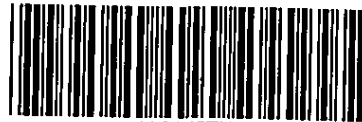


Viacom Camden Lock Limited

Directors' report and financial statements
for the year ended 30 September 2012

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Viacom Camden Lock Limited

Company Information

Directors	J Currell S Jackson T Stevenson
Company secretary	FFW Secretaries Limited
Company number	7139521
Registered office	17-29 Hawley Crescent Camden London NW1 8TT
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
Bankers	JP Morgan 60 Victoria Embankment London EC4Y 0JP Bank Mendes Gans N V Herengracht 619 1017CE Amsterdam Netherlands

Viacom Camden Lock Limited

Contents

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 16

Viacom Camden Lock Limited

**Directors' report
for the year ended 30 September 2012**

The directors present their report and the audited financial statements of Viacom Camden Lock Limited (the 'Company') for the year ended 30 September 2012

Principal activities and review of business

The Company earns rental income from group undertakings as a property management business. The directors expect this activity to continue for the foreseeable future.

Key Performance Indicators (KPIs)

Given the straightforward nature of the business, 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.

Results and dividends

The loss for the year, after taxation, amounted to £1,204,858 (2011 profit £122,581).

The directors paid no dividends during the current or preceding year.

Directors

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

J Currell
S Jackson
T Stevenson

None of the directors who served during the year had any interest in the shares of the Company.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are integrated with those of Viacom Inc. and are not managed separately. The principal risks and uncertainties of Viacom Inc., which include those of the Company, are discussed in Viacom Inc.'s annual report which does not form part of this report.

Going concern basis

The company was refinanced on 18 October 2011 and all outstanding intercompany loans were repaid using the proceeds from the issue of a £34.7m zero coupon loan note at a subscription rate of £27.4m to a fellow group undertaking. The zero coupon loan note is repayable on 18 October 2016. Following this refinancing, and after making enquiries, the directors have formed a judgement, that at the time of approving these financial statements, and having considered the Company's forecasts and projections, there is a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

Viacom International Inc., the Company's immediate parent company, has confirmed in writing its intention to support the Company.

**Directors' report
for the year ended 30 September 2012**

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

Statement of directors' responsibilities

The directors are responsible for preparing the 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 judgments and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for 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.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that 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 ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Viacom Camden Lock Limited

**Directors' report
for the year ended 30 September 2012**

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

This report was approved by the board on 11 April 2013 and signed on its behalf


J Currell
Director

Independent auditors' report to the members of Viacom Camden Lock Limited

We have audited the financial statements of Viacom Camden Lock Limited (the "Company") for the year ended 30 September 2012, which comprise the Profit and Loss account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2012 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

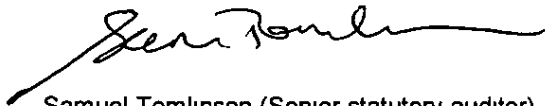
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Viacom Camden Lock Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report



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

11 April 2013

Viacom Camden Lock Limited

**Profit and loss account
for the year ended 30 September 2012**

	Note	2012 £	2011 £
Turnover	2	1,511,724	332,075
Administrative expenses		<u>(1,320,137)</u>	<u>(117,393)</u>
Operating profit	3	191,587	214,682
Interest receivable and similar income	5	29,114	-
Interest payable and similar charges	6	<u>(1,276,422)</u>	<u>(48,251)</u>
(Loss)/profit on ordinary activities before taxation		(1,055,721)	166,431
Tax on (loss)/profit on ordinary activities	7	<u>(149,137)</u>	<u>(43,850)</u>
(Loss)/profit for the financial year	13	<u><u>(1,204,858)</u></u>	<u><u>122,581</u></u>

All amounts relate to continuing activities

The Company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented

There is no material difference between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial year stated above and their historical cost equivalents

The notes on pages 8 to 16 form part of these financial statements

Viacom Camden Lock Limited
Registered number: 7139521

Balance sheet
as at 30 September 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	8		26,265,850		19,065,727
Current assets					
Debtors	9	2,366,047		491,420	
Cash at bank and in hand		2,315,253		1,288,165	
		<u>4,681,300</u>		<u>1,779,585</u>	
Creditors: amounts falling due within one year	10	<u>(31,887,426)</u>		<u>(20,722,730)</u>	
Net current liabilities			<u>(27,206,126)</u>		<u>(18,943,145)</u>
Total assets less current liabilities			<u>(940,276)</u>		<u>122,582</u>
Provisions for liabilities					
Deferred tax	11		<u>(142,000)</u>		<u>-</u>
Net (liabilities)/assets			<u><u>(1,082,276)</u></u>		<u><u>122,582</u></u>
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account	13		<u>(1,082,277)</u>		<u>122,581</u>
Total shareholders' (deficit)/funds	14		<u><u>(1,082,276)</u></u>		<u><u>122,582</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 April 2013


J Currell
 Director

The notes on pages 8 to 16 form part of these financial statements

**Notes to the financial statements
for the year ended 30 September 2012**

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the current and preceding year is set out below

1.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the UK

The Company was refinanced on 18 October 2011 and all outstanding intercompany loans were repaid using the proceeds from the issue of a £34.7m zero coupon loan note at a subscription value of £27.4m to a fellow group undertaking. The zero coupon loan note is repayable on 18 October 2016. Following this refinancing, and after making enquiries, the directors have formed a judgement, that at the time of approving the financial statements, and having considered the Company's forecasts and projections, there is a reasonable expectation that the Company has adequate resources to continue in operations for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

1.2 Cash flow statement and related party transactions

The Company is a wholly owned subsidiary of Viacom Inc. and is included in the consolidated financial statements of Viacom Inc., which are publicly available. Consequently the Company has taken advantage of the exemption from preparing a cashflow statement under the terms of FRS1 'Cashflow statements'. The Company is also exempt under the terms of FRS 8 'Related Party Disclosures' from disclosing related party transactions with entities that are part of the Viacom Inc. group or investees of the Viacom Inc. group.

1.3 Turnover

Turnover represents rental income receivable under operating leases from group undertakings.

Rental income under operating leases is credited to the income statement on a straight-line basis over the term of the lease.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	-	4% straight line
Land	-	not depreciated
Equipment, fixtures & fittings	-	10-20% straight line
Assets under construction	-	not depreciated

These rates are calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its estimated useful life.

1.5 Operating leases

Rentals under operating leases are charged to the Profit and Loss account on a straight line basis over the lease term.

**Notes to the financial statements
for the year ended 30 September 2012**

1 Accounting policies (continued)

1.6 Deferred taxation

Current taxation is based on the results for the year

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are measured at the average tax rates that are expected to apply in the year in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date

Deferred tax assets and liabilities are not discounted

1.7 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year

2 Turnover

Turnover represents rental income receivable under operating leases from group undertakings

All turnover arose within the United Kingdom

3 Operating profit

The operating profit is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	502,547	107,762
Auditors' remuneration	18,683	9,600
Operating lease rentals - property	24,438	-

During the year, no director received any emoluments in respect of qualifying services to the Company (2011 - £nil)

The directors of the Company are employed under contracts with MTV Networks Europe, a fellow group undertaking

Viacom Camden Lock Limited

**Notes to the financial statements
for the year ended 30 September 2012**

4 Staff costs

Staff costs were as follows

	2012 £	2011 £
Wages and salaries	444,779	-
Social security costs	41,814	-
Other pension costs	12,609	-
	<u>499,202</u>	<u>-</u>

The average monthly number of employees during the year was as follows

	2012 No	2011 No
Services	<u>11</u>	<u>0</u>

5 Interest receivable and similar charges

	2012 £	2011 £
Interest receivable on group loans	<u>29,114</u>	<u>-</u>

6 Interest payable and similar charges

	2012 £	2011 £
Bank interest	3,693	-
Interest due to group undertakings	1,272,729	48,251
	<u>1,276,422</u>	<u>48,251</u>

Notes to the financial statements
for the year ended 30 September 2012

7 Tax on (loss)/profit on ordinary activities

	2012 £	2011 £
Analysis of tax (credit)/charge in the year		
Current tax		
UK corporation tax charge on (loss)/profit for the year	-	51,790
Adjustments in respect of prior years	(803)	-
Total current tax	(803)	51,790
Deferred tax (see note 11)		
Origination and reversal of timing differences	149,940	(7,940)
Tax on (loss)/profit on ordinary activities	149,137	43,850

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - *higher than*) the standard rate of corporation tax in the UK of 25% (2011 - 26%) The differences are explained below

	2012 £	2011 £
(Loss)/profit on ordinary activities before tax	(1,055,721)	166,431
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2011 - 26%)	(263,930)	43,272
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	66,930	578
Capital allowances for year in excess of depreciation	(140,000)	7,940
Adjustments to tax charge in respect of prior periods	(803)	-
Group relief surrendered	337,000	-
Current tax (credit)/charge for the year	(803)	51,790

The company has surrendered the benefit of tax losses amounting to £1,348,000 to a fellow subsidiary undertaking without receiving any payment, therefore no tax losses are available for carry-forward

Factors that may affect future tax charges

The standard rate of corporation tax in the UK changed from 26% to 24% with effect from 1 April 2012 Accordingly, the company results are taxed at an effective rate of 25% A further reduction to 23% effective from 1 April 2013 was substantively enacted by Parliament on 3 July 2012 Further changes are proposed to reduce the tax rate to 21% by 1 April 2014

Viacom Camden Lock Limited

Notes to the financial statements
for the year ended 30 September 2012

8 Tangible fixed assets

	Assets under construction £	Land £	Buildings £	Fixtures & fittings £	Total £
Cost					
At 1 October 2011	2,100,169	10,000,000	6,300,000	773,320	19,173,489
Additions	7,125,268	-	-	577,402	7,702,670
Transfer between classes	(8,886,750)	-	8,886,750	-	-
At 30 September 2012	338,687	10,000,000	15,186,750	1,350,722	26,876,159
Accumulated depreciation					
At 1 October 2011	-	-	58,634	49,128	107,762
Charge for the year	-	-	311,715	190,832	502,547
At 30 September 2012	-	-	370,349	239,960	610,309
Net book value					
At 30 September 2012	338,687	10,000,000	14,816,401	1,110,762	26,265,850
At 30 September 2011	2,100,169	10,000,000	6,241,366	724,192	19,065,727

9 Debtors

	2012 £	2011 £
Amounts owed by group undertakings	1,907,149	378,629
Other debtors	456,182	104,851
Prepayments	2,716	-
Deferred tax asset (see note 11)	-	7,940
	2,366,047	491,420

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

Viacom Camden Lock Limited

**Notes to the financial statements
for the year ended 30 September 2012**

**10. Creditors:
Amounts falling due within one year**

	2012 £	2011 £
Bank overdraft	1,805,483	3,500,000
Trade creditors	18,456	-
Amounts owed to group undertakings	28,777,430	17,161,340
Corporation tax	-	51,790
Other creditors	26,915	-
Accruals	1,259,142	9,600
	<u>31,887,426</u>	<u>20,722,730</u>

The interest rate applicable to the loans outstanding at 30 September 2011, which were unsecured and repayable on demand, was one month GBP LIBOR plus 0.625%. These loans were repaid on 18 October 2011 as a result of a refinancing of the Company. On the same day, the Company issued a £34,721,041 zero coupon loan note, due 18 October 2016 to a fellow group undertaking, at a subscription price of £27,400,000 and an effective interest rate of 4.85%. Although not due for repayment until 18 October 2016, the zero coupon loan note is repayable on demand.

11 Deferred taxation

	2012 £	2011 £
At beginning of year	7,940	-
(Charge for)/released during year	(149,940)	7,940
At end of year	<u>(142,000)</u>	<u>7,940</u>

The deferred taxation balance is made up as follows

	2012 £	2011 £
Accelerated capital allowances	<u>142,000</u>	<u>7,940</u>

12 Called up share capital

	2012 £	2011 £
Allotted, called up and fully paid		
1 (2011: 1) ordinary share of £1	<u>1</u>	<u>1</u>

Viacom Camden Lock Limited

**Notes to the financial statements
for the year ended 30 September 2012**

13. Profit and loss account

	Profit and loss account £
At 1 October 2011	122,581
Loss for the financial year	(1,204,858)
At 30 September 2012	<u>(1,082,277)</u>

14 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds	122,582	1
(Loss)/profit for the financial year	(1,204,858)	122,581
Closing shareholders' (deficit)/funds	<u>(1,082,276)</u>	<u>122,582</u>

15. Contingent liabilities**BMG Pool**

The company has entered into a cash pooling agreement with Bank Mendes Gans respect to its Sterling denominated bank account held with Bank Mendes Gans. This arrangement includes a joint and several right of set off that allows BMG, under certain circumstances, to offset debit account balances with credit account balances of participating cash pool members who have entered into the agreement. The cash pooling agreement requires the net pool balance to be positive and in the event of a shortfall, the pool leader, Viacom Global (Netherlands) B V, will increase its cash balance position in order to make the pool positive. At the balance sheet date, funds deposited by the Company into the cash pool and potentially at risk to cover liabilities elsewhere in the group amounted to £nil (2011 £nil). Funds drawn by the Company amounted to £1,805,483 (2011 £3,500,000).

JP Morgan Chase Pool

The Company has entered into a cash pooling agreement with respect of its GBP denominated bank account held with JP Morgan Chase Bank. This arrangement includes a joint and several right of set off that allows JP Morgan Chase Bank, under certain circumstances, to offset debit balances with credit balances of participating cash pool members who have entered into the agreement. The cash pooling agreement allows for maximum gross overdraft positions, in total for both pools of the notional equivalent of \$135m (translated to £84.8m as at 30 September 2012). At the balance sheet date, funds deposited by the Company into the cash pool and potentially at risk to cover liabilities elsewhere in the group amounted to £2,315,253 as at 30 September 2012 (2011 £nil). Funds drawn by the Company amounted to £nil (2011 £nil).

Construction Liability

The Company is in discussion with its main contractor around the finalisation of amounts payable in respect of the building works undertaken.

Viacom Camden Lock Limited

**Notes to the financial statements
for the year ended 30 September 2012**

16. Capital commitments

At 30 September 2012 the Company had capital commitments as follows

	2012 £	2011 £
Contracted for but not provided in these financial statements	<u>2,068,635</u>	<u>8,336,885</u>

17 Pension commitments

The Company contributes to a defined contributions pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents the contributions payable to the fund in the year. No contributions were outstanding at the balance sheet date.

The cost of contributions to the defined contribution scheme amounted to £12,609 (2011: £nil).

18 Operating lease commitments

At 30 September 2012 the Company had lease commitments in respect of properties, for which payment extended over a number of years.

	2012 £	2011 £
Annual commitments under non-cancellable operating leases expiring.		
After more than 5 years	<u>162,468</u>	<u>-</u>

19 Related party transactions

Viacom Inc, through its subsidiaries, holds a 60% interest in Nickelodeon U K Limited. Transactions with this entity are not covered by FRS 8 'Related Party Disclosures' ownership exemption and are therefore disclosed below. All other transactions with entities in the Viacom Inc group are covered by the FRS 8 ownership exemption and are not disclosed separately. All transactions were carried out on normal commercial terms.

During the year, the Company received rental income from Nickelodeon U K Limited amounting to £64,106 (2011: £nil). At the balance sheet date the amount due from Nickelodeon U K Limited to the Company totalled £64,106 (2011: £nil).

Viacom Camden Lock Limited

**Notes to the financial statements
for the year ended 30 September 2012**

20 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Viacom International Inc

The ultimate controlling party is National Amusements Inc

Viacom Inc is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2012. The consolidated financial statements of Viacom Inc are available from 1515 Broadway, New York, 10036

Viacom International Inc is the parent undertaking of the smallest group of undertakings to consolidate these financial statements