

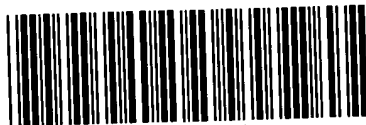
Manga Entertainment Limited

Directors' report and financial statements

For the year ended 31 March 2021

Registered number: 02202664

WEDNESDAY



AAJF3A7K

A10

15/12/2021

#95

COMPANIES HOUSE

Company Information

Directors	T Page I Durndell C W Decker
Registered number	02202664
Registered office	12th Floor, Brunel Building 2 Canalside Walk London W2 1DG
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Coutts & Co 440 Strand London WC2R 0QS

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 6
Statement of comprehensive income	7
Statement of financial position	8
Notes to the financial statements	9 - 16

Directors' report

For the year ended 31 March 2021

The directors present their report together with the financial statements of Manga Entertainment Limited ('the company') for the year ended 31 March 2021.

Directors

The directors who served during the year were:

T Page (appointed 30 October 2020)

I Durndell

R Purini (resigned 27 October 2020)

C W Decker

Directors' responsibilities statement

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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 to 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.

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' report (continued)

For the year ended 31 March 2021

Impact of COVID-19

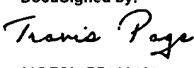
The directors' have considered the impact of the COVID-19 pandemic on the company's operations, with a particular focus on its effect on the company's customers, suppliers and employees.

The directors do not consider there to be a cause for material uncertainty in respect of the company's ability to continue as a going concern. The company has adapted well, successfully employing contingency plans, and the directors consider that the company has sufficient financial resources to continue for the foreseeable future.

Small companies exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

82DE564EFA0046A...
T Page
Director

Date: 12/6/2021

Independent auditor's report to the members of Manga Entertainment Limited

For the year ended 31 March 2021

Opinion

We have audited the financial statements of Manga Entertainment Limited (the 'company') for the year ended 31 March 2021, which comprise the Statement of comprehensive income, the Statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of Manga Entertainment Limited (continued)

For the year ended 31 March 2021

Other information (continued)

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Independent auditor's report to the members of Manga Entertainment Limited (continued)

For the year ended 31 March 2021

Auditor's 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 Auditor's 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.

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the company through discussions with directors and other management at the planning stage and during the audit;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations; we considered the impact of COVID-19 on the company and its internal controls;
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including the Companies Act 2006, employment legislation, and taxation legislation; and
- we considered the impact of Brexit on the company and the laws and regulations above.

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- inspecting legal expenditure and correspondence throughout the year for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process, taking into account the impact of COVID-19 on controls during the year;
- identified and challenged assumptions and judgements made by management in its significant accounting estimates;
- reviewed journal entries throughout the year to identify unusual transactions, particularly in relation to expenditure;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior period; and
- carried out substantive testing to check the occurrence and cut-off of income and expenditure.

Independent auditor's report to the members of Manga Entertainment Limited (continued)

For the year ended 31 March 2021

Auditor's responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Wax (Senior statutory auditor)
for and on behalf of
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL
Date: 10 December 2021

Statement of comprehensive income

For the year ended 31 March 2021

	2021 £	2020 £
Turnover	4,882,948	4,837,111
Cost of sales	(2,285,283)	(2,256,354)
Gross profit	2,597,665	2,580,757
Distribution costs	(302,036)	(508,851)
Administrative expenses	(1,752,038)	(1,585,671)
Operating profit	543,591	486,235
Interest receivable and similar income	282	1,694
Interest payable and expenses	(582)	-
Profit before tax	543,291	487,929
Tax on profit	(98,592)	(127,218)
Profit for the financial year	444,699	360,711
Other comprehensive income for the year		
Total comprehensive income for the year	444,699	360,711

The notes on pages 9 to 16 form part of these financial statements.

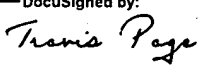
Statement of financial position

As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	1,800,044	1,535,173
Tangible assets	5	18,522	28,194
Investments	6	1	1
		<u>1,818,567</u>	<u>1,563,368</u>
Current assets			
Stocks	7	647,818	568,455
Debtors: amounts falling due within one year	8	859,397	958,800
Cash at bank and in hand		2,094,197	1,013,238
		<u>3,601,412</u>	<u>2,540,493</u>
Creditors: amounts falling due within one year	9	(3,599,312)	(2,728,438)
Net current assets/(liabilities)		<u>2,100</u>	<u>(187,945)</u>
Total assets less current liabilities		<u>1,820,667</u>	<u>1,375,423</u>
Provisions for liabilities			
Other provisions	10	(19,597)	(19,052)
Net assets		<u><u>1,801,070</u></u>	<u><u>1,356,371</u></u>
Capital and reserves			
Called up share capital		5,820,497	5,820,497
Share premium account		71,255	71,255
Profit and loss account		(4,090,682)	(4,535,381)
		<u><u>1,801,070</u></u>	<u><u>1,356,371</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

DocuSigned by:

 82DE564EFA0046A...
 T Page
 Director

Date: 12/6/2021

The notes on pages 9 to 16 form part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2021

1. General information

Manga Entertainment Limited ('the company') is a private company limited by shares and incorporated in England & Wales. Its registered office and principal place of business is 12th Floor, Brunel Building 2, Canalside Walk, London W2 1DG. The registered number is 02202664.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102 ('FRS 102'), 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the impact of the COVID-19 pandemic on the company's business, with a particular focus on its effect on the company's customers, suppliers and employees.

The directors do not consider this to be a cause for material uncertainty in respect of the company's ability to continue as a going concern. The company has adapted well, successfully employing contingency plans, and the directors consider that the group has sufficient financial resources to continue for the foreseeable future. Therefore the financial statements have been prepared on a going concern basis.

2.3 Revenue

Revenue includes the sale of DVDs, which is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue generated from the licensing, marketing and distribution and trading of feature films, television and video programming, television and film production and merchandising sales is recognised when:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably;
- and
- the costs incurred and the costs to complete the contract can be measured reliably.

Notes to the financial statements

For the year ended 31 March 2021

2. Accounting policies (continued)

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed six years.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 33% straight line
--------------------	---------------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Stocks

Stocks of raw materials and finished goods are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Stock values are computed using the first in, first out method. Costs included are those incurred in bringing the product to its present location and condition, including purchase price and other directly attributable costs less trade discounts and subsidies.

The estimation technique used for the calculation of provisions against cost for obsolete and slow moving item uses historic sales as a basis for future stock level requirements.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Notes to the financial statements

For the year ended 31 March 2021

2. Accounting policies (continued)

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period 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 and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.11 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.13 Interest income

Interest income is recognised in profit or loss using the effective interest method.

Notes to the financial statements

For the year ended 31 March 2021

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.15 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

3. Employees

The average monthly number of employees, including directors, during the year was 12 (2020 - 11).

Notes to the financial statements

For the year ended 31 March 2021

4. Intangible assets

	Investment in films £
Cost	
At 1 April 2020	5,987,087
Additions	708,704
	<hr/>
At 31 March 2021	6,695,791
	<hr/>
Amortisation	
At 1 April 2020	4,451,914
Charge for the year	443,833
	<hr/>
At 31 March 2021	4,895,747
	<hr/>
Net book value	
At 31 March 2021	1,800,044
	<hr/> <hr/>
At 31 March 2020	1,535,173
	<hr/> <hr/>

Notes to the financial statements

For the year ended 31 March 2021

5. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 April 2020	39,549
Disposals	(10,549)
At 31 March 2021	<u>29,000</u>
Depreciation	
At 1 April 2020	11,355
Charge for the year	9,672
Disposals	(10,549)
At 31 March 2021	<u>10,478</u>
Net book value	
At 31 March 2021	<u><u>18,522</u></u>
At 31 March 2020	<u><u>28,194</u></u>

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	1
At 31 March 2021	<u><u>1</u></u>

7. Stocks

	2021 £	2020 £
Finished goods	<u><u>647,818</u></u>	<u><u>568,455</u></u>

Notes to the financial statements

For the year ended 31 March 2021

8. Debtors

	2021 £	2020 £
Trade debtors	586,133	436,429
Amounts owed by group undertakings	34,539	-
Other debtors	12,938	15,960
Prepayments and accrued income	225,787	506,411
	<u>859,397</u>	<u>958,800</u>

9. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	206,567	478,284
Amounts owed to group undertakings	993,487	208,917
Corporation tax	95,487	18,628
Other taxation and social security	238,072	129,974
Other creditors	209,946	154,631
Accruals and deferred income	1,855,753	1,738,004
	<u>3,599,312</u>	<u>2,728,438</u>

10. Provisions

	Other provisions £
At 1 April 2020	19,052
Utilised in year	545
At 31 March 2021	<u>19,597</u>

Other provisions represent an estimate of the value of future returns of DVDs sold as the majority of sales are made on a sale or return basis.

Notes to the financial statements

For the year ended 31 March 2021

11. Related party transactions

The company has taken advantage of the exemption to disclose related party transactions with other group companies conferred by FRS 102 paragraph 33.1A "Related party disclosures" on the basis that it is a wholly owned subsidiary and consolidated group accounts are prepared, which include the company.

The smallest and largest entity for which group accounts are prepared is FUNimation Productions, LLC ('FUNimation').

FUNimation's registered office is 1200 Lakeside Parkway Suite 100 Flower Mound, TX 75028, United States.