

Registration number: 03231743 (England)

Nickelodeon International Limited

Report and financial statements

for the 12 months ended 31 December 2020



Nickelodeon International Limited

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Nickelodeon International Limited

Company information

Directors S.K. Gill
J.E. Tatam (appointed 16 June 2020)

Company secretary Fieldfisher Secretaries Limited

Registered office 17-29 Hawley Crescent
London
United Kingdom
NW1 8TT

Bankers JPMorgan Chase Bank
60 Victoria Embankment
London
United Kingdom
EC4Y OJP

Citibank
33 Canada Square
London
E14 5LB

Independent auditors PricewaterhouseCoopers LLP
1 Embankment Place
London
United Kingdom
WC2N 6RH

Nickelodeon International Limited

Strategic report for the 12 months ended 31 December 2020

The directors present their strategic report for Nickelodeon International Limited ("the Company") for the 12 months ended 31 December 2020.

Principal activities and future developments

The principal activities of the Company are the sale of advertising space and collection of subscription income in respect of Nickelodeon channels in France, Belgium and Scandinavia. The directors expect this activity to continue for the foreseeable future.

Business review

The profit after tax for the 12 months ended 31 December 2020 was £13,651k (15 months ended 31 December 2019: profit of £21,691k). The profit for the financial year has been transferred to reserves.

Net assets as at 31 December 2020 total £28,466k (31 December 2019: £14,815k).

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 the following risks:

Liquidity risk

The Company's customer profile is such that late payments and defaults may reduce the funds available for operations and planned expansions. The Company manages this by actively monitoring customer payments and following up overdue balances. In addition there is a risk that the intercompany receivable will not be paid. These risks are monitored through a Group Treasury management function which invests surplus funds and manages borrowings for ViacomCBS Inc. group companies.

Foreign exchange risk

To the extent that the Company enters into banking arrangements and intercompany agreements in currencies different to that of the Company's functional currency of Pound Sterling, there is an exposure to movements in exchange rates. The Company does not participate in cross currency hedging. These risks are monitored by Group Treasury, who minimise the non-functional currency cash holdings so that we are not over exposed to gains and losses throughout the year.

Nickelodeon International Limited

Strategic report for the 12 months ended 31 December 2020


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.

The impact of COVID-19 on Viacom CBS' businesses includes the cancellation of broadcast events, delays of the 2021-television broadcast season as a result of temporary production shutdowns, abandonment of content that was not completed, delays in the delivery of programming to third parties and fewer original programs and live events airing on our broadcast and cable networks. While production has resumed, it is not possible to predict whether future production delays or shutdowns will be encountered, or if and to what extent our revenues will continue to be negatively impacted. Additionally, with the resumption of production incremental costs relating to health and safety protocols were incurred, which are expected to continue throughout 2021. This was mitigated by lower costs in production, distribution and advertising and promotion as well as cost saving initiatives. Viacom CBS has taken steps to strengthen its financial position during this period of market uncertainty through activities such as the issuance of long-term debt and redemption of near-term debt.

Management currently believes that, as a result of the assurances it has received from the senior management of the wider Viacom CBS 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 18 November 2021 and signed on its behalf by:


Gill Suki (Nov 18, 2021 11:17 GMT)

S.K. Gill
Director

Nickelodeon International 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:

S.K. Gill

J.E. Tatam (appointed 16 June 2020)

Results and dividends

The profit for the 12 months ended 31 December 2020 was £13,651k (12 months ended 31 December 2019: £21,691k).

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: £26,500k).

Streamlined energy and carbon reporting

The Company is a low energy user therefore exempt from disclosing carbon related information under the Streamlined Energy & Carbon Reporting scheme.

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 period 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 18 November 2021 and signed on its behalf by:


Gill Suki (Nov 18, 2021 11:17 GMT)

S.K. Gill
Director

Nickelodeon International Limited

Statement of directors' responsibilities

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", 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 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 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' confirmation


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 group and 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

Independent auditors

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

Approved by the Board on 18 November 2021 and signed on its behalf by:


Gill Suki (Nov 18, 2021 11:17 GMT)

S.K. Gill
Director

Nickelodeon International Limited

Independent auditors' report to the members of Nickelodeon International Limited

Report on the audit of the financial statements

Opinion

In our opinion, Nickelodeon International 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", 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 financial statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2020; 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 International Limited

Independent auditors' report to the members of Nickelodeon International 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 International Limited

Independent auditors' report to the members of Nickelodeon International 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:

- Identifying and testing journal entries to address the risk of inappropriate journals
- Reviewing the financial statement disclosures and agreeing to underlying supporting documentation
- Discussion with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud

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.

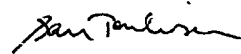
Other required reporting

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.



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

Nickelodeon International Limited

Income statement for the 12 months ended 31 December 2020

		For the 12 months ended 31 December 2020 £ 000	For the 15 months ended 31 December 2019 £ 000
	Note		
Turnover	3	38,520	63,003
Cost of sales		<u>(19,246)</u>	<u>(35,314)</u>
Gross profit		19,274	27,689
Administrative expenses		<u>(366)</u>	<u>(1,260)</u>
Operating profit	4	18,908	26,429
Interest receivable and similar income	7	7	52
Interest payable and similar expenses	8	<u>(18)</u>	<u>(15)</u>
Profit before tax		18,897	26,466
Tax on profit	9	<u>(5,246)</u>	<u>(4,775)</u>
Profit for the financial period		<u><u>13,651</u></u>	<u><u>21,691</u></u>

The above results were derived from continuing operations.

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

The notes on pages 13 to 22 form an integral part of these financial statements.

Nickelodeon International Limited

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


	For the 12 months ended 31 December 2020 £ 000	For the 15 months ended 31 December 2019 £ 000
Profit for the financial period	<u>13,651</u>	<u>21,691</u>
Total comprehensive income for the financial period	<u>13,651</u>	<u>21,691</u>

Nickelodeon International Limited

Statement of financial position as at 31 December 2020

	Note	As at 31 December 2020 £ 000	As at 31 December 2019 £ 000
Current assets			
Debtors	10	39,239	25,461
Cash at bank and in hand		323	286
		<u>39,562</u>	<u>25,747</u>
Creditors: amounts falling due within one year	11	<u>(11,096)</u>	<u>(10,932)</u>
Net assets		<u>28,466</u>	<u>14,815</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		<u>28,466</u>	<u>14,815</u>
Total equity		<u>28,466</u>	<u>14,815</u>

Approved and authorised by the Board on 18 November 2021 and signed on its behalf by:


Gill Suki (Nov 18, 2021 11:17 GMT)

S.K. Gill
Director

Nickelodeon International Limited

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

	Called up share capital £ 000	Retained earnings £ 000	Total shareholders' funds £ 000
At 1 January 2020	-	14,815	14,815
Profit for the financial year	-	13,651	13,651
Total comprehensive income for the financial year	-	13,651	13,651
At 31 December 2020	-	28,466	28,466

	Called up share capital £ 000	Retained earnings £ 000	Total shareholders' funds £ 000
At 1 October 2018	-	19,624	19,624
Profit for the financial period	-	21,691	21,691
Total comprehensive income for the financial period	-	21,691	21,691
Dividends	-	(26,500)	(26,500)
At 31 December 2019	-	14,815	14,815

Nickelodeon International 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
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 '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.

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:

Nickelodeon International Limited

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

2 Accounting policies (continued)

- 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

Turnover

Turnover, which excludes value added tax, represents the invoiced and accrued value of advertising and subscription income.

Subscriber income is recognised over the period of the subscription. Advertising revenue is recognised when the advertisement has aired.

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 income statement.

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

Nickelodeon International Limited

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

2 Accounting policies (continued)

Financial instruments

Financial assets

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

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.

Nickelodeon International Limited

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

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts, when applicable, are shown within creditors in current liabilities.

The company is also 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

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

Current tax

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

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted. The recoverability of tax losses is assessed by reference to forecasts, which have been prepared and approved by the Board of Directors.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of timing difference.

Nickelodeon International Limited

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

2 Accounting policies (continued)

Employee benefits

The Company provides a range of benefits to employees, including defined contribution pension plans and holiday pay.

Short-term benefits

Short term employee benefits such as salaries and compensated absence are recognised as an expense in the year employees render services to the Company. A liability is recognised at each statement of financial position date to the extent that employee holiday allowance has been accrued but not taken, the expense being recognised as staff costs in the statement of comprehensive income.

Pension costs

The Company operates a defined contribution pension scheme for certain employees, including employees whose costs are recharged to the Company (see note 5). The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions are charged to the statement of comprehensive income as they become payable in accordance with the rules of the scheme.

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 period in which the estimates are revised and in any future periods 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 in the next financial year (15 months ended 31 December 2019: none).

3 Turnover

The analysis of the Company's revenue for the year from continuing operations is as follows:

	For the 12 months ended 31 December 2020 £ 000	For the 15 months ended 31 December 2019 £ 000
Subscriber income	23,599	39,093
Advertising income	14,921	23,910
	<u>38,520</u>	<u>63,003</u>

Nickelodeon International Limited

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

3 Turnover (continued)

The analysis of the Company's turnover for the year by market is as follows:

	For the 12 months ended 31 December 2020 £ 000	Represented For the 15 months ended 31 December 2019 £ 000
France	24,811	32,044
Scandinavia	11,356	27,699
Belgium	2,353	3,260
	<u>38,520</u>	<u>63,003</u>

A disclosure representation has been made to correct the mapping of turnover by geography. France and Scandinavia were incorrectly transposed, however the overall total remains the same.

4 Operating profit

The operating profit is stated after charging/(crediting):

	For the 12 months ended 31 December 2020 £ 000	For the 15 months ended 31 December 2019 £ 000
Auditors' remuneration	39	39
Foreign exchange gains	<u>(542)</u>	<u>(199)</u>

5 Staff costs

The following staff costs were recharged to the Company as follows:

	For the 12 months ended 31 December 2020 £ 000	Represented For the 15 months ended 31 December 2019 £ 000
Wages and salaries	674	816
Social security costs	68	118
Other pension costs	41	42
	<u>783</u>	<u>976</u>

A disclosure representation has been made to correct the mapping of staff costs. Wages and salaries have increased by £209K.

The above represents staff costs that are recharged 100% to the Company from a group undertaking. The Company has no employees for the 12 months ended 31 December 2020 (15 months ended 31 December 2019: none).

Nickelodeon International Limited

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

6 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.

7 Interest receivable and similar income

	For the 12 months ended 31 December 2020 £ 000	For the 15 months ended 31 December 2019 £ 000
Bank interest receivable	<u>7</u>	<u>52</u>

8 Interest payable and similar expenses

	For the 12 months ended 31 December 2020 £ 000	For the 15 months ended 31 December 2019 £ 000
Bank interest payable	<u>18</u>	<u>15</u>

9 Tax on profit

Tax charged/(credited) in the income statement

	For the 12 months ended 31 December 2020 £ 000	For the 15 months ended 31 December 2019 £ 000
Current taxation		
UK corporation tax	-	4,023
UK corporation tax adjustment to prior periods	<u>5,246</u>	<u>758</u>
	<u>5,246</u>	<u>4,781</u>
Deferred taxation		
Arising from origination and reversal of timing differences	-	(7)
Arising from changes in tax rates and laws	<u>-</u>	<u>1</u>
Total deferred taxation	<u>-</u>	<u>(6)</u>
Tax expense in the income statement	<u>5,246</u>	<u>4,775</u>

Nickelodeon International Limited

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

9 Tax on profit (continued)

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

The differences are reconciled below:

	For the 12 months ended 31 December 2020 £ 000	For the 15 months ended 31 December 2019 £ 000
Profit before tax	<u>18,897</u>	<u>26,466</u>
Corporation tax at standard rate	3,591	5,029
Effect of expense not deductible in determining taxable profit (taxable loss)	-	1
UK deferred tax expense relating to changes in tax rates or laws	-	1
Increase in UK and foreign current tax from adjustment for prior periods	5,246	758
Tax decrease arising from group relief	<u>(3,591)</u>	<u>(1,014)</u>
Total tax charge in the income statement	<u><u>5,246</u></u>	<u><u>4,775</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.

Deferred tax

Deferred tax assets and liabilities

As at 31 December 2020

	Asset £ 000
Accelerated capital allowances	-
Fixed asset timing differences	<u>1</u>
	<u><u>1</u></u>

Nickelodeon International Limited

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

9 Tax on profit (continued)

As at 31 December 2019	Asset £ 000
Accelerated capital allowances	7
Fixed asset timing differences	-
	<u>7</u>

10 Debtors

	Note	As at 31 December 2020 £ 000	As at 31 December 2019 £ 000
Trade debtors		4,404	2,282
Amounts owed by group undertakings	14	27,520	13,703
Other debtors		106	187
Prepayments and accrued income		7,208	9,072
Deferred tax assets	9	1	1
Corporation tax	9	-	216
		<u>39,239</u>	<u>25,461</u>

Within the amounts owed by group undertakings there is £27.3m (31 December 2019: £6.7m) 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 a group company on the last day of the month. These amounts are repayable on demand.

11 Creditors: amounts falling due within one year

	Note	As at 31 December 2020 £ 000	As at 31 December 2019 £ 000
Due within one year			
Trade creditors		299	462
Amounts owed to group undertakings	14	9,286	8,051
Accruals and deferred income		764	2,300
Other taxation and social security		-	119
Corporation Tax	9	747	-
		<u>11,096</u>	<u>10,932</u>

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

Nickelodeon International Limited

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

12 Financial instruments

Financial instruments

	As at 31 December 2020 £ 000	As at 31 December 2019 £ 000
Financial assets that are debt instruments measured at amortised cost	32,030	22,962
Financial liabilities measured at amortised cost	9,585	10,351

13 Called up share capital

Allotted, called up and fully paid shares

	As at 31 December 2020 No.	£ 000	As at 31 December 2019 No.	£ 000
Ordinary shares of £1 each	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

14 Related party transactions

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

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 10036, United States of America.

On 4 December, 2019, Viacom Inc., the ultimate parent company of Nickelodeon International Limited 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.