

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020
FOR
DHX WORLDWIDE LIMITED

Registered No. 05786060



DHX WORLDWIDE LIMITED
Registered No. 05786060

CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

	Page
Company Information	I
Directors' Report	2
Statement of Directors' Responsibilities	3
Strategic Report	4
Independent Auditors' Report	5-6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statements of Changes in Equity	9
Notes to the Financial Statements	10

DHX WORLDWIDE LIMITED
Registered No. 05786060

COMPANY INFORMATION
for the year ended 30 June 2020

DIRECTORS:

Ms A S Mirviss
Mr J Bishop
Mr J P Taylor

SECRETARY:

Ms A S Mirviss

REGISTERED OFFICE:

183 Eversholt Street
Ground Floor
London, England
NW1 1BU

REGISTERED NUMBER:

05786060

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

DIRECTORS' REPORT
for the year ended 30 June 2020

The directors present their report and the audited financial statements of the Company for the year ended 30 June 2020.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The Company's principal activity is the acquisition and global distribution of children's entertainment properties including television programmes and licensing of associated intellectual property rights. The Company expects to continue doing as such.

The directors are satisfied with the performance of the business during the year and the financial position of the Company at the year end. The directors believe that the financial statements and related notes give a comprehensive view of the Company's performance and financial position.

RESULTS AND DIVIDENDS

The Company's profit for the year ended 30 June 2020 is £5,190,646 (restated 2019: £7,732,371). During the year, the Company paid no dividends (2019 - £nil).

DIRECTORS

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

Ms A S Mirviss
Mr M Gosine (resigned 31 October 2019)
Mr M P Donovan (resigned 17 October 2019)
Mr J W Bishop (appointed 15 October 2019)
Mr J P Taylor (appointed 24 August 2020)

GOING CONCERN

The financial statements have been prepared on a going concern basis as the ultimate parent undertaking has indicated its intention to provide continuing financial support to the Company for at least twelve months from the date of signing these financial statements, and the foreseeable future thereafter.

PRIOR YEAR RESTATEMENT

Prior to the 2019 fiscal year, the Company recognised licence revenue relating to certain minimum guarantees for royalties on its copyrights and brands at the start of the licence period. In 2019, however, as a result of a group-wide review of revenue recognition policies, the Company changed its accounting policy and accordingly, minimum guarantees were then deferred and amortised over the term of the license. Royalty revenue is calculated as the greater of royalties based on underlying sales or the pro-rata allocation of the minimum guarantee. During the year, it was determined that certain minimum guarantees had not been appropriately recognised following the change in accounting policy, which require adjustments. These adjustments resulted in a reduction to opening retained earnings as at 1 July 2018 by £833,333, a decrease in deferred revenue of £125,000 as at 30 June 2019 and an increase in revenue and profit of £958,333 for the year ended 30 June 2019.

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



Ms A S Mirviss - Director

Date: 21 October 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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.

STRATEGIC REPORT
for the year ended 30 June 2020

The directors present their Strategic Report for the year ended 30 June 2020.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Company's principal activity is the acquisition and global distribution of children's entertainment properties including television programmes and licensing of associated intellectual property rights. The Company expects to continue doing as such.

The directors are satisfied with the performance of the business during the year and the financial position of the Company at the year end. The directors believe that the financial statements and related notes give a comprehensive view of the Company's performance and financial position.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors of WildBrain Ltd. (formerly DHX Media Ltd) (the ultimate parent company) manage the group's risk at a group level, rather than at an individual entity level, including financial risk management.

For this reason, the Company's directors believe that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance or position of the business.

The principal risks and uncertainties of WildBrain Ltd. (formerly DHX Media Ltd), which include those of the Company, are disclosed in the group's annual report, which does not form part of this report.

Copies of WildBrain Ltd. (formerly DHX Media Ltd)'s consolidated financial statements are available from 1478 Queen Street, Halifax, Nova Scotia, Canada, B3J 2H7.

COVID-19 IMPACT ON RISKS


COVID-19 is a global health crisis that led to the disruptions to local economies and may have an adverse effect on the credit risk and currency risk of the Company.

- **Credit risk** - Credit risk is the risk of an unexpected loss if a customer or counter-party to a financial asset or liability fails to meet its contractual obligations, and arises primarily from credit exposure to customers through its outstanding trade receivables. COVID-19 has resulted in an increase in credit risk in the Company's trade receivables. To manage this risk, the Company has increased its collection efforts with customers, risk-adjusted certain customers when determining a loss allowance, and in some limited cases provided customers with payment plans on past due amounts. Given the majority of the Company's customers are large international distribution companies, we have not seen a significant deterioration in the credit quality of our customers and trade receivables to date.
- **Currency risk** - The volatility in foreign currency due to the novel coronavirus situation may cause unpredictable fluctuations in foreign exchange gains and losses. The Company is managing its currency risks partially through extensive testing and will continuously monitor and adjust its position as the situation evolves.

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. The KPI analysis and discussion has been performed in the annual report of the ultimate parent company.

ON BEHALF OF THE BOARD:



Ms A S Mirviss - Director

Date: 21 October 2021

Independent auditors' report to the members of DHX Worldwide Limited

Report on the audit of the financial statements

Opinion

In our opinion, DHX Worldwide Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 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 Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 30 June 2020; 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

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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.

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 30 June 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 set out on page 3, 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.

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.

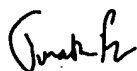
Other required reporting

Companies Act 2006 exception reporting

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

- we have not received 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.



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

22 October 2021

DHX WORLDWIDE LIMITED
Registered No. 05786060

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2020

	Notes	Year ended 30-Jun-20	Year ended 30-Jun-19 (Restated)
		£	£
TURNOVER	3	28,546,286	28,777,989
Cost of sales		(18,969,909)	(16,689,300)
GROSS PROFIT		<u>9,576,377</u>	<u>12,088,689</u>
Administrative expenses		(2,383,780)	(4,460,132)
OPERATING PROFIT	4	<u>7,192,597</u>	<u>7,628,557</u>
Interest receivable and similar income		451,609	523,613
PROFIT BEFORE TAXATION		<u>7,644,206</u>	<u>8,152,170</u>
Tax on profit	6	(2,453,560)	(419,799)
PROFIT FOR THE YEAR		<u><u>5,190,646</u></u>	<u><u>7,732,371</u></u>

The notes on pages 10 to 20 form part of these financial statements.

DHX WORLDWIDE LIMITED
Registered No. 05786060

STATEMENT OF FINANCIAL POSITION
as at 30 June 2020

	Notes	30-Jun-20 £	30-Jun-19 (Restated) £
FIXED ASSETS			
Intangible assets	7	3,012,748	3,386,020
Tangible assets	8	442,019	520,849
Investments in programmes	9	26,215,741	24,724,261
Investments	10	10,866,819	10,866,819
		40,537,327	39,497,949
CURRENT ASSETS			
Debtors (including £7,080,906 receivable in more than one year (2019: £6,689,863))	11	81,070,525	72,950,133
Cash at bank and in hand		7,803,899	1,585,456
		88,874,424	74,535,589
Creditors: amounts falling due within one year	12	(76,633,565)	(66,456,123)
TOTAL ASSETS LESS CURRENT LIABILITIES		52,778,186	47,577,415
Creditors: amounts falling due after more than one year	13	(634,972)	(649,765)
PROVISIONS FOR LIABILITIES			
Deferred taxation	14	(42,546)	(17,628)
NET ASSETS		52,100,668	46,910,022
CAPITAL AND RESERVES			
Called up share capital	15	10,966,717	10,966,717
Share premium account	16	15,210,025	15,210,025
Retained earnings	16	25,923,926	20,733,280
Total equity		52,100,668	46,910,022

The financial statements were approved by the Board of Directors and were signed on its behalf by:

Ms A S Mirviss
Director

A. S. Mirviss

Date: 21 October 2021

The notes on pages 10 to 20 form part of these financial statements.

DHX WORLDWIDE LIMITED
Registered No. 05786060

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2020

	Share capital £	Share premium £	Retained earnings £	Total equity £
Balance at 1 July 2018	10,966,717	15,210,025	13,834,242	40,010,984
Prior year restatement (note 1)			(833,333)	(833,333)
Balance at 30 June 2018 (as restated)	10,966,717	15,210,025	13,000,909	39,177,651
Profit for the year (restated)	-	-	7,732,371	7,732,371
Balance at 30 June 2019	10,966,717	15,210,025	20,733,280	46,910,022
Profit for the year	-	-	5,190,646	5,190,646
Balance at 30 June 2020	<u>10,966,717</u>	<u>15,210,025</u>	<u>25,923,926</u>	<u>52,100,668</u>

The notes on pages 10 to 20 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

I. ACCOUNTING POLICIES

Basis of preparation

DHX Worldwide Limited is a private company limited by shares registered in England and Wales. The address of the registered office is 183 Eversholt Street, Ground Floor, London, England, NW1 1BU.

These financial statements are prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" under the historical cost convention and the Companies Act 2006. The accounting policies have been applied consistently.

Exemptions

In preparing these financial statements, the Company has taken advantage of the following exemptions available under FRS 102:

- the requirements of Section 7, Statement of Cash Flows;
- the requirements of Section 3, Financial Statement Presentation, paragraph 3.17(d);
- the requirements of Section 11, Financial Instruments, paragraphs 11.39 to 11.48A; and
- the requirements of Section 33, Related Party Disclosures, paragraphs 33.7 – 33.9.

Going concern

The financial statements have been prepared on a going concern basis as the ultimate parent undertaking has indicated its intention to provide continuing financial support to the Company for at least twelve months from the date of signing these financial statements, and the foreseeable future thereafter.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable from the distribution of entertainment content and related merchandising rights, net of VAT and other sales related taxes.

Distribution revenue is recognised on the latter of the delivery of materials and the beginning of the licencing period. Merchandising revenue for properties still in production is recognised over the licensing period. Where properties are no longer in production, revenue is recognised in line with the policy applied to distribution revenue.

Prior year restatement

Prior to the 2019 fiscal year, the Company recognised licence revenue relating to certain minimum guarantees for royalties on its copyrights and brands at the start of the licence period. In 2019, however, as a result of a group-wide review of revenue recognition policies, the Company changed its accounting policy and accordingly, minimum guarantees were then deferred and amortised over the term of the license. Royalty revenue is calculated as the greater of royalties based on underlying sales or the pro-rata allocation of the minimum guarantee. During the year, it was determined that certain minimum guarantees had not been appropriately recognised following the change in accounting policy, which require adjustments. These adjustments resulted in a reduction to opening retained earnings as at 1 July 2018 by £833,333, a decrease in deferred revenue of £125,000 as at 30 June 2019 and an increase in revenue and profit of £958,333 for the year ended 30 June 2019.

Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Exchange differences are taken into account in arriving at the operating result.

Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Investments

Investments are stated at cost, less provision for permanent diminution in value.

Investments in Programmes

Investments in programmes comprise costs incurred in the production and acquisition of distribution rights to entertainment content and are stated at cost less any necessary provision for impairment in value determined with reference to projected future income on that property.

Investments in programmes are amortised to income using a declining balance method, and the rates used for amortisation range from 10% to 30% annually.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2020

I. ACCOUNTING POLICIES (CONTINUED)

Tangible assets

Tangible assets are recognised at cost with depreciation then provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Computer and office equipment	-	20-33% per annum
Leasehold improvements	-	5 years straight-line over term of lease

Intangible assets

Intangible assets comprise capitalised trademark costs and merchandising rights which are held at cost less amortisation which is provided over their useful economic life as follows:

Merchandising rights	-	4-10% per annum
Trademark costs	-	20% per annum

Financial instruments

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument.

Debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank.

Financial liabilities and equity instruments issued by the group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

The key areas of judgement and estimation uncertainty in these financial statements are highlighted below:

Impairment of investments in programmes

Investments in programmes comprise costs incurred in the production and distribution of entertainment content. These costs are released to the Statement of Comprehensive Income on a declining balance basis using rates ranging from 10% to 30%. When it becomes probable that the investment balance will exceed future revenues, an impairment charge is recognised in the Statement of Comprehensive Income.

Impairment of intangible assets

Capitalised trademark costs and merchandising rights are reviewed periodically by management for evidence of impairment with reference to the financial performance of the related properties. These costs are released to the Statement of Comprehensive Income over their useful economic life. Where indicators of impairment are identified, an impairment review is performed and an impairment charge is recognised to the extent necessary.

Amortisation of investments in programmes and intangibles

Investments in programmes and intangibles are amortised over their estimated useful life which is subject to management's judgement and prone to fluctuate by property and through technological developments in the wider market. Where the useful life of an asset is no longer considered to be appropriate, this estimate is adjusted and applied prospectively.

Impairment of investments in subsidiaries

Investment balances are reviewed periodically by management for evidence of impairment with reference to the financial position of the Company in which the investment is held. Where indicators of impairment are identified, an impairment review is performed and an impairment charge is recognised to the extent necessary.

Valuation of debtors

Debtor balances are reviewed periodically by management for evidence of impairment with reference to the financial position of the counterparty. Where indicators of impairment are identified and it is considered probable that the debt will not be recovered in full, a provision is recognised.

DHX WORLDWIDE LIMITED
Registered No. 05786060

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2020

3. TURNOVER

All turnover is derived from the licensing of intellectual property rights and originates in the United Kingdom.

Analysis of turnover by destination:

	Year ended 30-Jun-20	Year ended 30-Jun-19 (restated)
	£	£
UK	2,260,328	4,195,394
Rest of Europe	7,944,406	9,117,878
Rest of World	18,341,552	15,464,717
	<u>28,546,286</u>	<u>28,777,989</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Year ended 30-Jun-20	Year ended 30-Jun-19
	£	£
Amortisation of investment in programmes	3,084,078	5,993,364
Amortisation of intangible assets	565,077	578,505
Depreciation	78,830	85,265
Foreign exchange(gains)/ losses	(1,389,047)	(489,179)
Auditors' remuneration		
Audit of the annual financial statements of the Company	25,000	25,000
Audit of the annual financial statements of fellow group companies	139,261	247,160

DHX WORLDWIDE LIMITED
Registered No. 05786060

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2020

5. STAFF NUMBERS AND COSTS

The Company had 10 employees in the current year (2019 – 9).

The Company paid the following in respect of staff costs:

	Year ended 30-Jun-20 £	Year ended 30-Jun-19 £
Wages and salaries	676,710	1,206,997
Social security costs	100	459
Other pension costs	38,498	75,224
	<u>715,308</u>	<u>1,282,680</u>

Directors' emoluments are borne by other group companies and are not recharged to DHX Worldwide Limited.

6. TAX ON PROFIT

a) Analysis of the tax charge

	Year ended 30 June 2020 £	Year ended 30 June 2019 £
UK corporation tax charge	1,850,449	-
Adjustment in respect of prior periods	672,821	28,343
Overseas tax charge	-	397,591
Adjustment in respect of prior periods – Overseas	(94,628)	(3,034)
Total current tax	<u>2,428,642</u>	<u>422,900</u>
Deferred tax		
Current year	(2,376)	(1,106)
Adjustment in respect of prior periods	(22,542)	(1,995)
	<u>2,453,560</u>	<u>419,799</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2020

6. TAX ON PROFIT (CONTINUED)

b) Factors affecting the tax charge for the year

The difference between the total tax expense shown above and the amount calculated by applying the standard rate of UK corporation tax of 19% (2019: 19%) to the profit before tax is as follows:

	Year ended 30 June 2020	Year ended 30 June 2019 (Restated)
	£	£
Profit before taxation	7,644,206	8,152,170
Profit before taxation multiplied by standard rate of corporation tax in UK of 19% (2019: 19%)	1,452,399	1,548,912
Effects of:		
Income not taxable for tax purposes	-	(633,585)
Adjustments to brought forward values	-	(182,083)
Expenses not deductible for tax purposes	23,750	299
Fixed asset differences	3,810	4,079
Group relief claimed	-	(341,137)
Transfer Pricing Adjustments	368,139	-
Adjustments in respect of prior periods	578,193	25,309
Adjustments for change in tax rate	22,542	(1,995)
Remeasurement of deferred tax for changes in tax rates	4,726	-
Total tax	<u>2,453,560</u>	<u>419,799</u>

7. INTANGIBLE ASSETS

	Trademark costs £	Merchandising rights £	Total £
COST			
At 1 July 2019	2,217,447	3,046,874	5,264,321
Net additions	191,805	-	191,805
At 30 June 2020	<u>2,409,252</u>	<u>3,046,874</u>	<u>5,456,126</u>
ACCUMULATED AMORTISATION			
At 1 July 2019	1,272,830	605,471	1,878,301
Charge for the year	414,052	151,025	565,077
At 30 June 2020	<u>1,686,882</u>	<u>756,496</u>	<u>2,443,378</u>
NET BOOK VALUE			
At 30 June 2020	<u>722,370</u>	<u>2,290,378</u>	<u>3,012,748</u>
At 30 June 2019	<u>944,617</u>	<u>2,441,403</u>	<u>3,386,020</u>

DHX WORLDWIDE LIMITED
Registered No. 05786060

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2020

8. TANGIBLE ASSETS

	£
COST	
At 1 July 2019	854,606
	<hr/>
At 30 June 2020	854,606
	<hr/>
ACCUMULATED DEPRECIATION	
At 1 July 2019	333,757
Charge for the year	78,830
	<hr/>
At 30 June 2020	412,587
	<hr/>
NET BOOK VALUE	
At 30 June 2020	442,019
	<hr/>
At 30 June 2019	520,849
	<hr/>

DHX WORLDWIDE LIMITED
Registered No. 05786060

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2020

9. INVESTMENTS IN PROGRAMMES

COST

At 1 July 2019	66,188,062
Net additions	4,575,558
At 30 June 2020	<u>70,763,620</u>

ACCUMULATED AMORTISATION

At 1 July 2019	41,463,801
Charge for the year	3,084,078
At 30 June 2020	<u>44,547,879</u>

NET BOOK VALUE

At 30 June 2020	<u>26,215,741</u>
At 30 June 2019	<u>24,724,261</u>

10. INVESTMENTS

**Investment in
subsidiaries
£**

COST OR VALUATION

At 1 July 2019	26,076,844
At 30 June 2020	<u>26,076,844</u>

ACCUMULATED IMPAIRMENT

At 1 July 2019	15,210,025
At 30 June 2020	<u>15,210,025</u>

NET BOOK VALUE

At 30 June 2020	<u>10,866,819</u>
At 30 June 2019	<u>10,866,819</u>

DHX WORLDWIDE LIMITED
Registered No. 05786060

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2020

10. INVESTMENTS (Continued)

The following are subsidiary undertakings of the Company:

Name	Registered Office	Class of shares	Holding	Principal activity
Cookie Jar Entertainment UK Limited	183 Eversholt Street, Ground Floor, London, England, NWI IBU	Ordinary	100%	Holding company
Cookie Jar Entertainment Holdings UK Limited	183 Eversholt Street, Ground Floor, London, England, NWI IBU	Ordinary	100%	Holding company
DHX Worldwide (U) Limited	183 Eversholt Street, Ground Floor, London, England, NWI IBU	Ordinary	100%	The acquisition and global distribution of children's entertainment properties and licensing of associated intellectual property rights.
Cookie Jar Distribution Limited	183 Eversholt Street, Ground Floor, London, England, NWI IBU	Ordinary	100%	Motion picture and video production
Copyright Promotions Group Limited	183 Eversholt Street, Ground Floor, London, England, NWI IBU	Ordinary	100%	Holding company
Stamhill Limited	183 Eversholt Street, Ground Floor, London, England, NWI IBU	Ordinary	100%	Inactive
The Copyright Promotions Licensing Group Limited	183 Eversholt Street, Ground Floor, London, England, NWI IBU	Ordinary	100%	Licensing intellectual properties on behalf of rights holders
Copyright Promotions Limited	183 Eversholt Street, Ground Floor, London, England, NWI IBU	Ordinary	100%	Dormant
Copyright Promotions Europe BV	1181 NB Amstelveen, Burgemeester Haspelslaan 49, The Netherlands	Ordinary	100%	Licensing intellectual properties on behalf of rights holders
Copyright Promotions Licensing Group GmbH	Germany	Ordinary	100%	Licensing intellectual properties on behalf of rights holders
Copyright Promotions Licensing Group Nordic AB	Nexia Revision Stockholm, Box 1024, 101 38 Stockholm, Sweden	Ordinary	100%	Licensing intellectual properties on behalf of rights holders

DHX WORLDWIDE LIMITED
Registered No. 05786060

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2020

11. DEBTORS

Amounts falling due within one year

	30-Jun-20	30-Jun-19
	£	£
Trade debtors	8,015,604	5,484,291
Prepayments and accrued income	11,991,518	15,422,256
Amounts due from group undertakings	53,875,718	43,857,320
Corporation tax	-	1,376,042
Other taxation and social security	106,779	120,361
	<u>73,989,619</u>	<u>66,260,270</u>

Amounts falling due after more than one year

Prepayments and accrued income	7,080,906	6,689,863
	<u>81,070,525</u>	<u>72,950,133</u>

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

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30-Jun-20	30-Jun-19
	£	(Restated) £
Trade creditors	(277,745)	(186,045)
Amounts due to group undertakings	(67,275,533)	(50,004,312)
Other creditors	(4,703,489)	(9,847,510)
Corporation tax	(960,778)	-
Other taxation and social security	(619,298)	(525,274)
Accruals and deferred income	(2,796,722)	(5,892,982)
	<u>(76,633,565)</u>	<u>(66,456,123)</u>

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

DHX WORLDWIDE LIMITED
Registered No. 05786060

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2020

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30-Jun-20	30-Jun-19
	£	£
Other creditors	(484,430)	(606,333)
Accruals and deferred income	(150,542)	(43,432)
	<u>(634,972)</u>	<u>(649,765)</u>

14. DEFERRED TAXATION

	30-Jun-20	30-Jun-19
	£	£
Accelerated capital allowance	43,663	41,170
Short term timing differences	(1,117)	(23,542)
	<u>42,546</u>	<u>17,628</u>

15. CALLED UP SHARE CAPITAL

Issued and fully paid	Number	£
At 30 June 2019	14,377,094	10,966,717
At 30 June 2020	<u>14,377,094</u>	<u>10,966,717</u>

16. RESERVES

Share premium account

Share premium reflects amounts received in excess of nominal value on the issue of share capital.

Retained earnings

This reserve relates to cumulative retained earnings less amounts distributed to shareholders.

DHX WORLDWIDE LIMITED
Registered No. 05786060

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 30 June 2020

17. CONTINGENCIES

The Company is party to a cross guarantee dated 30 June 2017 with Cookie Jar Distribution Limited, Cookie Jar Entertainment Holdings UK Ltd., Cookie Jar Entertainment UK Ltd., Copyright Promotions Group Limited, DHX Media Distribution Limited, DHX UK Holdings Limited, DHX Worldwide Holdings Limited, DHX Worldwide Limited, The Copyright Promotions Licensing Group Limited, Wild Brain Family International Limited, Wild Brain International Limited, WildBrain Ltd. (formerly DHX Media Ltd.), DHX Media (Toronto) Ltd., DHX Media Holdings LLC, and Epitome Pictures Inc.

Under the terms of this agreement, a fixed charge is provided over the shares of the Company. At 30 June 2020 total borrowings subject to the agreement were £nil (2019: £nil)

18. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

DHX Worldwide Holdings Limited is the immediate parent company, which is incorporated in the United Kingdom. DHX Worldwide Holdings Limited is a wholly owned subsidiary of WildBrain Ltd. (formerly DHX Media Ltd), a company incorporated in Canada.

WildBrain Ltd. (formerly DHX Media Ltd) is the ultimate parent undertaking. Copies of the consolidated financial statements of WildBrain Ltd. (formerly DHX Media Ltd) which include the results of DHX Worldwide Limited are available from 1478 Queen Street, Halifax, Nova Scotia, Canada, B3J 2H7.

There is not considered to be an ultimate controlling party of WildBrain Ltd. (formerly DHX Media Ltd).