

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. They 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.

Qualifying third party indemnity provisions

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 qualifying third party indemnity was in force during the financial year and also at the date of approval of the Financial Statements.

Nickelodeon International Limited

Independent auditors' report to the members of Nickelodeon International Limited

Report on the financial statements**Our Opinion**

In our opinion, Nickelodeon International Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 30 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and financial statements, comprise:

- the Statement of financial position as at 30 September 2016;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception**Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

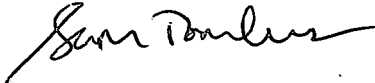
We have no exceptions to report arising from this responsibility.

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Independent auditors' report to the members of Nickelodeon International Limited (continued)

What an audit of financial statements involves (continued)

In addition, we read all the financial and non-financial information in the Annual Report and the financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



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

Date: 15 December 2016

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Statement of financial position as at 30 September 2016

	Note	2016 £	2015 £
Current assets			
Debtors	8	41,466,703	5,465,385
Cash at bank and in hand		296,112	25,435,427
		<u>41,762,815</u>	<u>30,900,812</u>
Creditors: amounts falling due within one year	9	<u>(5,027,112)</u>	<u>(1,919,181)</u>
Net current assets		<u>36,735,703</u>	<u>28,981,631</u>
Total net assets less current liabilities		<u>36,735,703</u>	<u>28,981,631</u>
 Capital and reserves			
Called up share capital	12	1	1
Retained earnings		36,735,702	28,981,630
Total shareholders' funds		<u>36,735,703</u>	<u>28,981,631</u>

The notes on pages 11 to 19 form part of these financial statements.

The financial statements on pages 8 to 19 were approved on 15 December 2016 by the Board of Directors and signed on its behalf by:

James Currell
Director

Date: 15 December 2016

Company registered number: 03231743



Notes to the financial statements for the year ended 30 September 2016

1 Principal accounting policies

General information

The Company is a private limited company limited by shares and is incorporated in the United Kingdom. The address of its registered office is 17-29 Hawley Crescent, Camden, London, NW1 8TT.

Statement of compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

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 years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost convention. This is the first year in which the financial statements have been prepared under FRS 102. FRS 102 has been adopted by the Company at 30 September 2016. The date of transition to FRS is 1 October 2014. Details of the transition to FRS 102 are disclosed in Note 15.

1.2 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report on pages 3 to 4.

The directors believe that the Company is well placed to manage its business risk 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 accounts.

1.3 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, including notification of and no objection to, the use of exemptions by the Company's shareholders.

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 Viacom 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;
- ii) from the requirement to disclose the key management personnel compensation in total as required by FRS 102 paragraph 33.7.

1.4 Related party transactions

The Company is exempt under Section 33.1A of FRS 102 from disclosing related party transactions with entities that are part of the Viacom Inc. group.

Notes to the financial statements for the year ended 30 September 2016

1.9 Financial instruments

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

i) 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 statement of comprehensive income 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 statement of comprehensive income immediately.

Other financial assets, including investments in equity stakes in unlisted companies which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price with movements going through statement of comprehensive income, subject to meeting the requirements of the companies act, and the fair value is determined in accordance with FRS 102 paragraphs 11.27 - 11.32.

Investments whose fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date. Investments in equity stakes in unlisted companies that cannot be measured reliably are measured at cost less impairment.

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.

ii) 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.

iii) 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 to liability

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Notes to the financial statements for the year ended 30 September 2016

4 Staff costs

No staff have employment contracts with the Company and all are employed under contracts with MTV Networks Europe. MTV Networks Europe recharges the Company for the costs of these staff.

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	333,305	291,927
Social security costs	53,394	46,135
Other pension costs	22,046	19,505
	<u>408,745</u>	<u>357,567</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016	2015
	No.	No.
Directors	<u>2</u>	<u>2</u>

Other than the two directors, the Company had no employees during the year (2015: none). The remuneration of the directors is paid by MTV Networks Europe and Viacom International Services Inc. 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 detail above include no remuneration in respect of the directors.

5 Interest receivable and similar income

	2016	2015
	£	£
Bank interest receivable	<u>82,947</u>	<u>10,215</u>
	<u>82,947</u>	<u>10,215</u>

6 Interest payable and similar charges

	2016	2015
	£	£
Bank interest payable	<u>2,983</u>	<u>296</u>

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Notes to the financial statements for the year ended 30 September 2016

9 Creditors:

Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	322,376	95,935
Amounts owed to group undertakings	730,996	1,416,476
Other creditors	164,844	-
Corporation tax	3,441,570	-
Accruals	367,327	406,770
	<u>5,027,112</u>	<u>1,919,181</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

10 Deferred tax asset

	2016	2015
	£	£
At beginning of year	2,000	2,000
Charge of the year	(359)	-
At the end of year	<u>1,641</u>	<u>2,000</u>

The deferred tax asset is made up as follows:

	2016	2015
	£	£
Accelerated capital allowances	<u>1,641</u>	<u>2,000</u>

11 Financial instruments

The Company has the following financial instruments:

	2016	2015
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	2,483,237	1,761,773
Amounts owed by group undertakings	36,873,284	528,411
Other debtors	-	1,743,862
	<u>39,356,521</u>	<u>4,034,046</u>

Financial liabilities that are measured at amortised cost

	2016	2015
	£	£
Trade creditors	322,376	95,935
Amounts owed to group undertakings	730,996	1,416,476
Other creditors	164,844	-
	<u>1,218,216</u>	<u>1,512,411</u>

Notes to the financial statements for the year ended 30 September 2016

14 Transition to FRS 102 (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, including notification of and no objection to, the use of exemptions by the Company's shareholders. 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 Viacom Inc. which are publicly available.

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

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

Reconciliation of profit for the financial year:

	30 September 2015 £
Profit for the financial year as previously reported under UK GAAP	5,872,728
Adjustments on transition	-
Profit for the financial year as reported under FRS 102	<u>5,872,728</u>

Reconciliation of other comprehensive income for the year:

	30 September 2015 £
As previously reported under UK GAAP	-
Adjustments on transition	-
As reported under FRS 102	<u>-</u>

Reconciliation of the Shareholders' funds:

	1 October 2014 £	30 September 2015 £
Shareholders' funds as previously reported under UK GAAP	23,108,903	28,981,631
Adjustments on transition	0	0
Total Shareholders' funds as reported under FRS 102	<u>23,108,903</u>	<u>28,981,631</u>